
5 January 2021

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 **SCRUTINY COMMITTEE FOR LEADER, FINANCE AND PERFORMANCE** will be held **VIA REMOTE VIDEO LINK** on **WEDNESDAY, 13TH JANUARY, 2021 at 5.00 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 note Substitutes in Accordance with Council Procedure Rule 4 - Substitutes at Meetings of Committees etc.	
3. To receive apologies for absence.	
4. To receive Declarations of Interests from Members in respect of any matter on the Agenda.	
5. To confirm the minutes of the meeting held on 11 November 2020.	3 - 6
6. To consider any items that the Chairman agrees to take as urgent business.	
7. Draft Corporate Plan and Budget 2021-22.	7 - 64
8. Scrutiny Committee for Leader Finance and Performance Work Programme 2020-21.	65 - 66

9. Questions pursuant to Council Procedure Rule 10.2 due notice of which has been given.

To: **Members of Scrutiny Committee for Leader, Finance and Performance:** Councillors J Knight (Chair), M Pulfer (Vice-Chair), A Bennett, H Brunsdon, R Cartwright, P Coote, R Cromie, A Eves, S Hicks, R Jackson, Andrew Lea, C Phillips, L Stockwell, C Trumble and R Whittaker

**Minutes of a meeting of Scrutiny Committee for Leader, Finance
and Performance
held on Wednesday, 11th November, 2020
from 5.00 - 6.12 pm**

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

A Bennett	S Hicks	L Stockwell
R Cartwright	R Jackson	C Trumble
R Cromie	Andrew Lea	R Whittaker
A Eves	C Phillips	

Absent: Councillors H Brunsdon and P Coote

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

Also Present Councillors Ash-Edwards, J Llewellyn-Burke
as
Cabinet
Member:

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.**

None.

3 TO RECEIVE APOLOGIES FOR ABSENCE.

Apologies were received from Councillor Coote and Councillor Brunsdon.

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

In relation to any item that may cover West Sussex County Council, Councillor Andrew Lea declared that he is also a West Sussex County Councillor.

**5 TO CONFIRM THE MINUTES OF THE MEETING HELD ON THE 26TH OF
AUGUST 2020.**

The minutes of the meeting held on 26 August 2020 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 CAPITAL PROGRAMME MONITORING.

Peter Stuart, Head of Corporate Resources introduced the report noting that it provides a mid-year oversight of the timeliness of projects, alongside the financial aspects which are provided in the budget management report presented to Cabinet.

Members discussed the format of the report. It was noted that some key items are not yet listed, as they are not yet scheduled to start in the first half of the year. Also, where a decision is imminent to change the budget, the RAG status has been amended to reflect that anticipated change, as shown in the Council Chamber Refurbishment project. It was also noted that some projects were funded out of a revenue budget where it became clear that the outcome of the project should be classified as revenue rather than capital. A Member suggested that a forward-looking report for the year's total commitments may be helpful for the Committee to review.

Clarification was provided on the Burgess Hill Place and Connectivity Programme where £204,000 is the Council's total commitment, with further funding being provided from West Sussex County Council. Regarding the Burgess Hill Library, it was confirmed that after a short delay to secure a hoarding licence, the fencing is now in place and once work is complete the ground will be left as a usable surface, free from rubble. The Head of Corporate Resources also agreed to look into progressing the petanque square at Fairfield Recreation round, Burgess Hill.

Members acknowledged that a large number of projects are progressing well considering the current pandemic which is a compliment to the contractors and officers involved in keeping projects on track.

The Head of Corporate Resources agreed to provide a written response to the Committee regarding the progression of the centre for outdoor sport as a Member queried why design work could not be commissioned due to Covid19, until late 2021/22.

The Chairman took Members to the recommendation contained in the report, which was agreed.

RESOLVED

The Committee noted the content of the report.

8 DRAFT CORPORATE PLAN AND BUDGET 2021-22 CONSULTATION PROCESS.

Emma Sheridan, Business Unit Leader for Community Services, Policy and Performance introduced the report, noting that a 6 week consultation process will run from 18 December to 29 January 2021. The process follows the same format as previous years but as the Council agreed a revised Corporate Plan in September 2020, the 2021/22 Corporate Plan will build on this.

The Chairman took Members to the recommendation contained in the report, which was agreed.

RESOLVED

The Committee agreed the proposed approach.

9 PERFORMANCE MONITORING FOR THE SECOND QUARTER OF 2020-21.

Neal Barton, Policy and Performance Manager introduced the report, noting that the number of indicators at green is 84%, with 9% on amber and 7% red. He acknowledged that the current Covid pandemic has significantly impacted on the delivery of Council services in Quarter 1 and this continues into Quarter 2.

The Committee asked for additional information about the closure of the Early Intervention Project. The Business Unit Leader for Community Services, Policy and Performance explained that the Early Intervention post had been redeployed to work on youth related projects connected to community safety, which had been highlighted as a need in the Strategic Intelligence Assessment. The post is funded by the Sussex Police and Crime Commissioner.

The Wellbeing service was discussed and likelihood of hitting the revised targets for interventions, given that social distancing had meant that face-to-face sessions were not possible. It was noted that good progress had been made in switching to more telephone and virtual interventions and that reaching the revised annual target was feasible. Public Health remain happy with progress on the service recovery.

The Committee asked about the additional responsibilities of Environmental Health in dealing with the pandemic. The Head of Regulatory Services updated on the service's role in test and trace and pointed to the increase in service requests dealt with by Environmental Health shown in the report. Additional staff resources had been allocated to the service financed by specific Government grants through the County Council.

The Land Charges service was discussed and the increase in demand for searches given the extremely busy property market. The Head of Regulatory Services provided assurances that searches were being completed within 7 days and therefore were not delaying property transactions. Additional income was being received by the Council, which would be reflected in the next budget monitoring report.

The Committee asked about the prosperity of the Orchards Shopping Centre, given the figures for collection of rents and footfall. The Head of Corporate Resources updated on engagement with tenants on rent repayments. There had been some bounce back in shopping at the Orchards, with additional use of click and collect and potential interest in the letting of vacant units.

Progress with the provision of electric vehicle charging points in the District was discussed and concerns about some downtimes for the operation of the existing points. It was noted that the Council had just awarded a contract for the provision of EVCPs in the Council's car parks. The Business Leader for Community Services, Policy and Performance agreed to provide a written response on the usage of charging points at Hazelgrove Road and Chequer Mead.

Members noted that the HR figures remained positive despite the current pandemic, and were pleased to note the number of compliments received.

Discussion was held around the speed of processing revenue and benefit claims, and the percentage of rent being collected, including what deferral options may be available during the pandemic and current lockdown. The funding for temporary housing was discussed and Members also sought future updates on the metrics for car park utilisation levels, composition of litter (in terms of the amount of discarded PPE equipment) and household waste levels.

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

RESOLVED

The Committee:

(i) Noted the Council's performance and progress with Council Priority Projects in the second quarter of the year and identified areas where further reporting or information is required;

(ii) Agreed to advise the Cabinet of any issues that the Committee considers should be given particular consideration at the Cabinet meeting on 23rd November 2020.

10 SCRUTINY COMMITTEE FOR LEADER FINANCE AND PERFORMANCE WORK PROGRAMME 2020 21.

Tom Clark, Head of Regulatory Services introduced the report, noting that an update on Sustainability will also be presented to the Committee at the meeting in March 2021.

The Chairman took Members to the recommendation contained in the report and addition of the March item, which was agreed.

RESOLVED

The Committee agreed the indicative Work Programme as set out at paragraph 5 of this report, with the inclusion of an item on Sustainability for the meeting in March 2021.

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

None.

The meeting finished at 6.12 pm

Chairman

DRAFT CORPORATE PLAN AND BUDGET FOR 2021/22

REPORT OF: Head of Corporate Resources
Contact Officer: Peter Stuart
Email: peter.stuart@midsussex.gov.uk Tel: 01444 477315
Wards Affected: All
Key Decision: Yes
Report to: Scrutiny Committee for Leader, Finance and Performance
13th January 2021

Purpose of Report

1. The purpose of these papers is to set out the draft proposals for the Council's Corporate Plan and Budget for 2021/22.

Recommendations

2. The Committee is asked to consider the proposals for 2021/22 set out in the appended report and agree any comments or recommendations that it wishes to make to Cabinet on:
 - (a) **The financial outlook facing the Council given the extent of the Covid-19 pandemic;**
 - (b) **The proposed increase in Council Tax;**
 - (c) **The strategy to use General Reserve to balance the budget over the short term;**
 - (d) **The proposed Capital Programme; and**
 - (e) **The service commentaries and supporting summary budget tables for each business unit.**

Background

3. Each year the Council approves a Corporate Plan and Budget that shows how it will deliver its services and spend its financial resources in the following financial year. The draft proposals for 2021/22 are set out in the appendix to this report. **The Committee will formally consider these proposals at its meeting on 13th January 2021. Please bring these papers to that meeting.**
4. This year, as a consequence of the Covid19 pandemic, the traditional corporate planning process was supplemented with the adoption of a revised corporate plan in September 2020. Members approved the proposed approach of drawing on the general reserve in 2020/21 to ensure services were financed as the Council responded to and planned its recovery from the pandemic. The strategy was also approved for 2021/22. There was, however, an acceptance that this position was not sustainable over the longer term.

5. The corporate plan and budget papers provided with this report therefore follow the strategy of drawing on the general reserve. The Committee should note though that new financial tools are being announced and deployed by the Chancellor as we respond to the pandemic, and the position as set out within the papers is likely to have changed by the time the budget is presented to Council in March. All changes will be reported to this Committee, verbally if necessary, and then to Cabinet and Council as circumstances demand.
6. The papers presented here contain the latest information as announced within the Provisional Settlement of December 2020.

Consideration by Members

7. As Members of this Committee are aware the Council has a clear and robust process for Member scrutiny of the draft Corporate Plan and Budget. The publication of this report on 18th December 2020 marked the start of the six week consultation period. The Scrutiny Committee for Leader, Finance and Performance has until the end of that period to submit its comments on the proposals to Cabinet, which will review them when they meet on 8th February 2021.
8. The Corporate Plan and Budget for 2021/22, with any necessary revisions, will then be submitted for approval by Council at its meeting on 3rd March 2021, in the usual way. The final version will be published on the Council's website.

Structure of the Report

9. The Appendix consists of three sections. Section 1 provides an overall summary and the financial outlook facing the Council, including the Medium Term Financial Plan (MTFP) and the proposed service changes and their financial implications. Section 2 includes a brief overview for each service area and a summary budget table for each business unit. Section 3 contains the draft Capital Programme.
10. Members wishing to seek clarification about, or further information on, the proposals within the draft Corporate Plan and Budget or the wider financial outlook are encouraged to contact the relevant Head of Service and arrange an informal discussion ahead of the meeting of the Scrutiny Committee for Leader, Finance and Performance.

Financial Implications

11. The Council sets its service and financial plans and Council Tax levels each year. This report sets out the financial outlook faced by the Council in 2021/22 and summarises the four-year position in the MTFP. If supported, the range of service proposals in the appendix would enable Members to approve a balanced budget.
12. Please note, as with any set of 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 as replacements to ensure the budget is in balance.

Risk Management Implications

13. The strategic risks associated with the delivery of the proposals within this Corporate Plan will be considered in full in the usual way as part of the Council's annual strategic risk management process, which identifies key risk areas along with contingency and mitigation plans to alleviate them. These will be reported to this Committee within the usual annual cycle.

Equalities Implications

14. As in previous years the various proposals contained within this report would be subject to 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 Council on Revised Corporate Plan and Budget 2020/21 – 30 September 2020
- Report to Scrutiny Committee for Leader, Finance and Performance on the Draft Corporate Plan and Budget 2021/22 consultation process – 11 November 2020

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**DRAFT CORPORATE PLAN AND BUDGET 2021/22 –
UPDATED FOR PROVISIONAL SETTLEMENT**

SECTION 1: SUMMARY

1.0 Summary

- 1.1 This period in our history has been unprecedented. The Covid 19 pandemic has created a crisis for many organisations in both the public and private sectors and can be expected to continue to affect services and finances for many years to come. This makes planning for the future a very uncertain process indeed.
- 1.2 Despite the challenges in doing so, we must deliver a robust plan that sets out what the council is going to do over the next year, and beyond, and establish a robust financial plan on which to build our future prosperity of the district. Members will know that the Council has a robust Service and Financial planning process which has enabled it to respond effectively to the very difficult financial challenges local government has faced over a number of years. We are not going to alter our approach now – in fact it becomes ever more important to use our existing methodologies to retain stability in uncertain times.
- 1.3 In previous years we have highlighted that the Council can be considered ‘financially independent’. This means we receive no Revenue Support Grant. While this does not confer any financial reward or freedoms, it is an achievement that represents many years of careful financial stewardship and ensures the Council can deliver its strategic ambitions for the residents of Mid Sussex.
- 1.4 If there is any downside to this, it is that we must look only to ourselves to rebuild our strong financial base, whether through being actively commercial where circumstances demand, straightforward in our tax collection strategy and empathetic but efficient when offering support services.
- 1.5 In 2020 we have supported our leisure business with day to day revenue so that residents can enjoy the top-grade facilities offered, but this has cost us dearly – in total a net cost of some £3m over the year. Members will note that we continue to forecast financial support for this part of our service offer even when other service income has also suffered reductions. We can do this because our reserves are adequate as a result of past decisions.
- 1.6 This, however, cannot continue indefinitely and the Medium Term Financial Plan, outlined within these papers, sets out the need to address the gap between income and expenditure over the next four years and thereby bring the Plan back into balance. This will require the making of some difficult decisions over the course of the next year.
- 1.7 Notwithstanding the challenges ahead; this document sets out our plan for 2021/22 where recovering from the effects of the pandemic is our top priority. Work to complete delivery of the Corporate Priority Projects workstream, as outlined in [the revised Corporate Plan adopted by Council in September 2020](#), has been integrated into and referenced within the relevant Business Unit Service Plans which accompany this Plan. No new Corporate Priority Projects are proposed for the coming year at this time.
- 1.8 The rest of this document sets out what this means for the year ahead.

2.0 The Council's Corporate Priorities

- 2.1 Taking into account the impacts of the pandemic, the Council's corporate priorities and main purpose, last refreshed in 2017, continue to reflect the current challenges and opportunities facing the Council and to direct its plans for the year ahead.
- 2.2 In September 2020 the Council adopted a revised Corporate Plan, in response to the impacts of the pandemic, which consisted of a wide-ranging set of recovery plans, designed to reshape and reaffirm our offer to the community and direct necessary redesigns of our services to ensure efficient delivery in a post-Covid19 world. Primary amongst those plans is the Council's role in supporting economic recovery and growth in the District, enabling community resilience and the need to maintain financial independence.
- 2.3 The statement of main purpose and Council priorities are:

Statement of Main Purpose

- 2.4 'To be an effective Council delivering value for money services and helping to create a strong economy, environment and community.'

Council Priorities

- 2.5 The Council's Priorities are:
- Effective and responsive services
 - Sustainable economic growth
 - Strong and resilient communities
 - Financial independence

Service Plans and Performance

- 2.6 The proposals in this report are underpinned by and should be read in conjunction with, the service plans that have been produced by each Business Unit. For 2021/22 this reflects and builds upon the revisions and the recovery plans adopted by Council in September.
- 2.7 Members of the Scrutiny Committee will be familiar with the quarterly service performance statistics. Since the pandemic has affected service delivery and demand, we have adjusted our indicators by agreement with the Committee.
- 2.8 Despite challenges in some service areas, the Council's services continue to perform strongly. A strong performance culture exists throughout the Council and particularly amongst the Business Unit Leaders to ensure that when performance levels are not as expected, remedial actions are quickly put in place.

3.0 The Financial Outlook for 2021/22

- 3.1 Local government, and indeed the nation, is facing an uncertain outlook over the medium term as a result of the Covid 19 pandemic. It is almost impossible to predict the effect of the pandemic on our finances over the medium term and of course, the further ahead one looks, the less accurate such predictions can be.
- 3.2 Many of the initiatives that the Council had prepared for, such as the Fair Funding Review, have been put to one side temporarily and we must hope that some stability is now what is offered across the sector. This part of the report therefore briefly recaps on the factors that affect our financial planning, although to avoid duplication, some detail which has been set out in the previous Plan report has been omitted.

- 3.3 The Provisional Settlement was published on 17th December and contained few surprises to the core finance offer. Encouragingly, New Homes Bonus will continue for another year, and income of £450,759 that we were not expecting will come from a new, one-off 'Lower Tier Support Grant' and a £536,427 share of a £1.5bn COVID support grant. Given the scale of these grants, we have updated these papers from those originally circulated in order to give a more accurate position to Members. We can expect more financial help from the government as the pandemic continues. The effect of this additional income is to reduce the need to draw on the General Reserve for 2021/22 which will be further explained at the meeting of the Scrutiny Committee.

Income from Fees, Charges and Rents

- 3.4 The pandemic has severely affected the income generated from fee charging services and from the Council's commercial estate. Whilst for 2020/21 the 'Income Compensation Scheme' has helped mitigate this loss of income, the Spending Review of 25 November restricted that help to just the first three months of the new financial year 2021/22. Whilst this is welcome and may provide some £0.5m of income, the Council will still be well below the income levels enjoyed in previous years.
- 3.5 The effect of this is that the use of general reserve is required to balance the budget over the next two years at least.
- 3.6 Members should note that these papers do not assume any increased income from price rises for green waste, car parking, development management, building control or rents arising from the purchase of any other commercial assets.

Council Tax

- 3.7 The MSDC element of the Council Tax charged across the district is set each year by Members and it is the single largest proportion of the Council's income.
- 3.8 For 2021/22 Members have informally indicated that a modest rise of £4.95 (the maximum is £5.00 or 2%, whichever is higher) should be budgeted in order that the Council keeps up with inflation. The ability to increase beyond 2% for districts should be confirmed within the Provisional Settlement announcement.
- 3.9 This would provide an estimated additional £308k whilst increasing the tax at Band D by £4.95. Recipients of the Council Tax Reduction Scheme would not be affected by this increase due to the scheme parameters being appropriately updated.

Inflation (including salaries)

- 3.10 The Consumer Price Index measure of inflation is 0.5% for the year to September 2020 increased from 0.2% in August.
- 3.11 The inflation index is important to us, since it is used to calculate price increases on contracts and gives an indication of the general level of price increases that the Council should apply to its expenditure figures. Overall, net inflation relating to contracts and other expenditure is expected to be **£135k** in 2021/22. The details of this calculation are set out below. The principal increase is in relation to contracts £90k, other supplies and services £15k and maintenance £12k. The inflation figure assumes no blanket pay increase for staff in 2021/22, which saves circ. £90k once the lower paid increase is factored in.

Inflation Calculation for 2021/22 Budget

	Inflation %	£'000
<i>Employees</i>		
Pay		
Salaries have been forecast to be frozen for 2021/22 in accordance with the Spending Review announcement of 25th November 2020.	0.0%	0
Other employee costs		
The inflationary percentage on this category is linked to the assumed pay award for 2021/22 of 0%.	0.0%	0
<i>Buildings and Premises</i>		
Maintenance		
An estimate of the increase for 2021/22 is based on the CPI index for September 2020.	0.5%	12
Energy		
An estimate of the increase for 2021/22 is based on information provided by our Energy suppliers.	4.6%	4
NNDR		
Price increase for NNDR is usually based on CPI index for September 2020. However, the Spending Review announcement of 25th November 2020 indicated this would be frozen for 2021/22.	0.0%	0
Water		
An estimate of the increase for 2021/22 is based on information provided by our Water suppliers.	3.0%	2
<i>Transport</i>		
Travel Allowances		
The inflationary percentage on this category is based on the CPI index for September 2020	0.5%	1
<i>Supplies and Services</i>		
Postage		
An estimate of the increase for 2021/22 is based on the CPI index for September 2020	0.5%	1
Subscriptions		
An estimate of the increase for 2021/22 is based on the CPI index for September 2020	0.5%	0
Telephones		
An estimate of the increase for 2021/22 is based on the CPI index for September 2020.	0.5%	0

Insurance		
An estimate of the increase for 2021/22 is based on the weighted average of property and other insurances where property premiums correlate to property values.	5.0%	10
Grants		
An increase for Grants to organisations (e.g. CAB) has been allowed based on the CPI index for September 2020.	0.5%	1
Other Supplies and Services		
A 'basket' of items which will increase by different allowances, or remain static.	0.5%	15
<i>Third Party Payments</i>		
Contracts		
The contract terms for refuse collection, street sweeping and highway maintenance are subject to increases relating to NJC Labour rates for Local Government (60%), price adjustment formulae for construction contracts civil engineering, Index No 2 plant and road vehicles (10%), price adjustment formulae for construction contracts civil engineering, Index No 10 deriv fuel (5%) and National Statistics index RPI all items (25%).	1.9%	90
<i>Fees and Charges</i>		
Discretionary Charges		
An allowance based on the CPI index for September 2020 has not increased discretionary charges (car park fees excluded).	0.5%	0
Mandatory Charges		
No further increases have been announced.		0
Rents		
Increases of rents are currently dependent on the review of individual leases rather than annual growth. Therefore rental income streams are not inflated but are reported as corporate savings if applicable.	0.0%	0
<i>Recharges</i>		
CPE		
The amount of inflation from various types of expenditure recovered from WSCC in relation to Controlled Parking Enforcement.	0.0%	(1)
TOTAL		135

Council Tax Collection Fund Surplus/Deficit

- 3.12 At this stage, a surplus on the Mid Sussex part of the Collection Fund of £168k is forecast by the end of the year. This is the result of house building leading to more tax being billed than originally forecast last year.

Tax Base

- 3.13 The tax base for the year was set at Council on 9 December 2020. For this year we are predicting growth of 0.83% which is a reduction from the previous forecast, reflecting the temporary slowdown in the level of house building in the district as a consequence of the pandemic.

Balance Unallocated

- 3.14 This forms a contingency for the year and has been kept low for the last few years. In effect, we accurately balance the budget by appropriately varying this figure by small amounts, and for 2021/22 it needs to be set at **£20k**.

Capital Programme

- 3.15 The proposed Capital Programme is set out later in the report. It comprises a reasonable range of projects to be delivered although Members should note the move away from a single 'bidding round' and anticipate that more projects currently in the pipeline will likely come forward for approval and start in-year.

Four Year Position

- 3.16 The financial outlook for the Council over the next four years is summarised in the Medium Term Financial Plan (MTFP) below. As stated above, it is always prudent to treat such projections with caution as circumstances can change quickly and the assumptions underpinning the figures may change – particularly this year.
- 3.17 It is currently forecast that the gap / (surplus) in the Council's budget over the next 4 years is predicted to be:

Year 1 2021/22	£1,362k
Year 2 2022/23	£2,416k
Year 3 2023/24	£2,317k
Year 4 2024/25	£2,172k

And as outlined above, such deficits would need to be financed from General Reserve in the absence of any other funding being available.

	31/03/2021	31/03/2022	31/03/2023	31/03/2024	31/03/2025
General Reserve Dec 2020	£'000s 7,268	£'000s 8,020	£'000s 6,267	£'000 4,087	£'000s 2,064

NB: (including Capital Programme for 21/22 and NHB forecast)

Medium Term Financial Plan
Scrutiny Committee for Leader Finance and Performance 13th January 2021

	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
Revenue Spending					
Base Net Expenditure	13,984	13,967	13,888	13,942	14,023
Benefits	(119)	(119)	(119)	(119)	(119)
Drainage levies	-	-	-	-	-
Base Revenue Spending	13,865	13,848	13,769	13,823	13,904
Balance Unallocated	28	20	20	20	20
Council Net Expenditure	13,893	13,868	13,789	13,843	13,924
Contribution to Development Plan Reserve	436	243	300	300	300
Contribution to Waste Reserve	40	-	-	-	-
Contribution to Job Evaluation Reserve	267	392	532	594	594
On-going pressures 2019/20	-	324	324	324	324
Net pressures from Budget working papers	-	2,768	2,753	2,753	2,753
Service Redesign savings	-	(128)	(128)	(128)	(128)
Net General inflation	-	135	270	405	540
Contribution to Reserve for 21/22 Pay Award for salaries less than £24k	-	35	35	35	35
Inflation Allowance for 1% Pay award from 22/23 onwards	-	-	126	252	378
Savings from efficiency programme	-	(250)	(250)	(250)	(250)
Total Revenue Spending	14,636	17,387	17,751	18,128	18,470
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)
Lower Tier Support Grant 21/22	-	(451)	-	-	-
Covid 19 Support Grant 21/22	-	(536)	-	-	-
Council Tax Requirement @ 2.9% in 21/22	(10,519)	(10,915)	(11,380)	(11,856)	(12,343)
Dividend income LAPF	(240)	(240)	(240)	(240)	(240)
Collection Fund:					
- Council Tax deficit / (surplus)	(162)	(168)	-	-	-
-Rates Retention Scheme deficit / (surplus)	581	-	-	-	-
Contribution from Rate Retention Scheme Equalisation Reserve	(581)	-	-	-	-
Use of General Reserve to balance budget	-	(1,362)	(2,416)	(2,317)	(2,172)
Cumulative Balance deficit; / (surplus)	0	0	0	0	0
Difference year on year		0	(0)	(0)	(0)

	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
Financing Revenue Spending					
Council Taxbase	61,711.6	62,223.8	63,095	63,978	64,874
Change in Taxbase	1.65%	0.83%	1.40%	1.40%	1.40%
Revenue Budget	14,636	17,387	17,751	18,128	18,470
% change in Formula Grant /External Funding	-100.0%				
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)
Lower Tier Support Grant 21/22	-	(451)	-	-	-
Covid 19 Support Grant 21/22	-	(536)	-	-	-
Council Tax Requirement	(10,519)	(10,915)	(11,380)	(11,856)	(12,343)
Dividend income LAPF	(240)	(240)	(240)	(240)	(240)
Collection Fund:					
- Council Tax deficit / (surplus)	(162)	(168)	-	-	-
-Rates Retention Scheme deficit / (surplus)	581	-	-	-	-
Contribution from Rate Retention Scheme Equalisation Reserve	(581)	-	-	-	-
Use of General Reserve to balance budget	-	(1,362)	(2,416)	(2,317)	(2,172)
Total Financing	(14,636)	(17,387)	(17,751)	(18,128)	(18,470)
<i>Balance [(deficit); /surplus]</i>	0	(0)	(0)	(0)	(0)
	(14,636)	(17,387)	(17,751)	(18,128)	(18,470)
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%

Notes on Medium Term Financial Plan

Year 1 (2021/22): This is the year for which the budget is being proposed. It is balanced with a total spending requirement of £17.387m financed from a combination of Rates Retention scheme, Council Tax, Dividend income, other grants and use of General Reserve. Inflation is assumed to make up £135k of that expenditure and Council Tax is set to rise by 2.9%.

Year 2 (2022/23): In this year shows a further 2.8% increase in Council Tax. Inflationary pressures add a further £261k to expenditure which includes a 1% average pay rise on payroll. The net result is a forecast deficit of £2,416k which will be funded from General Reserve.

Year 3 (2023/24): Once again, inflationary pressures are projected to add a further £261k to expenditure with Council Tax projected to rise by 2.75%. The net result is a forecast deficit of some £2,317k, to be funded from General Reserve.

Year 4 (2024/25): This is obviously the more difficult year to forecast given that it starts in some 42 months' time and is beyond the scope of the current spending review timeframe. It is expected that changes will have taken place by this time so any projections must be treated with caution. Given what we know at this time, council tax is shown as rising by 2.65% and assumed inflationary pressures of some £261k would result in a deficit of £2,172k, which again would be funded from General Reserve.

Rates Retention Scheme (RRS) funding

- 3.18 In Mid Sussex there has been some moderate growth in our Business Rate taxbase since the scheme started. We can therefore forecast income of £3.4m in 2021/22 whilst keeping our RRS reserve to cover income shortfalls where these arise.
- 3.19 The Spending Review stated that a review of Business Rates was to report in the new year. Depending upon the findings and recommendations, it is possible that our funding may be adversely affected in future years.

Revenue Support Grant (RSG)

- 3.20 Mid Sussex no longer receives RSG

Lower Tier Support Grant

Lower Tier Services Grant is a new grant for 2021 to 2022, provided specifically to lower tier authorities (like Mid Sussex) with a one-off minimum funding floor.

Covid 19 Support Grant

This one-off grant is simply to support local government through the pandemic and make up for lost income not covered by other schemes.

Contribution to Reserves

- 3.21 Transfers to reserves take place in the following areas:

Development Plan Reserve

- 3.22 To keep the District Plan updated the Council will need to start a review ready for adoption in 2023. It is proposed that the Reserve is topped up next year with £243k.

Job Evaluation reserve

- 3.23 This is a long-running project which aims to introduce a simple and straightforward scheme to evaluate job roles and thereby, reward. Inevitably there will be both increases and decreases in remuneration when introduced; this reserve will act to dampen the pressure in any one year, whilst providing finance for establishment changes that arise. Given that the scheme has yet to be implemented, the funding is being placed into a reserve so that the financial commitment can be met when appropriate.

4.0 Service specific changes for 2021/22 and beyond

- 4.1 Each year, budget holders match their service levels and aspirations with the level of resources available. This gives rise to year to year increases and decreases in individual budgets, particularly where project work requires fluctuating staff and financial resources.
- 4.2 For 2021/22 a draft budget has been assembled that maintains services at acceptable, (as measured by Performance Indicator) levels whilst accommodating reduced levels of income that have resulted from the pandemic. This has necessitated the use of the General Reserve at least for the next two years, with the challenge being to try to rebalance income and expenditure over the medium term.
- 4.3 Budget holders have brought forward a number of changes that can be described as:
- in-year savings from 2020/21 carried forward into 2021/22;
 - increased service expenditure where demand for services has increased by way of economic or demographic growth.
 - Some income increases where inflation has been erosive or where cost recovery has been inadequate, and,
 - Some income decreases where demand has been affected by the pandemic.
- 4.4 The budget is now balanced as set out in the following paragraphs which contain some of the more significant changes.

Pressures arising from Service Planning

Pressures Arising from Service Planning	2021/22 £'000	Comments
Development Control - Planning Fee Income	285	Estimated loss of Planning Application and Planning Advice Income by 20% of budget due to the ongoing economic uncertainty as a result of the Covid pandemic and the associated impact on Planning Fee income.
Finance Business Unit Salaries	16	Changes in hours and staff have resulted in a pressure of £16k. Partly offset by saving of £7k on Consultants.
Financial Services - Revenues & Benefits Consultants costs	18	Ongoing cost of annual Single person Discount Review (£12k) - previously met from new burdens reserves; Additional rateable value finder and appeal costs (6k).
Environmental Health - Housing Standards Licence Fee Income	14	Lack of HMO activity and less take up than originally budgeted due to increased regulation.
Housing - Temporary Accommodation costs	200	Increased demand for Temporary Accommodation as a result of the Covid pandemic and increasing homelessness
Housing - Temporary Accommodation Placement costs	20	Temporary Accommodation Placement costs payable to Housing Trust - no longer funded from Flexible Homelessness grant.
Leisure Contract Management Fee income	1,444	Assumed ongoing loss of Leisure Contract Management Fee income resulting from the ongoing effect of the Covid Pandemic.
Non Domestic Rates	11	Part of overall NNDR increase of £96K due to revaluations.
Playground Cleaning - Part year effect 2021/22	48	Increased cost of cleaning until September 2021 due to the Covid Pandemic
Car Parks Pay and Display Income	583	30% loss of budget forecast for 2021/2022 based on current year projections and in the absence of any certainty with regard to the Pandemic and government response. Manifest as less foot fall for town centres by workers and shoppers and this is likely to continue.
Car parks season ticket income	87	At the end of August, a 45% decrease in income has been noted for the year to date primarily due to clients not renewing. This is likely to continue.
Car Parks business rates	87	Revaluation of car parks (Part of overall NNDR change £96K).
Human Resources and Payroll Consultants - core system contract	15	Use of consultants for additional contractual work. Offset by saving of £23k on the XCD contract.
Payroll contract	34	Offset by saving on Payroll Manager post
The Orchards Retail - rental income	106	Reduction in rent due to lease renewals, rent reviews and change to turnover rent
The Orchards Retail - service charge	41	Increase in vacant units and some tenants having service charge caps
The Orchards Residential - service charge	51	Offset by savings of (£51k) for rent and legal costs
Miscellaneous properties - rental income	10	
Drainage - flood alarm maintenance and Consultants	35	Increased flood alarm maintenance cost (£5k) and increased cost of drainage consultants (£30k)
Corporate Estates & Facilities Planned repairs	47	Increase in the planned repairs budget as detailed in the stock condition survey.
Corporate Estates & Facilities Asbestos surveys	25	To introduce a budget for asbestos surveys
Total Pressures arising from Service Planning	3,177	

Pressures arising from Service Review

Pressures Arising from Service Review	2021/22 £'000	Comments
Car Parks Financial Transaction processing	11	Increased cost of transactions for car parking due to more uptake of card payment method.
Total Pressures arising from Service Review	11	

Savings arising from Service Planning

Savings Arising from Service Planning	2021/22 £'000	Comments
Housing -Contribution to Immigration Issues	(10)	The budget was originally for Syrian Refugee relocation funding, but the role is no longer continuing and our funding commitment ended at end March 2020.
Reserves review - supported housing*	(50)	Cost to be financed from Flexible Homelessness Grant Reserves for one year only.
Bulky Household waste Income	(11)	Increase in income resulting from increased demand and streamlined charging structure.
Additional Garden Waste Income to 23,000 customers	(30)	Following a capital bid for an additional 1500 bins. Growth spread over 2 years.
Human Resources and Payroll XCD contract	(23)	
Payroll Manager post	(49)	Post deleted
The Orchards Retail - rent concessions/miscellaneous	(11)	
The Orchards Residential - rental income	(31)	
The Orchards Residential - legal costs	(20)	Reduction in budget based on spend in previous years
Miscellaneous properties - rental income	(30)	A mix of minor rent increases.
Drainage reactive repairs	(12)	Reduction in budget partly offset by pressure of £5k for flood alarm maintenance
Major Capital Renewals	(72)	Reduction in the budgeted contribution to fund MCR
Drainage - salaries	(56)	Deletion of the Senior Drainage Engineer post
Other	(15)	
Total savings arising from Service Planning	(420)	

Savings arising from Service Review

Savings Arising from Service Review (Service Design)	2021/22 £'000	Comments
Development Management Staffing	(30)	Deletion of Trainee Planning post - Discontinue Duty Officer System. Further post saving in Planning Support as a result of discontinuing this activity.
Development Management Staffing	(24)	Deletion of Conservation Officer post - Discontinue Conservation Area Character Appraisal work.
Building Control Staff	(31)	Deletion of vacant Trainee Building Control Officer post.
Deletion of Land Charges staff post	(21)	Task & Finish Group work - discontinue Duty Officer system.
Democratic Services Business Unit Canvass Staff	(3)	Task & Finish Group work.
Democratic Services Canvass Postage	(19)	Task & Finish Group work.
Total savings arising from Service Review	(128)	

The next stage is to combine the corporate changes to the MTFP and service changes described earlier in the report (and reconciled below) to show the revised level of spending for next and future years:

Corporate changes since Council 30th September 2020	2021/22 £'000 savings	2021/22 £'000 pressures	2021/22 £'000 Net change	Comments
Inflation	(434)		(434)	Revised calculation using Sept 2020 indices and a 0% pay award
Contribution to Pay Reserve		35	35	Allowance for 21/22 Pay Award for staff MS4 and below pay increase of a minimum £250
Ongoing net pressures 19/20		324	324	These were reported in Budget Management Reports to Cabinet 6 July 2020 and 14 September 2020
Contribution to Development Plan Reserve	(57)		(57)	Reduced costs to be financed from Development Plan reserve for one year only
Removal of increased cost of Leisure	(2,000)		(2,000)	Included in net pressures from budget working papers
Lifecycle costing Asset management	(121)		(121)	Change to Lifecycle costing -Asset management payment to reserves to fund capital
Additional Pay award pressure		89	89	Ongoing 0.75% additional Pay award 20/21 pressure
Lower Tier Support Grant 21/22 only	(451)		(451)	New one-off grant funding announced in LG Provisional Settlement 17/12/2020
Covid 19 Support Grant 21/22 only	(536)		(536)	New one-off grant funding announced in LG Provisional Settlement 17/12/2020
Council tax Collection Fund Surplus	(168)		(168)	
Reduction of Council taxbase increase 21/22 (revised from 1% to 0.83%)		18	18	
Salary increments		5	5	
Total Other Corporate Changes	(3,767)	471	(3,296)	

5.0 Conclusion

- 5.1 The effect of the changes described above is to achieve a balanced budget position for 2021/22 by use of the General Reserve. This is summarised in the table below and overleaf.

Medium Term Financial Plan Changes since Council 30th September 2020

<i>Revenue Spending</i>	<u>Year 1</u> 2021/22 £'000	<u>Year 2</u> 2022/23 £'000	<u>Year 3</u> 2023/24 £'000	<u>Year 4</u> 2024/25 £'000
Deficit position Council 30th September 2020	2,018	1,936	2,106	218
Total Pressures arising from Service Planning Table	3,177	3,129 ▼	3,129 ▼	3,129 ▼
Total Pressures arising from Service Review Table	11	11	11	11
Total Savings arising from Service Planning Table	(420)	(387) ▼	(387) ▼	(387) ▼
Total Savings arising from Service Review Table	(128)	(128)	(128)	(128)
Total Other Corporate Changes Table	(3,296)	(2,145)	(2,414)	(671)
Deficit position Scrutiny Committee for Leader, Finance and Performance 13th January 2021	1,362	2,416	2,317	2,172

- 5.2 A summary of the draft Budget for 2021/22 is shown below which is the total of all net revenue expenditure for the services the Council provides.

Summary of Revenue Spending 2021/22		
<i>Description</i>	<i>Original Estimate 2021/22 £'000</i>	<i>Notes</i>
Base net expenditure 2021/22	13,967	1
Net Benefits	(119)	
Balance unallocated	20	2
Contribution to Development Plan Reserve	243	
Contribution to Job Evaluation Reserve	392	
Net 2019/20 ongoing savings	324	
Net Pressures from Budget working papers	2,768	3
Service Redesign savings	(128)	3
Net general inflation	135	4
Contribution to Reserve for 21/22 Pay Award for salaries less than £24k	35	
Savings from efficiency programme	(250)	
	<hr/>	
Budget Requirement	17,387	
<i>Financed by :</i>		
Rates Retention Scheme (RRS) Funding	(3,400)	
HB Admin Grant /Localised CT Support Grant	(315)	
Lower Tier Support Grant 21/22	(451)	
Covid 19 Support Grant 21/22	(536)	
Income from Council Tax	(10,915)	
Dividend Income LAPF	(240)	
Collection Fund:		
Council Tax Deficit / (Surplus)	(168)	
RRS Deficit / (Surplus)	0	
Use of General Reserve to Balance Budget	(1,362)	
	<hr/>	
	(17,387)	

Notes:

1. Base net budgets for all services as shown in the tables set out in Section 2 of this report total £14,290k which is inclusive of the on-going pressures from 19/20 of £324k. This total has reduced as a result of the removal of this item as it is shown separately in the table above. It has also been increased to include drainage levies of £1k, which is the starting point for the MTFP Base Net Expenditure of £13.967k.
2. The contingency provision for unexpected costs totalling £20k.
3. Detail included in pressures /savings tables set out in this report.
4. Detailed in the inflation table set out in this report.

SECTION 2: SERVICE PLANS AND SUMMARY BUDGET TABLES

1. Budgets for 2021/22 for each Business Unit are shown on the following pages. There is a section for each containing:
 - a) An introduction by the Head of Service including a brief synopsis of projects and principal workstreams to be undertaken by each Unit. Multi-disciplinary projects appear under the lead Business Unit;
 - b) Tables showing the variation for each Business Unit between 2020/21 and 2021/22 budgets.
2. To assist Members, a guidance note is set out below explaining how the Summary Budget Tables work.
3. The tables below should be read in conjunction with the relevant Service Plans for each Business Unit. The tables below should be read in conjunction with the relevant Service Plans for each Business Unit which can be found at <http://thewire.midsussex.gov.uk/working-at-msdc/corporate-plan-and-service-plans> from the afternoon of Monday 21st December 2020.

Guidance Note Explaining the Summary Budget Tables

4. The Summary Budget tables **exclude** the following:
 - a) **Inflation** - This is added to individual Business Unit areas after the Scrutiny Committee for Leader, Finance and Performance have considered this report in January 2021, as the Budget estimates are fixed at this point.
 - b) **Recharges** - This allows Members to see the true cost of the recharged service. Recharges are the cost of Support Services which are added to a Service to show the full cost of each service. However, if Recharges were included in Services in this report, the tables showing the Support Service costs would be zero, rather than showing their true cost.
5. **Forecast 2020/21** - This is the Forecast Outturn for 2020/21, which includes all pressures and savings highlighted in the 2020/21 Budget Management process to Cabinet 23 November 2020, as well as in-year virements approved under delegated authority. Whilst the forecast can be used to compare with the Original Estimate for 2021/22, only on-going pressures / savings can be included as changes to the Budget each year. These on-going changes impact on the Budget estimate for 2021/22.
6. **Base Net Budget (Original Estimate 2021/22)** - This is the Budget set at the start of 2020/21 (with Recharges removed) before allowing for any on-going changes highlighted in the 2020/21 Budget Management process, and any Budget changes highlighted in the Budget working papers (e.g. Council/ Cabinet decisions; salary adjustments; Budget pressures, Budget savings).
7. **Budget Changes (Variations 2021/22)** - These are the changes highlighted in the Budget working papers. These include forecast changes to the 2020/21 Base Budget such as salary adjustments which includes salary increments and pension increases (if applicable). Salary adjustments also include any approved establishment changes (e.g. restructures) as well as revisions to staff time allocations between Business Units. Other forecast changes are increases / decreases to the 2020/21 Base Budget arising from Council/ Cabinet decisions, and on-going savings/ pressures highlighted in the 2020/21 Budget Management process. These changes are added to the 2020/21 Base Budget to produce the 2021/22 Base Net Expenditure total.

8. **Base Net Expenditure** - This is the 2020/21 Budget (with Recharges removed) after allowing for on-going variations highlighted in the 2020/21 Budget Management process, and Budget changes highlighted in the Budget working papers (e.g. Council/ Cabinet decisions; salary adjustments).
9. **Total Recommended budget for Business Unit for 2021/22** – This is the 2021/22 Budget (without inflation and Recharges) after the inclusion of changes in the Budget as outlined above, and Budget pressures or Budget savings emerging from the Budget working papers.

Assistant Chief Executive

Business Units: Housing
Planning Policy & Economic Development
Development Management
Commercial Services and Contracts

Housing

As a result of the Covid 19 pandemic this year has been an exceptionally challenging year for the housing services.

In response to the pandemic the Government extended the Council's statutory housing responsibilities to include accommodating people sleeping rough. The demand for housing assistance from residents has been high and despite successfully acquiring 20 properties to use as temporary housing in the District to date. The numbers of households in bed and breakfast have been at record numbers during the year.

Despite the challenges faced in 2020/21, the Council is anticipating the delivery of 175 new affordable homes. In 2021/22 the Council is committed to acquiring a further 10 units of temporary accommodation for vulnerable single people who remain the largest group of people in temporary accommodation.

Housing Draft Budget 2021/22			
<i>Description</i>	<i>Forecast 2020/21 £'000</i>	<i>Variations £'000</i>	<i>Original Estimate 2021/22 £'000</i>
Base Net Budget			
Housing Needs	1,044	(35)	1,079
Housing Enabling	124		124
Other Council Property	5		5
Temporary Accommodation Asset Management	101		101
Housing Staff Control	5	5	0
Base Net Budget	1,279		1,309
Budget Changes			
Salary adjustments		7	
Supported Housing		25	32
Base Net Expenditure			1,341
Pressure – Temporary Accommodation		200	
Pressure – Temporary Accommodation Placement costs		20	
Saving – Reserves review – Supported Housing		(50)	
Saving – Contribution to Immigration issues		(10)	160
Total recommended budget for Business Unit for 2021/22			1,501

Development Management, Planning Policy & Economic Development

This service has played an important role in supporting the local economy during the pandemic by providing direct support to businesses through the Covid19 Recovery Grants, leading work to reopening the District's high streets safely, promoting local retail or through indirect support by signposting to other business support opportunities, ensuring the building industry continues to work safely.

Through changes to the way officers work, the Development Management Service continues to perform to a high standard. Work continues to deliver the allocations in the Council's District Plan. The first phases of the housing at the Northern Arc is underway and permissions are in place for key elements of the highways infrastructure. The Clayton Mills strategic allocation was granted planning permission and work continues with the developer over the Reserved Matters application.

Excellent progress has been made in preparing the Site Allocations DPD for submission to the Independent Planning Inspector by the end of 2020/21 with Examination anticipated early in 2021/22. Alongside this in 2021/22 the Council will review the Council's District Plan.

A district wide Design Guide has been adopted as a Supplementary Planning Document and the draft Haywards Heath Masterplan also a Supplementary Planning Document is planned for adoption in 2021. The Council continues to support Parishes in the development of Neighbourhood Plans and good progress has been made on the Copthorne and Horsted Keynes Neighbourhood Plans.

Work across the Burgess Hill Growth programme has continued despite the challenges presented by the pandemic. In 2021/22 the work on the £10.5m odour mitigations at the Goddards Green Waste Water Treatment Works and the full fibre installation and fibre exchange will be completed. Excellent progress continues to be made on delivering the sustainable transport improvements in Burgess Hill and this programme will be accelerated in 2021/22.

Development Management Draft Budget 2021/22

<i>Description</i>	<i>Forecast 2020/21 £'000</i>	<i>Variations £'000</i>	<i>Original Estimate 2021/22 £'000</i>
Base Net Budget			
Development Management	476	318	158
Development Management Staff	(86)	(86)	0
	<hr/>		<hr/>
Base Net Budget	390		158
Budget Changes			
Salary adjustments		(7)	(7)
			<hr/>
Base Net Expenditure			151
Pressure – Planning Fee Income		285	
Service redesign saving – Deletion of Trainee Planning Officer post		(30)	
Service redesign saving – Deletion of Conservation Officer post		(24)	231
			<hr/>
Total recommended budget for Business Unit for 2021/22			382
			<hr/> <hr/>

Planning Policy and Economic Development Draft Budget 2021/22

<i>Description</i>	<i>Forecast 2020/21 £'000</i>	<i>Variations £'000</i>	<i>Original Estimate 2021/22 £'000</i>
Base Net Budget			
Planning Policy	376		376
Economic Development	416	(35)	451
Planning Policy Staff Control	(50)	(50)	0
	<hr/>		<hr/>
Base Net Budget	742		827
Budget Changes			
Salary adjustments		43	43
			<hr/>
Base Net Expenditure			870
			<hr/>
Total recommended budget for Business Unit for 2021/22			870
			<hr/> <hr/>

Commercial Services and Contracts

Despite the challenges of 2020/21 the Council has made excellent progress in delivering the Parks Improvement Programme. Four parks have been fully master planned, two play areas refurbished with a further four designed ready for implementation in the spring/ summer of 2021.

Whilst the planned Food Waste collection trial had to be postponed, progress has been made in other areas of the service including the introduction of kerbside collections of small waste electrical equipment and the continued growth of the garden waste service. In 2021/22 a redesigned waste and recycling service will be introduced incorporating district wide food waste collection. The Council will also re-procure the grounds' maintenance and arboriculture services during 2021/22.

The national lockdowns and social distancing restrictions have been incredibly challenging for the leisure sector. This has had a substantial impact on the viability of leisure centres and required the Council to significantly subsidise the service. Work with Places Leisure will continue over the coming year, subject to Government guidance, to implement a phased re-introduction of activities across the leisure centres to optimise usage and minimise the ongoing burden on the taxpayer.

Significant impacts of the pandemic have also been felt in relation to car parking income where a 50% reduction is anticipated during 2020/21. The Council's Parking Strategy and Action Plan, having been reviewed to take account of the pandemic, was adopted by the Council in December 2020. Implementation of the action plan, including a review of the management regimes and tariffs across the district's off-street carparks, will begin in 2021.

Parking Services Draft Budget 2021/22			
<i>Description</i>	<i>Forecast 2020/21 £'000</i>	<i>Variations £'000</i>	<i>Original Estimate 2021/22 £'000</i>
Base Net Budget			
Car Parks	(493)	923	(1416)
Parking Enforcement	35	35	0
	<hr/>		<hr/>
Base Net Budget	(458)		(1,416)
Budget Changes			
Salary adjustments		(1)	
Ongoing saving from 2019/20 – Car parks snow clearance		(7)	(8)
			<hr/>
Base Net Expenditure			(1,424)
Pressure – Pay and Display income		583	
Pressure – Season Ticket income		87	
Pressure - NNDR		87	
Pressure – Financial Transaction processing		11	768
			<hr/>
Total recommended budget for Business Unit for 2021/22			(656)
			<hr/>

Cleansing Services Draft Budget 2021/22			
<i>Description</i>	<i>Forecast 2020/21 £'000</i>	<i>Variations £'000</i>	<i>Original Estimate 2021/22 £'000</i>
Base Net Budget			
Refuse Collection	2,341	154	2,187
Recycling	121		121
Highway Cleansing	1,356	(5)	1,361
Highway Maintenance	48		48
Cleansing Staff Control	(22)	(22)	0
	<hr/>		<hr/>
Base Net Budget	3,844		3,717
Budget Changes			
Salary adjustments		8	
Waste contract variation – Growth in properties		31	
Garden Waste income		(38)	
Ongoing additional income 2019/20 – Dog Bin emptying		(5)	(4)
			<hr/>
Base Net Expenditure			3,713
Saving – Bulky Household Collection income		(11)	
Saving – Dog Bin repairs		(2)	
Saving – Garden Waste income		(30)	(43)
			<hr/>
Total recommended budget for Business Unit for 2021/22			<u>3,670</u>

Landscapes & Leisure Draft Budget 2021/22			
<i>Description</i>	<i>Forecast 2020/21 £'000</i>	<i>Variations £'000</i>	<i>Original Estimate 2021/22 £'000</i>
Base Net Budget			
Outdoor Facilities	2,179	166	2,013
Trust Fund Accounts	0		0
Facilities Management Staff Control	(43)	(43)	0
Landscapes Staff Control	0		0
Leisure Centres	2,814	4,007	(1,193)
Base Net Budget	<u>4,950</u>		<u>820</u>
Budget Changes			
Salary adjustments		(25)	
Ongoing pressure 2019/20 – Outdoor Facilities Utilities		16	
Ongoing saving 2019/20 – Grounds Maintenance		(12)	
Ongoing saving 2019/20 – Illegal Encampments damage		(4)	
Commercial Services and Contract income		(16)	(41)
Base Net Expenditure			<u>779</u>
Pressure – Leisure Contract Management Fee income		1,444	
Pressure – NNDR		11	
Pressure – Playground cleansing		48	1,503
Total recommended budget for Business Unit for 2021/22			<u><u>2,282</u></u>

Head of Corporate Resources

Business Units: Revenues and Benefits
 Finance
 Community Services, Policy & Performance
 Corporate Estates and Facilities

Revenues and Benefits

During the pandemic the business unit has been kept very busy administering the many and various grants to affected businesses and organisations, and the large scale retail reliefs. Recovery action on both council tax and non-domestic bills was suspended and has only recently been partially reinstated.

For 2021/22 then, there is likely to be an element of catching up to do, alongside the business as usual work and anything in addition that is asked by the government in response to the ongoing crisis.

Revenues & Benefits Draft Budget 2021/22			
<i>Description</i>	<i>Forecast 2020/21 £'000</i>	<i>Variations £'000</i>	<i>Original Estimate 2021/22 £'000</i>
Base Net Budget			
Benefits Administration	849	(29)	878
Revenue Collection	832	95	737
	1,681		1,615
Budget Changes			
Salary adjustments		15	
Ongoing pressure 2019/20 – Bank charges		21	36
			1,651
Base Net Expenditure			
Pressure – Consultants costs – Single Person Discount review		12	
Pressure – Consultants costs – Rateable Value Finder and appeal		6	18
			1,669
Total recommended budget for Business Unit for 2021/22			1,669

Finance

The main project for 2021-22 will be the procurement and implementation of a new cash receipting

and income management system linked to the new Financial Management System; enabling a range of income to be accepted, including increased online payments. With the end of the shared Internal Audit service with Crawley BC, an alternative provider will also need to be procured.

Finance Accountancy Draft Budget 2021/22

<i>Description</i>	<i>Forecast 2020/21 £'000</i>	<i>Variations £'000</i>	<i>Estimate 2021/22 £'000</i>
Base Net Budget			
Accountancy Support	693	2	691
Base Net Budget	<u>693</u>		<u>691</u>
Budget Changes			
Salary adjustments		6	
Read only access to Civica (one year only)		(25)	(19)
Base Net Expenditure			<u>672</u>
Pressure – Salaries		16	
Saving – Consultants		(7)	9
Total recommended budget for Business Unit for 2021/22			<u>681</u>

Finance Corporate Draft Budget 2021/22

<i>Description</i>	<i>Forecast 2020/21 £'000</i>	<i>Variations £'000</i>	<i>Original Estimate 2021/22 £'000</i>
Base Net Budget			
Other Corporate & Democratic Core	161	12	149
Non-Distributed Costs	948		948
Insurance	0		0
Finance Control Support	63		63
Base Net Budget	<u>1,172</u>		<u>1,160</u>
Budget Changes			
Pension valuation		(88)	
Ongoing pressure 2019/20 – Bank charges		12	(76)
Base Net Expenditure			<u>1,084</u>
Total recommended budget for Business Unit for 2021/22			<u>1,084</u>

Community Services, Policy and Performance

Response to the pandemic will continue and build upon the work undertaken in partnership with West Sussex County Council and other public, community and voluntary sector partners to

maintain the Community Hub, support NHS vaccination centres and contribute to the work of the Sussex Resilience Forum. Alongside new Covid19 driven workstreams, the business unit will continue to deliver its traditional services albeit often via a range of new platforms and channels.

The Wellbeing service will continue to provide its new virtual offer, supporting the wellbeing of residents and those employed across the district, to complement face to face services when they are able to resume safely.

Work will continue through the Mid Sussex Partnership to provide strategic leadership, bringing agencies together, to address the issues that face our communities and to maintain and build upon the resilience that has been so keenly demonstrated over the past year. This will be supported by a refreshed community grants programme and new Service Level Agreements with our community and voluntary sector providers which reflect the changing needs of our communities in a post Covid19 world and helps our vibrant third sector to rebuild and adapt.

The provision of community services will continue to be supported with the delivery of high-quality community assets where they are needed most, with new development led community buildings opening and the implementation of improvements at community sports venues. We will continue to work closely with Sussex Police to ensure the safety of our communities.

The Councils commitment to sustainability will be encompassed in the development of a new Sustainable Economic Strategy which will set our direction towards a green recovery and will bring together the crucial workstreams of sustainability and economic development.

Community Services, Policy and Performance Draft Budget 2021/22			
<i>Description</i>	<i>Forecast 2020/21 £'000</i>	<i>Variations £'000</i>	<i>Original Estimate 2021/22 £'000</i>
Base Net Budget			
Grants to Organisations	283		283
Concessionary Fares	0		0
Sustainability Climate Change	85		85
Community Services	353		353
Partnership Funding	123		123
Community Leisure and Development	126		126
Corporate Improvement	94	(17)	111
Base Net Budget	1,064		1,081
Budget Changes			
Salary adjustments		(22)	(22)
Base Net Expenditure			1,059
Saving – HHTC contributing to CCTV costs		(4)	(4)
Total recommended budget for Business Unit for 2021/22			1,055

Corporate Estates and Facilities

The Business Unit continues to be very busy with a range of business as usual activities, such as lease renewals taking place as well as a host of more minor projects to lead and take part in, such as window and heating replacement.

Among the more major projects are those to masterplan the Orchards Shopping Centre in Haywards Heath with a view to a partial redevelopment to update the older parts, increase average lease length and increase footfall. Consultants are working up costed proposals in conjunction with key tenants.

Burgess Hill Station, where working with Network Rail and using 'One Public Estate' funding, it is hoped to show that the area can be regenerated to provide a new station amongst a mixed-use scheme also providing some housing and commercial space.

The Business Unit also needs to develop its core business software in Technology Forge to ensure that it becomes the single point of access for all asset and business unit-related storage.

Corporate Estates and Facilities Draft Budget 2021/22

<i>Description</i>	<i>Forecast 2020/21 £'000</i>	<i>Variations £'000</i>	<i>Original Estimate 2021/22 £'000</i>
Base Net Budget			
Contracts	7		7
Oaklands	717	(18)	735
Property Operational	(169)	(39)	(130)
Building Maintenance Staff Control	0		0
Investment Property	(2,793)	405	(3,198)
Property Staff Control	7	7	0
District Drainage	221	(53)	274
Better Mid Sussex	(9)		(9)
Public Conveniences	147		147
Base Net Budget	(1,872)		(2,174)
Budget Changes			
Salary adjustments		74	
Lifecycle costing– payment to reserves to fund capital		108	
Lifecycle costing - repairs		(119)	
Ongoing pressure 2019/20 – Market Place Car Park supplementary rent		200	
Repairs and Renewals – Condition survey		66	
Drainage repairs - MCR		(125)	204
Base Net Expenditure			(1,970)
Pressure – Orchards Retail – Rental income		106	
Pressure – Orchards Retail – Service charge		41	
Pressure – Orchards Residential – Service Charge		51	
Pressure – Miscellaneous Properties – Rental income		10	
Pressure – Drainage – Flood alarm maintenance		5	
Pressure – Drainage consultants		30	
Pressure – Planned repairs		47	
Pressure – Asbestos survey		25	
Saving – Orchards Retail – rent concessions/miscellaneous		(11)	
Saving – Orchards Residential – Rental income		(31)	
Saving – Orchards Residential – Legal costs		(20)	
Saving – Miscellaneous Properties – Rental income		(30)	
Saving – Drainage reactive repairs		(12)	
Saving – Drainage salaries		(56)	
Saving – Major Capital Renewals		(72)	
Saving – NNDR		(2)	81
Total recommended budget for Business Unit for 2021/22			(1,889)

Head of Digital and Customer Services

**Business Units: Customer Services and Communications
Digital and Technology Services
Human Resources & Payroll**

Customer Services and Communications

The Council's Customer Services team responds to over 11,000 customer enquiries by phone, in person and on social media every month. COVID-19 has highlighted the importance of the service in keeping everyone informed and safe. The Customer Services teams will continue to support and provide the first point of contact for the majority of the Council customers.

Building on the learning from the pandemic and with investment in our operational systems, the service will continue to improve opportunities for our residents to engage with the Council through digital channels whilst maintaining face to face support where it is needed. The improved Customer Relationship Management (CRM) system will provide an evidence base upon which to propose further improvements.

The Communications team will continue to ensure that the Council reaches out to our residents with our latest news and key messages. We will continue supporting the Council's grants programmes ensuring as many businesses and organisations as possible in our community are aware of the grants available and the applications processes. As has been the case during the past year, they will continue to work closely with colleagues in public health and other stakeholders to ensure that messaging relating to the pandemic is timely and targeted to ensure the safety of our district.

Customer Services and Communications Draft Budget 2021/22			
<i>Description</i>	<i>Forecast 2020/21 £'000</i>	<i>Variations £'000</i>	<i>Original Estimate 2021/22 £'000</i>
Base Net Budget			
Customer Service & Communications	535	6	529
Base Net Budget	535		529
Budget Changes			
Salary adjustments		4	
Marketing, training and costs ahead of moving towards		(12)	(8)
Base Net Expenditure			521
Total recommended budget for Business Unit for 2021/22			521

Digital and Technology

Digital and Technology's remit is to sustainably and effectively provide technology and technical solutions to the Council's business units. This is to enable efficient and effective service provision.

Digital and Technology delivered an enormous effort to enable the Council's staff remote working throughout the pandemic. It will continue its focus on the implementation and upkeep of the Council's core digital infrastructure. This will cement our strong foundation for modern and safe working.

This year a significant amount of work is required to continue the migration of core business functions fully into the cloud via Office365. These activities will run in parallel with service redesign as described in Appendix C of the revised corporate plan from September 2020. It will work closely with business units, alongside Human Resources, to review and analyse business practices to capitalise on digital technologies and approaches to improve customer experience.

Digital and Technology Budget 2021/22			
<i>Description</i>	<i>Forecast 2020/21 £'000</i>	<i>Variations £'000</i>	<i>Original Estimate 2021/22 £'000</i>
Base Net Budget			
Central Computer Costs	1,611	165	1,446
ICT	0		0
Corporate Systems Accounts	0		0
	1,611		1,446
Budget Changes			
Salary Adjustments		16	16
Base Net Expenditure			1,462
Total recommended budget for Business Unit for 2021/22			1,462

Human Resources & Payroll

The key aim for Human Resources (HR) in the coming year will be to support managers and employees through the changes the Council will implement as a result of the impacts of the pandemic. We will also learn from working throughout the period of national and local restrictions. The team will support service redesign and restructures as well as help managers to focus on employee development and well-being. This will feed into new People Strategy and Workforce Plan for the organisation.

Human Resources & Payroll Draft Budget 2021/22			
<i>Description</i>	<i>Forecast 2020/21 £'000</i>	<i>Variations £'000</i>	<i>Original Estimate 2021/22 £'000</i>
Base Net Budget			
HR & Payroll	548	2	546
	<hr/>		<hr/>
Base Net Budget	548		546
Budget Changes			
Salary adjustments		3	3
			<hr/>
Base Net Expenditure			549
Pressure – Payroll contract		34	
Pressure – Consultants – HR & Payroll system contract		15	
Saving – HR & Payroll system contract		(23)	
Saving – Payroll Manager post		(49)	(23)
			<hr/>
Total recommended budget for Business Unit for 2021/22			526
			<hr/>

Head of Regulatory Services (and Monitoring Officer)

Business Units: **Legal Services**
 Democratic Services
 Local Land Charges and Planning & Building Control Support
 Environmental Health
 Building Control

Legal, Local Land Charges, Planning and Building Control Support Service

The Legal team continue to provide a timely and, cost effective, quality legal service having retained their LEXCEL accreditation. On more complex cases, they take advice from specialist Counsel. Prosecutions and other enforcements are carried out. The team continue to develop to deliver legal change.

Work has increased with our Housing colleagues to deliver temporary accommodation and deal with the increasing amount of homelessness. The effects of the Ashdown Forest on the ability to construct houses within 7km of the Forest edge continues to provide a large source of legal work in terms of SAMM/SANG Agreements. The work in Burgess Hill to provide full fibre and other sustainable improvements with outside funding is part of the legal work.

Information Law remains a large aspect of work with increasing numbers of complex Freedom of Information requests and data subject requests and, with a refreshed Estates team; property work is increasing.

Following the first national lockdown, once the housing market was opened again in May 2020, there was a boom year for Local Land Charges. Increased demand impacted on delivery rates with searches being returned within 7, as opposed to the normal 5, days. This was, however, still well within the national 10-day target. This housing market boom is unlikely to continue into 2021/22 with the current Stamp Duty relaxations due to end on 31st March 2021. The Support team had an equal number of planning applications than in earlier years but these were of a smaller variety and therefore the Planning Management Development income is lower albeit the number of matters being validated has stayed much the same. This position is expected to continue into 2021/22.

Legal Services Draft Budget 2021/22

<i>Description</i>	<i>Forecast 2020/21 £'000</i>	<i>Variations £'000</i>	<i>Original Estimate 2021/22 £'000</i>
Base Net Budget			
Legal Support Costs	360	3	357
	<hr/>		<hr/>
Base Net Budget	360		357
Budget Changes			
Salary adjustments		3	3
			<hr/>
Base Net Expenditure			360
			<hr/>
Total recommended budget for Business Unit for 2021/22			360
			<hr/> <hr/>

Land Charges Draft Budget 2021/22

<i>Description</i>	<i>Forecast 2020/21 £'000</i>	<i>Variations £'000</i>	<i>Original Estimate 2021/22 £'000</i>
Base Net Budget			
Local Land Charges	(18)	(15)	(3)
Land Charge Admin Staff Control	(33)	(33)	0
	<hr/>		<hr/>
Base Net Budget	(51)		(3)
Budget Changes			
Salary adjustments		14	14
			<hr/>
Base Net Expenditure			11
Service redesign saving – Deletion of Planning Enquiries Officer post		(21)	(21)
			<hr/>
Total recommended budget for Business Unit for 2021/22			(10)
			<hr/> <hr/>

Planning and Building Control Service Support Draft Budget 2021/22

<i>Description</i>	<i>Forecast 2020/21 £'000</i>	<i>Variations £'000</i>	<i>Original Estimate 2021/22 £'000</i>
Base Net Budget			
Planning Service Support	(30)	(30)	0
Base Net Budget	<u>(30)</u>		<u>0</u>
Budget Changes			
Base Net Expenditure			<u>0</u>
Total recommended budget for Business Unit for 2021/22			<u>0</u>

Democratic Services

Democratic Services in 2020/21 put into place a virtual meetings protocol which will continue into 2021/22. They also completed the annual canvas for the new Electoral Register. This had to be done virtually, with no door knocking. However, the number of residents registering to vote has not diminished much from the 97% achieved last year ahead of a General Election. New properties are being added to the Register and we are seeing a steady increase of about 2,200 electors each year.

The Police Crime Commissioner Elections were postponed due to COVID 19 from May 2020 and will now take place in May 2021 alongside the County Council elections always scheduled for May 2021. These elections are still likely to be held in a COVID 19 restricted environment and additional steps are being taken to deal with an enhanced postal vote, avoidance of close queuing at polling stations and a COVID secure count which is likely to mean a longer period of counting given the limits on people in any enclosed space.

Alongside other authorities in West Sussex, the team continue to look at IT improvements and are running the electronic identification of voters at polling stations in May 2021. It will not be a requirement to bring their poll card, but if the public do so, it will speed up the voting at polling stations which is important in maintaining a COVID secure environment.

As outlined in Appendix E of the Council revised Corporate Plan members will be aware of the expert, external review commissioned to review the formal governance arrangements of the Council in light of changes brought about by and lessons learned from the Covid 19 Pandemic. It is anticipated that the findings of this review, having been considered by Council, will see implementation of any agreed changes occurring early in 2021/22.

Democratic Services Draft Budget 2021/22			
<i>Description</i>	<i>Forecast 2020/21 £'000</i>	<i>Variations £'000</i>	<i>Original Estimate 2021/22 £'000</i>
Base Net Budget			
Elections & Registrations	313	(45)	358
Members Services	581	(25)	606
Base Net Budget	<u>894</u>		<u>964</u>
Budget Changes			
Salary adjustments		5	<u>5</u>
Base Net Expenditure			<u>969</u>
Service redesign saving – Canvass staffing		(3)	
Service redesign saving – Canvass postage		(19)	(22)
Total recommended budget for Business Unit for 2021/22			<u><u>947</u></u>

Environmental Health & Building Control

The teams in this Business Unit deal with licensing matters including food and health safety, environmental controls and interventions and public health, housing standards and houses in multiple occupation together with all aspects of building control.

Environmental Health has been at the forefront of the Councils response to the Covid19 pandemic and this is expected to continue into 2021/22. The team have worked closely with colleagues at West Sussex County Council, the other Districts and Boroughs and with Public Health England in a shared effort to minimise the rate of COVID cases in Mid Sussex and across West Sussex. This collaboration has worked well.

Depending on the position on the virus controls, the team flex to provide support and enforcement as and where required. This has included advice on how to run businesses and licensed premises in a COVID safe way. They have also continued to progress disabled facility grant work in a way that is COVID safe for the contractor and residents. Food safety inspections have continued. With more people resident at home, there has been an increase in neighbour nuisance complaints.

The teams are working with Information Technology to improve the IT systems being used to assist in completely mobile working. The systems already in place have allowed Building Control to continue working throughout the Pandemic given that much of their work is outside a closed environment.

The following tables detail the proposed budget for 2021/22 excluding internal recharges for each business unit under the responsibility of the Head of Regulatory Services.

Environmental Health Draft Budget 2021/22			
<i>Description</i>	<i>Forecast 2020/21 £'000</i>	<i>Variations £'000</i>	<i>Original Estimate 2021/22 £'000</i>
Base Net Budget			
Contaminated Land	24		24
Housing Standards	234		234
Safety & Licensing	291		291
Environmental Protection	176		176
Environmental Health Staffing	(16)	(16)	0
Health and Safety	50		50
Base Net Budget	759		775
Budget Changes			
Salary adjustments		11	11
Base Net Expenditure			786
Pressure – Housing Standards Licence Fee income		14	14
Total recommended budget for Business Unit for 2021/22			800

Building Control Draft Budget 2021/22			
<i>Description</i>	<i>Foreca 2020/2 £'000</i>	<i>Variations £'000</i>	<i>Estimate 2021/22 £'000</i>
Base Net Budget			
Building Control	281	99	182
	<hr/>		<hr/>
Base Net Budget	281		182
Budget Changes			
Salary adjustments		7	
Ongoing pressure 2019/20 – Building Control income		103	110
			<hr/>
Base Net Expenditure			292
Service redesign saving – Deletion of Trainee Building Control		(31)	(31)
			<hr/>
Total recommended budget for Business Unit for 2021/22			261
			<hr/> <hr/>

Strategic Core

This section covers those costs that are related to the strategic management of the Authority and cannot be allocated to the specific service areas set out in the previous tables. It includes various items of expenditure including the cost of the Chief Executive, Heads of Service and the Council's share of the shared procurement service.

The following table details the proposed budget for 2021/22 excluding internal recharges for Strategic Core.

Strategic Core Draft Budget 2021/22			
<i>Description</i>	<i>Forecast 2020/21 £'000</i>	<i>Variations £'000</i>	<i>Original Estimate 2021/22 £'000</i>
Base Net Budget			
Strategic Core	1,407	8	1,399
Base Net Budget	<u>1,407</u>		<u>1,399</u>
Budget Changes			
Salary adjustments		15	15
Base Net Expenditure			<u>1,414</u>
Total recommended budget for Business Unit for 2021/22			<u><u>1,414</u></u>

SECTION 3: CAPITAL PROGRAMME

1. This section sets out a proposed Capital Programme and outlines a Capital Strategy.
2. Each year, the Council sets out its Capital Programme for the forthcoming year. Members should note that although this varies from year to year, it does contain certain core constituents throughout the four-year timeline. On this basis, this section sets out an overall Programme for the next four years.
3. The Capital Strategy is first considered by the Audit Committee which then recommends it to Council before the start of the financial year.

Capital Strategy

4. The current strategy for capital spending is outlined below:
 - a) The Capital Projects will contribute to achieving the Corporate Plan and must further the Council's corporate priorities. This will be the means that objectively selects, ranks, and recommends projects for inclusion in the Capital Programme, regardless of the source of the funding for the projects.
 - b) The affordability of capital projects must be determined in the context of the Strategy for Revenue Spending and the Strategy for Reserves and Cash Balances and will be governed by the provisions of the Prudential Code.
 - c) The Capital Programme will be financed by the most appropriate mix of:
 - interest;
 - contributions from the Revenue Budget;
 - loan;
 - capital receipts;
 - contributions from stakeholders (including s106 agreements);
 - capital and other grants;
 - external funding from partners in both the public and private sectors, which is consistent with this Financial Strategy
 - Use of Revenue Reserves.
 - d) The use of borrowing as a means of financing capital expenditure will be consistent with the Prudential Code and with the Strategy for Revenue Spending.
 - e) The Council will continually review the financial and service benefits of existing assets and, in accordance with prudent asset management best practice, draw up a schedule of those which could be disposed of and the timescale for disposal in accordance with the Asset Management Plan.
 - f) The Council will make every effort to generate funding for capital projects from partners and other sources (including Section 106 agreements). Negotiations on the sources of funding must focus on the Council's priorities at the time.
 - h) Projects that can be supported by a business case may be financed from reserves subject to a payback within an appropriate and specified period but subject to the Council's capacity to allow such a commitment.
 - i) Council must approve the Capital Programme as part of the Corporate Plan and Budget exercise
5. The adoption of the foregoing principles results in a modest proposed Capital Programme for 2021/22 as detailed further in the paragraphs below.

Proposed Capital and Revenue Projects for 2021/22

6. In light of the comments above, the capital and revenue projects that have come forward are as follows:
- (i) **ICT (Capital and Revenue Projects)**
These relate to a workstation replacement programme at £50k, and projects designed to upgrade our capabilities whilst moving us towards being infrastructure free in the longer term.
 - (ii) **Other Capital Schemes**
This project relates to the purchase of additional garden waste bins.
 - (iii) **Major Capital Renewals (Capital Projects)**
This is the cost of maintaining our assets and includes phase IV of the Oaklands Window Replacements programme. This is part of the ongoing commitment to improve the thermal efficiency of the Oaklands Campus and is a need highlighted within the Corporate Sustainability Strategy and Energy Management Plan.
 - (iv) **Disabled Facility Grants**
This is a mandatory scheme and is currently fully funded from a WSCC grant contribution.
 - (v) **Housing**
Affordable Housing schemes are funded wholly or mainly from S106 contributions. This also includes a budget of £2.8m to acquire an additional 10 accommodation units, whether by lease or by purchase, which specifically meet the needs of single homeless people with mental health or complex needs.
7. The proposed capital and revenue projects to be included in the 2021/22 Capital Programme of Capital and Revenue Projects are set out on the next page.

Proposed New Projects - Capital Programme and Revenue Projects 2021/22 - 2024/25						
	Project Justification	Total 2021/22 £'000s	Total 2022/23 £'000s	Total 2023/24 £'000s	Total 2024/25 £'000s	Revenue Implications £'000s
Capital Projects						
ICT Projects						
Workstation Replacement - Phase III	Yes	50	50	50	50	
Oaklands Wifi Refit	Yes	50				
Total ICT Projects funded from Capital Receipts:		100	50	50	50	0
Others:						
Garden Waste Bins	Yes	30				30 *
Total Others:		30	0	0	0	30
Major Capital Renewals						
Oaklands:						
Oaklands Window Replacement Phase IV	Yes	145				
Partial Resurfacing of Oaklands Car Park	Yes	34				
Heating works Phase 3	Yes	106				
Unallocated funding for future years	n/a		162	130	146	
Total Major Capital Renewals	n/a	285	162	130	146	0
Housing						
Temporary Accommodation	Yes	2,800				
Affordable Housing	n/a	1,000	846			
Total Housing		3,800	846	0	0	0
Environmental Health						
Disabled Facility Grants	n/a	900	900	900	900	
Total Environmental Health		900	900	900	900	0
Total New Capital Projects		5,115	1,958	1,080	1,096	30
Financed By:						
Grant Contributions WSCC		900	900	900	900	
S106 Housing - non time limited		1,000	371	0	0	
S106 Housing - time limited			475	0	0	
Met from Revenue Contributions (for MCR)		285	162	130	146	
Capital Receipts		2,930	50	50	50	
Total Financed:		5,115	1,958	1,080	1,096	0
* PYE in 21/22. Additional income of £47k from 2022/23 onwards						

Revenue Projects		£'000s	£'000s	£'000s	£'000s	£'000s
ICT Projects						
Network Infrastructure Maintenance Project	Yes	20				
Total ICT Projects funded from General Reserve:		20	0	0	0	0
Total New Revenue Projects		20	0	0	0	0
Financed By:						
General Reserve		20	0	0	0	
Total Financed:		20	0	0	0	0

CAPITAL PROJECT JUSTIFICATION DETAILS

Workstation Replacement Programme – Phase III

Purpose of project:

The Council currently has approximately 400 workstations and to ensure efficiency and reliability a replacement programme is required. At present the workstations are bought with an extended 5 year warranty and they should be replaced when this expires. Service areas with aging non-compatible workstations are disadvantaged when looking to improve their work process by leveraging modern digital tools and workflows. The original 10% replacement programme was insufficient to ensure staff had the best tools to improve efficiency, reliability and compatibility with the Digital Programme.

Following the purchase of additional flexible technology such as laptops and tablets used to enable staff to work effectively both in and out of the office, phase III of the project will focus on continuing to ensure that end of life equipment is updated, whilst also replacing peripheral equipment in use around the council. Priority will be given to technology that continues to ensure all staff are able to work in a flexible manner, making sure that all technology is fit for purpose in the current and future operating environments.

Total Amount : £50,000

Capitalised Salaries included in the project total: **None**

Other sources of funding:(i.e. s106/ big lottery etc) **N/A**

Revenue Implications: **None**

Value For Money Assessment:

The original replacement budget of £25,000 only replaced approximately 10% of all workstations. This resulted in a major financial cost to upgrade and replace workstations incompatible with installation of the Windows10 operating system before the Windows7 operating system became unsupported in January 2020. To avoid this expense in future and to ensure service areas have the best tools to deliver their workload the replacement budget needs to be sufficient to replace nearer 20% of workstations on a rolling basis.

Phase one was extremely successful in this respect and has eased the purchase of new hardware to support the initial roll-out of Windows10, therefore it is recommended that this scheme continue for year 3 of the proposed 5 year programme at the increased amount of £50,000 in order to mitigate the need for future large scale workstation replacements, and to further facilitate more flexible approaches to working by allowing us where appropriate to procure a wider range of solutions that are more fit for purpose (e.g. laptops and tablets).

In response to the Coronavirus pandemic, many new mobile devices were purchased to ensure staff could work in as flexibly as possible. Phase III will therefore the updating and acquiring of assets that further strengthen this approach.

Business Unit/Service: Digital and Customer Services

Head of Service: Simon Hughes / Rafal Hejne

Project Manager: Simon Jones

Cabinet Members: Cllr Ruth De Mierre

Ward Members: If applicable

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

Efficient and Responsive Services

As detailed above this readjusts the workstation replacement programme timescales. Workstations include any equipment for staff to use digital technologies, for example laptops, tablets and peripherals. Workstations for many staff are the tools of their trade, enabling communication with colleagues, partners and customers. Increasing automation and improvement of line of business systems means that hardware must be able to keep up with service demands. As the Council moves to cloud based systems, while this reduces the need for powerful workstations this would move the replacement programme to a 5-year cycle within the lower end (i.e. longer) of the industry standard.

Summary of discussions with Cabinet Member: The Cabinet Member has been consulted and has confirmed their support for this bid.

Previous Consideration at Scrutiny Committee: No

Risk Analysis:

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

Risk	Likelihood	Severity	Financial impact
Service areas unable to realise efficiencies from digitising their services due to workstations being incompatible to system requirements	Low	Low	Low
Services unable to operate effectively in flexible ways (i.e. working away from campus when needed)	Low	Medium	Medium

CAPITAL PROJECT JUSTIFICATION DETAILS

Oaklands WiFi Refit

Purpose of project:

Following the roll-out of Windows 10 and an increased number of mobile devices across the council, it is necessary to review and refit the Wi-Fi equipment across the Oaklands campus to ensure that it is fit for purpose to handle both a guest Wi-Fi and a Corporate Wi-Fi solution. Staff need access to reliable, stable Wi-Fi for use across campus and particularly in meeting rooms and shared workspaces. During this review, Wi-Fi security will be revisited to ensure that we are fully compliant with current security standards and have designed a solution that is secure and simple to maintain.

Total Amount : £50,000

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

Other sources of funding: **N/A**

Revenue Implications: **None**

Value For Money Assessment:

This work enables staff to work more effectively, with fewer performance issues credited to unreliable Wi-Fi

Business Unit/Service: Digital and Technology

Head of Service : Simon Hughes / Rafal Hejne

Project Manager: Howard Knowelden

Cabinet Members : Cllr Ruth De Mierre

Ward Members : If applicable

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

Effective and responsive services.

- Reliable, stable connectivity for all staff

Summary of discussions with Cabinet Member : Portfolio holder informed and in agreement.

Previous Consideration at Scrutiny Committee : No

Risk Analysis :

The main risks of the project are:

Risk	Likelihood	Severity	Financial impact
Staff are already reporting poor Wi-Fi performance across campus. Statistical analysis shows that this is not due to bandwidth usage. Failure to address issues now could result in poor performance continuing to occur and increase over time	low	low	low

REVENUE PROJECT JUSTIFICATION DETAILS

Network Infrastructure Maintenance

Purpose of project :

It is vital that the digital infrastructure of the council's local area network (LAN) is maintained correctly. Failure to do so could lead to costly retroactive remedial actions later, coupled with the risk of systems downtime for staff and customers alike. Infrastructure maintenance operates in cycles as different pieces of equipment become end of life, or fall out of their respective support cycles.

As this ongoing work is completed, older areas of the network are upgraded to higher capacity modern equipment, delivering faster communication between equipment, allowing applications to function more effectively.

Maintenance required for 21/22 (all costs are estimates)

VMWare Vmotion Switch replacement £7K

Internet link replacement - £2K

10GB GBIC / SFP procurement - £7K

UPS battery replacement - £4K

Total Amount : £20,000

Capitalised Salaries included in the project total: N/A

Other sources of funding: N/A

Revenue Implications: None

Value For Money Assessment:

This work prevents system downtime, enables faster network communications and pre-empts more costly future remedial works.

Business Unit/Service : Digital and Technology

Head of Service : Simon Hughes / Rafal Hejne

Project Manager: Howard Knowelden

Cabinet Members : Cllr Ruth de Mierre

Ward Members : If applicable

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

Effective and responsive services.

- Risk of service downtime decreased
- Network reliability, stability and speed increased

Summary of discussions with Cabinet Member : Portfolio holder informed and in agreement

Previous Consideration at Scrutiny Committee : n/a

Risk Analysis :

The main risks of the project are:

Risk	Likelihood	Severity	Financial impact
1. Risk of doing nothing: Network not able to achieve speeds required by modern solutions and software, degrading staff experience and business unit efficiency, along with equipment degradation and the risk of staff downtime	low	low	low
2. Risk of implementation: Network downtime if proper procedures not followed. Mitigation: Partners working with MSDC to perform these actions will submit full SOW along with risk assessments and implementation plans. This allows us to pre-empt any potential issues in the planning stage.	low	low	low

CAPITAL PROJECT JUSTIFICATION DETAILS

Purchase of Garden Waste bins

Purpose of project:

During 2019/20 the Council sought to grow the garden waste subscription service to 20,000 subscribers.

Following an unprecedented spike in new subscribers over August/ September 2019, this target was increased to 21,500 and successful negotiations with Serco resulted in the extension of the service to accommodate a maximum of 23,000 subscribers in January 2020.

The service has continued to grow; and the number of new subscribers continues to exceed the Council's expectations, as more people stay at home and the availability of the Household Waste and Recycling Sites continues to be limited because of social distancing measures. The current subscriber rate stands at 21,000.

At the current rate of growth, it is estimated that there is sufficient capacity for approximately a further 12/18 months; after which it is planned that a longer-term proposal for continued growth will have been brought forward as part of the Rubbish and Recycling Service Redesign project.

In order to enable the service to continue to grow to the maximum capacity of 23,000 it will be necessary to purchase a further 1,500 garden waste bins.

Total Amount: £30,000

Capitalised Salaries included in the project total : None

Other sources of funding: This project is to be initially financed from Capital Receipts, so that additional revenue income can be generated in future years.

Revenue Implications: For garden waste, the contract cost of servicing additional customers is £39 per bin. At the current subscription rate of £70 per bin per year, an additional 1,500 customers will result in an additional net income of £46,500 per annum, to take effect in 2022/23 budget. (pye of £30,000 in 2021/22).

Value For Money Assessment:

The Council achieved its target of 20,000 garden waste customers and is working towards expanding the service to 23,000 over the course of the next 18 months. Doing nothing will require the Council to turn away potential customers and will mean that the full recycling/ composting potential of the service is not achieved; and that potential revenue is foregone.

Other alternative approaches: None

Business Unit/Service: Waste, Landscapes and Leisure

Head of Service: Judy Holmes

Project Manager: Jo Reid

Cabinet Members: Cllr John Belsey

Ward Members: Not applicable

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

- Protecting & enhancing the environment (by improving the Council's recycling and composting performance).
- Providing effective & responsive services (by meeting unmet demand for the rubbish and recycling service)
- Achieving Financial Independence (by providing the services on a cost-recovery basis)

Summary of discussions with Cabinet Member:

The Cabinet Member has been fully involved in the formulation of this project.

Previous Consideration at Scrutiny Committee:

None

Risk Analysis:

The main risks for this project are:

Risk	Likelihood	Severity	Financial impact
There is a risk that the additional service will not be fully taken up	low	low	low
Some round changes may be required to facilitate the proposed growth and this may cause some confusion for customers.	low	low	low

Mitigating Actions:

Garden Waste Marketing campaign forms part of the ongoing business activity of the Business Unit.

CAPITAL PROJECT JUSTIFICATION DETAILS

Oaklands Window Replacement Phase 4

Purpose of Project :

This Project is the fourth phase of window replacements at Oaklands and is to replace the existing uPVC windows to all elevations of the West Wing. It also includes for replacement windows to the Chamber. This is part of the ongoing commitment to improve the thermal efficiency of the Oaklands Campus and is a need highlighted within the Corporate Sustainability Strategy and Energy Management Plan, which these have the backing of the Council and Management Team respectively. The existing windows are structurally unsound and are showing signs of deformity. This has resulted in poorly fitting casements which allows excessive draughts. The standard glazing system contributes to the overall discomfort to office occupants by allowing excessive heat gain during the summer months and allowing excessive heat loss during the heating season.

Total Amount : £145,000

Capitalised Salaries included in the project total: N/A

Other sources of funding: N/A

Revenue Implications: Improvements to these windows will reduce the on-going maintenance costs, will provide the benefit of reduced heating bills through improved thermal properties as well as having a positive effect on the working environment in the summer months.

Value For Money Assessment:

A do-nothing approach will result in increased maintenance costs as the windows age and deteriorate further. Energy usage will continue to rise whilst providing no further comfort to building users. The works will bring the West Wing in line with those areas already completed.

Business Unit/Service : Corporate Estates & Facilities

Head of Service : Peter Stuart

Project Manager: Darren Prior

Cabinet Members : Cllr Judy Llewellyn-Burke

Ward Members : Haywards Heath - Heath

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

Enhancing the thermal properties of the campus.
Reducing ongoing Maintenance Costs.
Improving the working environment for users.

Summary of discussions with Cabinet Member : The proposal has been discussed with Cllr Judy Llewellyn-Burke and she is supportive of the project.

Previous Consideration at Scrutiny Committee : No

Risk Analysis :

The main risks of the project are:

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

Mitigation actions:

Qualified contractors, Risk Assessments, Method Statements. Window installation to be undertaken outside of normal working hours to ensure office staff are not exposed to the works.

CAPITAL PROJECT JUSTIFICATION DETAILS

Partial resurfacing of staff car park at Oaklands

Purpose of project:

Mid Sussex District Council's office curtilage includes car parks, service roads and footpaths which are in constant use. As the health & safety of MSDC employees and the general public who use these areas are of the utmost importance, it is a priority that these areas are maintained to a high standard. Over the years this resurfacing has been undertaken in phases and needs to continue. There are two areas of the car park which require resurfacing in 2021/22.

Total Amount : £33 500

Replacement of the surface of the car park will have a direct input on the revenue expenditure by way of reducing ongoing maintenance costs

Value for Money Assessment:

A do-nothing approach could possibly result in one or more accidents which could result in insurance claims. This approach would also require constant maintenance reducing the over stretched revenue budget.

Business Unit/Service: Corporate Estates & Facilities Business Unit

Head of Service: Peter Stuart

Project Manager: Mark Hayler

Cabinet Members: Cllr Judy Llewellyn-Burke

Ward Members: Haywards Heath - Heath

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

Reducing health and safety issues

Providing facilities which are of quality, safe and fit for purpose.

Summary of discussions with Cabinet Member: The proposal has been discussed with Cllr Judy Llewellyn-Burke and she is supportive of the project.

Risk Analysis:

The main risks of the project are:

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

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

CAPITAL PROJECT JUSTIFICATION DETAILS

Heating works Phase 3

Purpose of Project :

This Project will be the third phase of heating works and will focus on the replacement of the existing single pipe heating system to the West Wing. This is part of the ongoing commitment to improve the thermal efficiency of the Oaklands Campus and is a need highlighted within the Corporate Sustainability Strategy and Energy Management Plan; these have the backing of the Council and Management Team respectively. The existing heating system is antiquated and highly inefficient which results in excessive running costs and a lack of local control. This has an adverse effect on the working environment and therefore the comfort of users.

Total Amount : £106,000

Capitalised Salaries included in the project total: N/A

Other sources of funding: N/A

Revenue Implications: Improvements to the heating system will reduce ongoing maintenance costs, will provide the benefit of reduced heating bills through improved efficiency as well as having a positive effect on the working environment in the winter months. With new controls there will be greater levels of comfort within the building.

Value For Money Assessment:

A do nothing approach will result in increased maintenance costs as the heating system ages and deteriorates further. Energy usage will continue to rise whilst providing no further comfort to building users. The works will bring the West Wing in line with those areas already completed.

Business Unit/Service : Corporate Estates & Facilities

Head of Service : Peter Stuart

Project Manager: Darren Prior

Cabinet Members : Cllr Judy Llewellyn-Burke

Ward Members : Haywards Heath - Heath

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

Enhancing the thermal efficiency of the campus.
Reducing ongoing Maintenance Costs.
Improving the working environment for users.

Summary of discussions with Cabinet Member : The proposal has been discussed with Cllr Judy Llewellyn-Burke and she is supportive of the project

Previous Consideration at Scrutiny Committee : N/A

Risk Analysis :

The main risks of the project are:

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

Mitigation actions: Qualified contractors, Risk Assessments, Method Statements. Heating System works to be undertaken outside of normal working hours to ensure office staff are not exposed to the works.

CAPITAL PROJECT JUSTIFICATION DETAILS

Temporary Accommodation

Purpose of project:

In July 2018, Cabinet agreed a project to acquire a portfolio of up to 20 units and to lease up to 10 units to provide temporary accommodation for homeless households using reserves of £4 million approved in May 2018. By the end of 2019 15 units had been acquired.

In June 2020, Council agreed to extend the project and allocated £1.4m to purchase a further 5 general units of temporary accommodation; funding of £1.4m capital was allocated. Council also agreed to allocate a further £2.8m capital funding, as it becomes available in the form of capital receipts to acquire a further 10 units specifically to meet the needs of single homeless people with mental health or complex needs.

Total Amount: £2,800,000

Capitalised Salaries included in the project total: none

Other sources of funding: This project is expected to be financed from Capital Receipts, as they become available in 2021/22.

Revenue Implications: The residents in 10 units will be provided support through a commissioned intensive housing management and support service. This service will be funded from the Government's Flexible Homelessness Support Grant (FHSG). The estimated cost of this service is circa £90k (£30k per annum over 3 years).

Value For Money Assessment:

The demand from single/childless homeless people for housing has been increasing over a number of years, since 2017 the demand from this group has doubled. Many of these are vulnerable, having mental health and other complex needs. 61% of the demand in November 2020 for temporary accommodation was from such households. Without support this group are very difficult to place.

Not only will this acquisition improve the service provided for this group it will also achieve savings of circa £125k by avoiding expensive guest house costs.

Other alternative approaches: To use private sector guest house temporary accommodation

Business Unit/Service: Housing

Head of Service: Judy Holmes

Project Manager: Emma Shuttleworth

Cabinet Members: Cllr Andrew MacNaughton

Ward Members: Not applicable

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

To support those at risk of homelessness, to provide effective and responsive services and strong resilient communities

Summary of discussions with Cabinet Member:

Councillor Andrew MacNaughton has been advised about this capital project and has confirmed that he supports the provision of funding for this purpose.

Previous Consideration at Scrutiny Committee: None

Risk Analysis:

The acquisition of these properties will follow an established process that has been applied to purchase the previous 20 units as Temporary Accommodation for MSDC through work led by Housing Services with the support of Corporate Estates and Legal services.

Risk	Likelihood	Severity	Financial impact
1. Inadequate supply	low	low	low
2. Complications during purchase	low	low	low
3. Increase in property prices	Medium	low	low

SCRUTINY COMMITTEE FOR LEADER, FINANCE AND PERFORMANCE WORK PROGRAMME 2020/21

REPORT OF: Head of Regulatory Services
Contact Officer: Lucinda Joyce, Senior Democratic Services Officer
Email: lucinda.joyce@midsussex.gov.uk 01444 477225
Wards Affected: All
Key Decision: No
Report to: Scrutiny Committee for Leader, Finance and Performance
13 January 2021

Purpose of Report

1. For the Scrutiny Committee for Leader, Finance and Performance to agree its work programme for 2020/21, in so doing the Committee will note that the current crisis means that this will likely change.

Summary

2. Members are asked to note the attached work programme. The work programme will be reviewed as the final piece of business at each meeting, enabling additional business to be agreed as required. In light of the current crisis, the work programme should be considered indicative only.

Recommendations

3. **The Committee is recommended to agree the indicative Work Programme as set out at paragraph 5 of this report.**
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Background

4. It is usual for Committees to agree its work programme at the first meeting of a new Council year and review it at each subsequent meeting, to allow for the scrutiny of emerging issues during the year. The current crisis introduces very significant uncertainty into the work programme of all the Council's committees, as does the demands of virtual meetings.

The Work Programme

5. The Committee's indicative Work Programme for 2020/21 is set out below:

Meeting Date	Item	Reason for Inclusion
10 March 2021	Council Performance for the Third Quarter 2020/21	To report on the Council's performance in the third quarter.
	Sustainability Report	Update on current position and looking forward.

Policy Context

6. The work programme should reflect the key priorities of the Council, as defined in the Corporate Plan and Budget. The current Corporate Plan is subject to revision in light of the current crisis.

Financial Implications

7. None.

Risk Management Implications

8. None.

Background Papers

None.