

27 May 2021

The Cabinet will meet virtually in accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) Regulations 2012. Public access is available via a live stream video through the [Mid Sussex District Council's YouTube channel](#).

Dear Councillor,

A meeting of **CABINET** will be held **VIA REMOTE VIDEO LINK** on **MONDAY, 7TH JUNE, 2021 at 4.00 pm** when your attendance is requested.

Yours sincerely,
KATHRYN HALL
Chief Executive

A G E N D A

Pages

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|----|--|----------------|
| 1. | Roll Call and Virtual Meeting Explanation. | |
| 2. | To receive Declarations of Interest from Members in respect of any matter on the Agenda. | |
| 3. | To receive apologies for absence. | |
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| 5. | To consider any items that the Leader agrees to take as urgent business. | |
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To: **Members of Cabinet:** Councillors J Ash-Edwards (Chair), J Llewellyn-Burke (Vice-Chair), J Belsey, R de Mierre, S Hillier and N Webster

**Minutes of a meeting of Cabinet
held on Monday, 8th February, 2021
from 4.00 pm - 5.10 pm**

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

J Belsey
R de Mierre

S Hillier
A MacNaughton

N Webster

Also Present: Councillors R Bates, R Clarke, A Eves, I Gibson, S Hatton,
J Henwood and R Salisbury

1. ROLL CALL AND VIRTUAL MEETING EXPLANATION.

The Leader introduced the meeting and advised that only Cabinet Members and Senior Officers have their cameras turned on, but other Democratic Services Officers and observers were present at the meeting. The Leader conducted the roll call to confirm the Members present.

Tom Clark, Head of Regulatory Services advised that regulations were introduced last April to enable the Council to hold its meetings to include those participants attending remotely. Members have control over their own microphones and are called to speak at the discretion of the Leader.

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

Councillor Belsey declared a prejudicial interest in item 8 as he is the Chairman of AGE UK East Grinstead.

3. TO RECEIVE APOLOGIES FOR ABSENCE.

No apologies were received.

4. TO CONFIRM MINUTES OF THE PREVIOUS MEETING HELD ON 23 NOVEMBER 2020.

The minutes of the meeting held on 23 November 2020 were agreed as a correct record and electronically signed by the Leader.

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

The Leader advised that a report on Ansty Village Centre S106 release of funds was to be discussed as urgent business.

Emma Sheridan, Business Unit Leader for Community Services, Policy and Performance introduced the report. She confirmed the funds had been received after the publication of the agenda and the funds were required imminently to meet tight planning deadlines for stage 1 of the build. They could only be used for this purpose and the amount exceeded the jurisdiction of the Cabinet Member.

The Cabinet Member for Economic Growth welcomed the report. He noted the good work completed by the Ansty Village Centre Trust (AVCT) which benefited Ansty and the surrounding communities. He expressed concern over the amount of matched funding raised by the Sports and Social Club compared to the contributions already made to the project by the Council.

The Business Unit Leader highlighted that the S106 specifically requested funds for this site; if the money was not used it would have to be returned. The pandemic had severely impacted the intended fundraising efforts of the Sports and Social Club, who are aware they need to raise more funds. Officers would continue to provide support and the Club was committed to ongoing fundraising.

The Cabinet Member for Customer Services congratulated the Club on their fundraising efforts to date and the Business Unit Leader confirmed that a report on the remaining funds would be produced when the S106 money is received and additional funds are requested by the organisation.

The Cabinet Member for Housing and Planning confirmed that Covid had severely impacted their fundraising efforts. It is an important development for the whole of the District as many people use the facilities. He supported the recommendations.

The Cabinet Member for Community also supported the recommendations. He noted it was a long-term project and the site will provide sporting opportunities for people of all ages and abilities from across the District.

The Cabinet Member for Economic Growth noted that projects do run over predicted cost and expressed concern that not all figures had been correct in the report of 2019. AVCT had made great achievements and he supported the recommendations.

The Leader confirmed the Sports and Social Club's strong track record of fund raising and it was important to support them. The facility supports a wider catchment area across the District and will assist people post-Covid to return to sporting activities. He reiterated that the money from developer was for a specific purpose.

The Leader took Members to the recommendations which were agreed unanimously.

RESOLVED

Cabinet agreed to the Release of S106 contributions to:

- (a) award £128,040 to the Ansty Village Centre Trust
- (b) award £74,613 to the Ansty Community Sports Club

6. DRAFT CORPORATE PLAN AND BUDGET FOR 2021/22.

Peter Stuart, Head of Corporate Resources introduced the report. He noted that the settlement had been announced and there were no changes to the draft to be

considered by Council at the next meeting. The report had been scrutinised. He explained how National Non-Domestic Rates (NNDR) is designed to reward Local Authorities which encourage business growth and the increased revenue from the Rampion site. The money received is a bonus for encouraging the renewable energy site. The figures would be adjusted for 2021/22 based on projections due to the sites at Rampion and DPD. It was likely that the Council may not have to use general reserves next year (2021/22). A reset was introduced to NNDR in 2014 which has not been activated but if activated it removes any growth over the notional need of the Council. If the reset is triggered it would affect 2022/23. He is confident it will shortly be triggered and less NNDR income will be received in the following years, and then there will be an extra draw on general reserves. He will provide an update for Members in MIS.

The Leader noted the benefits of this element of a green recovery and the probable use of general reserves in future years.

The Deputy Leader highlighted the uncertainty of the current climate for longer-term planning. She acknowledged fiscal certainty concerns regarding the benefits of renewable energy sites and whether the Council might accept more applications for renewable energy sites.

The Cabinet Member for Economic Growth welcomed an MIS update for Members and asked if the settlement and reset might happen at the same time, as the Council needs to plan soon for 2023/2024.

The Cabinet Member for Community also expressed concern with the uncertainty regarding the reset and further development of the rural areas of the District.

The Cabinet Member for Customer Services thanked the Head of Corporate Resources for his clear explanation. She expressed concern at the Council's increased expenditure due to Covid and asked if that had been considered. She noted that West Sussex County Council had received more funding from central Government.

The Head of Corporate Resources confirmed the Council retains the additional funds from Rampion until the reset is activated and the base line need is adjusted or changes are made to the NNDR system, i.e. rates for virtual businesses. The revenue is secure for the coming year. Local Authorities would like more certainty with NNDR funding. It would be too late when the settlement figure is released and more might be known when the next Budget is announced. The additional expenditure, due to Covid, had not been considered and appeals for some types of facility were still in progress. Figures for 2021/22 are known and partly for 2022/23.

The Leader advised it was difficult to make forecasts and recommend budgets in these uncertain times. The Council has a strong track record and has diversified its income to ensure a strong financial position. Covid has had a severe impact reducing income and increasing cost, the bounce back of the economy is uncertain following the roll out of vaccinations. Key services have kept running, paid from reserves, which is not sustainable in the longer term. Action must be taken to maintain reserves. He thanked the Scrutiny Committee and advised that the Head of Corporate Resources should make a minor change to recommendation (iii) changing short term to medium term.

He took the Members to the recommendations, including the update to recommendation (iii) which were agreed unanimously.

RESOLVED

The Cabinet recommend to Council the proposals for 2021/22 as set out in the report to the Scrutiny Committee and as amended by this report, specifically:

- i. The financial outlook facing the Council given the extent of the Covid-19 pandemic;
- ii. The proposed increase in Council Tax;
- iii. The strategy to use General Reserve to balance the budget over the medium term;
- iv. The proposed Capital Programme; and
- v. The service commentaries

7. BUDGET MANAGEMENT 2020/21 - PROGRESS REPORT APRIL TO DECEMBER 2020.

Peter Stuart, Head of Corporate Resources introduced the report. He highlighted the overspend of 1.9m in the year. He noted the setting up a small reserve to finance support to the Leisure Centres which are costly when shut but a good income stream when open. Figures will change due to the current climate, any assumptions made may need to be revised and the overspend may change. General Reserves have been used to absorb the impact.

The Leader noted the adverse impact caused by the additional lockdowns.

The Deputy Leader expressed concern about future income due to pressures on industrial rents by the pandemic.

The Head of Corporate Resources confirmed some businesses made contact about their rent and the Council is in constant contact with its tenants. Some people have applied for grants, but the applications rate could be higher. He was pleased to be able to fund minor capital projects in the current climate. The Council must keep investing in recreation centres. The public art project funded by S106 funds was controversial, but the money had been allocated for that purpose and officers conducted extensive research. The works at St John Park recreation ground was an ongoing commitment to improve that site using S106 monies.

The Cabinet Member for Economic Growth expressed concern over the increase in figures to the year end.

The Cabinet Member for Customer Services was saddened to see the writing off of Horsham District Council's contribution and sought reassurance that everything had been done to obtain payment. She queried whether the figures for industrial rents were based on invoices or income.

The Head of Corporate Resources advised he would provide detailed figures to Cabinet and expenditure can be an annual cost incurred at one particular time. All income is budgeted on creation of invoices, bad debts are only written off after all avenues to seek payment have been exhausted. Horsham District Council were never happy with the partnership but the other partner had paid their bill in full.

The Cabinet Member for Housing and Planning asked whether the income derived from temporary accommodation should be listed separately. The temporary

accommodation is an asset and the temporary accommodation expenditure would have been higher, it would show the reduction in costs to the Council.

The Deputy Leader noted the importance of the Leisure Centres to the residents for wellbeing and socialising aspects and asked whether the application for funding to the National Leisure Fund was reflected in the budget.

The Head of Corporate Resources advised that income from temporary accommodation was listed as a net figure incorporating the Bed & Breakfast expenditure. A detailed report on the reduction in temporary accommodation costs could be produced to update Members in MIS. Funds from the National Leisure Fund were not included as they had not been received.

The Leader highlighted the improved service provided to the vulnerable people. He took the Members to the recommendations which were agreed unanimously.

RESOLVED

The Cabinet noted the report and recommend to Council:

- (i) that £500,000 be transferred to a Leisure Covid Support Reserve from General Reserve as detailed in paragraph 19;
 - (ii) that £38,170 grant income relating to Rough Sleepers Initiative be transferred to Specific Reserve as detailed in paragraph 32;
 - (iii) that £76,500 grant income relating to New Burdens funding to cover the cost of administering the new Business grants in respect of Covid be transferred to Specific Reserve as detailed in paragraph 33;
 - (iv) that £48,631 grant income relating to Local Authority Compliance and Enforcement grant be transferred to Specific Reserve as detailed in paragraph 34;
 - (v) that £9,663 grant income relating to New Burdens funding for Housing Benefit Accuracy Award Initiative and Severe Disability Premium Gateway Initiative be transferred to Specific Reserve as detailed in paragraph 35;
 - (vi) that £75,000 grant income relating to support in respect of Covid-19 preventative interventions delivered by Environmental Health teams be transferred to Specific Reserve as detailed in paragraph 36;
 - (vii) that £61,418 grant income in respect of Journey to Work funding, to fund work being undertaken by the Employment Projects Co-ordinator be transferred to the Revenues and Benefits New Burdens Specific Reserve as detailed in paragraph 37;
 - (viii) that £26,026 grant income to Implement the Test and Trace Support Payment scheme be transferred to the Revenues and Benefits New Burdens Specific Reserve as detailed in paragraph 38;
 - (ix) the variations to the Capital Programme contained in paragraph 48 in accordance with the Council's Financial Procedure rule B3;
 - (x) that prior year debtors in respect of Horsham District Council's Contribution to the Census Partnership be written off as detailed in Appendix A of this report.
- To note:
- (xi) the remainder of the report.

The Cabinet Member for Environment & Service Delivery
was exited from the meeting to the waiting room at 5:01 pm.

8. AGE UK PARTNERSHIP AGREEMENTS.

Emma Sheridan, Business Unit Leader for Community Services, Policy and Performance introduced the report. She sought approval to extend the existing

agreements for AGE UK services within the District which continued to be critical to support vulnerable residents during the pandemic. The extension would bring the contracts in line with other agreements for other Community and Voluntary Sector organisations which are due to end in March 2022.

The Cabinet Member for Community confirmed it had been considered at a recent meeting of the Cabinet Grants Panel and supported the recommendations. The extension would give the organisations some certainty in these difficult times. The tackling of social isolation of the over 50s is important work for Age UK in the District and nationally.

The Cabinet Member for Customer Services expressed concern with the financial implications of the tendering process of West Sussex County Council (WSCC) for contracts after June 2021 and the extension of these contracts.

The Business Unit Leader confirmed that WSCC are currently tendering for many services, including this on-going work and the new contracts start next financial year. Officers are already talking to all parties with regards to the provision of services post-Covid and for 2022-23 onwards. This includes the possibility that organisations don't get a contract with WSCC and the impacts of reduced contract budgets under the current WSCC tender. It is expected that Age UK will be contracted for some services they are aware that it may be less or different that was the case previously. Officers are working closely with the organisations to discuss new ways of workings and how they plan to deliver services post Covid.

The Leader took Members to the recommendations which were agreed with 6 votes in favour.

RESOLVED

That Cabinet recommended to:

- (i) Extend Age UK East Grinstead an annual grant of £18,269 for one year, from Apr 2021 - Mar 2022.
- (ii) Extend Age UK West Sussex, Brighton & Hove an annual grant of £54,807 for one year, from Apr 2021 - Mar 2022.

The Cabinet Member for Environment & Service Delivery
re-joined the meeting at 17.09

The meeting finished at 5.10 pm

Chairman

COMMUNITY MANAGEMENT AND ASSET TRANSFER POLICY

REPORT OF: HEAD OF CORPORATE RESOURCES
Contact Officer: Elaine Clarke, Community Facilities Project Officer
Email: elainec@midsussex.gov.uk Tel: 01444 477275
Wards Affected: All
Key Decision: No
Report to: Cabinet
Date of meeting: 7 June 2021

Purpose of Report

1. This report outlines the proposed policy framework, principles and criteria for considering requests and/or inviting submissions for the transfer of Council owned assets to community management.

Recommendations

2. **Cabinet is asked to consider the Community Management and Asset Transfer Policy and the revisions suggested by the Scrutiny Committee for Leader, Finance and Performance to agree a final draft to be presented for adoption by Council.**
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Background

3. The proposed Community Management and Asset Transfer Policy would apply to new and existing community facilities and sets out an open and fair process for considering requests from community organisations. The policy aims to empower and benefit communities by supporting not-for-profit organisations to develop, manage and deliver neighbourhood facilities.
4. The policy is needed to help address the future management of new community buildings required as a result of housing development in Burgess Hill (Keymer Brick & Tile, East of Kingsway, Northern Arc x 2), Slaugham (East of Brighton Road) and Hassocks (Clayton Mills). We have also received requests from a number of community organisations to allow them to develop existing Council land and buildings in order to offer improved local services and facilities.
5. Under the Right to Regenerate proposals announced by the Housing Secretary in January 2021, the public will be given more opportunity to acquire underused Council assets and this policy will enable the Council to consider requests for community developments in a more consistent and equitable way.
6. The forthcoming District Plan review could also consider 'meanwhile uses' to allow pop-up community use of empty premises and permitted development rights that would enable more flexible use of community buildings.

Community Management and Asset Transfer Policy

7. The policy sets out the general principles and criteria for considering requests in relation to the applicant, the premises and the proposed use. It is designed to ensure community managers are competent, use of the facility is suitable and the decision-making process is clear and transparent.

8. The policy details the information required in order to consider a request and outlines the standard lease terms and responsibilities of the community operator through the use of a management agreement. This will help to ensure the facility remains well managed, in good repair and in community use as intended for the full term of the lease.
9. The Council will advertise new opportunities and encourage community groups to work collaboratively and develop proposals for community facilities providing services and activities that meet local needs. The local management of community buildings is preferable to a central management function provided by the Council as it allows better stewardship of local assets by the community owns and uses them.
10. Applicants must be appropriately constituted, operate for community, social or environmental benefit and be non-profit distributing. They must demonstrate that they have a strong and sustainable business-case and the ability to manage the asset effectively. Proposals must be cost neutral or generate an income for the Council.
11. Community asset transfers will generally be by means of a full repairing Lease for a maximum of 35 years or a License to Occupy for short term arrangements. Licenses, Lease Agreements or Agreements for Lease will be approved by the Cabinet Member responsible for Corporate Estates and Facilities.

Scrutiny Committee Comments

12. The draft policy was considered by the Scrutiny Committee for Leader, Finance and Performance on 19 May 2021. Members of the committee requested that Cabinet consider the following points:
 - a) Amending the diversity criteria (para 6, bullet point 6) to add ‘...comply with all relevant employment and equality legislation’. This is a minor adjustment that fits with the general ethos and could be readily amended.
 - b) Discussion was held on the clause prohibiting asset transfers to groups promoting political or religious beliefs (para 6, bullet point 7). Religious organisations offer a range of services such as debt advice, foodbanks and cafes which provide valuable social support to the community. They also uphold religious values that are not always shared across the community and this may alienate and exclude residents who have different beliefs and faiths. Religious organisations that want to operate from Council owned community buildings can hire space to run services and activities or choose to set up a charitable trust or incorporated organisation to manage facilities.
 - c) Members were also concerned about the reference to proposals for developments on recreation land (para 15) and requested that the policy should state that there will be ‘...no reduction of recreation space available to residents unless in exceptional circumstances’. In some instances, it may be appropriate to allow recreational facilities to be constructed on recreation land i.e. sports pavilion extensions to enable community use, the addition of public toilets but the loss of open space would be delivered in accordance with the Local Plan (DP24: Leisure and Cultural Facilities and Activities) and the requirements of the the Local Government Act 1972: General Disposal Consent 2003.
 - d) It was requested that Cabinet consider the Council's contingency capacity, in the event that it is necessary to take a building back from a failed lease agreement.

Policy Context

13. This policy supports the Council's Corporate priorities:
- *Financial Independence* – community managers will be required to present detailed plans and financial forecasts to demonstrate that they have a sustainable business model
 - *Effective and Responsive Services* – community management of facilities will facilitate resident involvement and help providers to develop more effective local services.
 - *Strong and Resilient communities* – the policy will enable community led initiatives and support self-sufficient, vibrant and inclusive communities
14. The Community Service, Policy and Performance Service Delivery Plan for 2021-22 includes an action to facilitate Community Asset Transfers of community buildings at Keymer Brick & Tile, Barn Cottage Recreation Ground and East of Kingsway.
15. If approved, this policy will supersede the Cabinet resolution on 5 July 2010 regarding the criteria for considering requests from Town or Parish Councils for the transfer of assets, which required them to enter into a three-year Management Agreement.

Financial Implications

16. None. Community asset transfers will be cost neutral or generate an income for the Council. Any investment in physical infrastructure will be funded through s106 receipts and external fundraising.

Risk Management Implications

17. The policy has been devised to limit the risk to the Council. The assessment criteria and decision-making process is robust to properly examine the suitability of the applicant and proposed use. The lease terms and management agreement will help the Council to reclaim facilities if they are not used as intended, for community benefit, or poorly managed in the future.

Equality and Customer Service Implications

18. The policy is intended to enable where appropriate communities to take local responsibility for local facilities which will benefit residents. Applicants are required to submit an Equal Opportunities Policy and demonstrate that facilities are affordable and accessible to users.

Other Material Implications

19. None

Background Papers

- Draft Community Management and Asset Transfer Policy
- Meanwhile Foundation legal templates

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Community Management and Asset Transfer Policy

General principles

1. Fundamental to the success of any asset transfer is the applicant demonstrating to the Council that they have a clear rationale, backed by a robust business-case, and the ability to manage the asset effectively. This needs to include an assessment of the financial and organisational capacity of the organisation.
2. Applicants must be appropriately constituted, operate for community, social or environmental benefit and be non-profit distributing.
3. Community asset transfers will be by means of a full repairing Lease Agreement. Freehold transfer will only be considered in exceptional circumstances and must be the subject of a specific report to Council to gain approval. A Meanwhile Use Lease or License may be issued for short term temporary arrangements.
4. Community asset transfers must comply with legislation and general policies. They will be cost neutral or generate an income for the Council.

Criteria for considering requests

5. Requests for the transfer of Council owned assets would be considered where all of the following criteria are met:
 - a) **The applicant must:**
 - be established for community / social / environmental benefit objectives
 - be non-profit distributing – it must reinvest any surpluses to further its social aims
 - be appropriately constituted, for example, a registered charity, a community interest company or a charitable incorporated organisation, parish council, a not for profit company; a co-operative. Such constitution allows the management / ownership of buildings and or provision of services
 - demonstrate good governance, management experience and a track record of delivering services or property management
 - have the skills and capacity within or available to its managing body to effectively deliver services and manage the asset;
 - be non-discriminatory, fully inclusive and embrace diversity
 - not promote political activities or religious beliefs
 - submit a detailed proposal explaining how the premises will be managed on a day to day basis and policies to ensure compliance with any legislation regarding premises management and / or running a service.
 - provide copies of the accounts of the organisation.
 - have a clear purpose and understanding of the activities it wishes to deliver
 - b) **The Asset**
 - is in the freehold/leasehold ownership of the Council.
 - is not currently needed or identified for future investment value or disposal (in accordance with District Plan Policy DP25) or use for direct service delivery, which could best be provided directly by the authority rather than through the community.
 - is fit for purpose and would not impose an unreasonable liability to the transferee or the Council
 - transfer would not be contrary to any obligation or existing covenant placed on the Council

- before any asset transfer the Council will need to be satisfied that it is within its legal and financial powers

c) Proposed use

- the proposed use will offer a service which contributes toward Mid Sussex District Council's corporate priorities and community development plans
- will maximise opportunities for income generation to ensure sustainability, for example, through the hiring of space and facilities
- there is both a need and demand for the activities being proposed and consideration is given to whether or not this is being satisfactorily addressed by another organisation.
- must make good use of the facilities, accommodate any existing users (if applicable) and be accessible

In the case of vacant premises or new build projects the Council will advertise the development to voluntary sector organisations, sports clubs, not-for-profit leisure providers, town and parish councils and statutory sector partners and invite Expressions of Interest from community groups who are interested in running the facility or want to hire space for activities. In some instances, the Council will invite targeted bids from voluntary sector organisations in order to address specific local needs.

6. This information will help inform the business plan and design of the new facility. New facilities should generally be designed as multi-purpose flexible spaces, suitable for a wide range of activities and services, so they can meet current and future needs. Sustainable and vibrant community hubs can potentially include retail, café, childcare provision, meeting and activity rooms, workshop space and co-working facilities.
7. If more than one organisation is interested in running a facility the Council will work with all stakeholders, including Ward Councillors, Town and Parish Councils, to discuss their needs and encourage them to work in partnership. If there is no clear lead body the Council could support the formation of a new organisation established to manage the facilities on behalf of the community.

Submissions

8. Before the Council can agree to issue a Lease it will need to be satisfied that there is a sustainable business plan in place to ensure the facility will be effectively managed for the benefit of the local community in the long term.
9. At the most basic level this would mean ensuring there are keyholders to enable access to facilities, a phone and email booking system, and policies in place to deal with statutory responsibilities such as equal opportunities, health and safety, safeguarding and licensing.
10. The expectation is that sufficient income will be generated from the facility to cover site revenue and maintenance costs and an operational budget will be required. An outline programme of varied groups / activity providers will be needed to estimate bookings by casual one-off hirers and regular users. A strong marketing plan will also be needed to show how the facility will be promoted to community users.
11. In terms of proposing a business case for consideration by the Council any applicant will need to submit:

- organisational contact details, constitution and 3 years financial accounts
 - track record of delivering services and or managing property
 - the planned programme, hiring arrangements, user groups and information about community consultation, partners and stakeholder engagement
 - details of governance structure with capability to sustain asset transfer and has identified necessary capacity building requirements within their organisation.
 - how the asset will be managed on a day to day basis and maintained in the longer term, including details of any policy requirements i.e. safeguarding, health and safety
 - where transfer is requested at less than market value the applicant has justified and quantified the outcomes and community benefits to result from the asset transfer
 - at least 5 years revenue or capital funding plans and projections of managing and operating the asset.
12. Submissions will be assessed against the criteria outlined above (see Appendix B). This information will be reviewed by Community Services, Performance and Partnerships and when satisfied that the submission meets the Council's criteria, Estates & Facilities will be directed to prepare Heads of Terms.
 13. If more than one proposal were submitted for the same facility the Council would need to consider both and assess which option best meets the criteria. Any disputes will be referred to the Cabinet Member for Community Services who will have the final decision.
 14. Proposals for developments on recreation land must be approved by the BUL for Waste, Landscapes and Leisure. The final decision to grant a lease will be taken by the Cabinet Member responsible for Corporate Estates and Facilities.

Lease Terms

15. The Local Government Act 1972: General Disposal Consent 2003 gives the Council the power to grant a Lease subject to certain constraints.
16. If the Lease relates to an area of open space, the Council must advertise disposal for two consecutive weeks in a local newspaper and invite members of the public who may oppose or object to such a disposal to make their views known. The Council must consider any objections before deciding whether or not to grant the proposed lease.
17. Corporate Estates will produce a statement by a RICS qualified surveyor when adopting a rent for the community building which will have regard to the marketing that has been undertaken, open market rents, reference relevant comparable community buildings rents and justification of any discounts being applied.
18. If the business plan submitted indicates that the market rent is unachievable, the Council could agree to a rental subsidy if it can be demonstrated that the asset transfer will result in economic, social or environmental benefits. The difference between the unrestricted value of the asset and the consideration accepted must be £2m or less.
19. The amount of any rent subsidy will be considered on a case by case basis. Factors influencing such a decision will include; proposed uses, extent of revenue producing opportunities, financial accounts and forecasts, benefits to the community.

20. In order to ensure the Council can step-in if the Lessee fails to keep the building in good repair, does not comply with the agreed use or breaches any of the Lease covenants the standard Lease term should be limited to 35 years with a mutual break clause at 15 years. This period is generally sufficient to enable community organisations to apply to external funders for grants toward capital investment in the facilities. Any alterations to the building will require Landlords Consent.
21. To ensure the facility continues to be used by the Lessee for the agreed purpose the Lease should specify the Permitted Use, the number of hours of operation that the facility will be made available for community use and include an alienation clause to prohibit assignation and restrict sub-letting, except to designated organisations as agreed with the Council.
22. In all cases, leases will include a Management Agreement (Appendix A) and terms that ensure the asset is returned if these agreements are not met of the organisation is dissolved, becomes insolvent or due to any other circumstances.
23. The Management Agreement will set out the approved use of the asset and Lessees will periodically be required to demonstrate how they have complied with the conditions of the agreement. If they fail to comply with the Management Agreement, there will be a six-month review period which could result in a rent increase, based on the market value.
24. The Council will reserve the right to appoint a Councillor as a nominated non-executive representative on the Board of the Lessee.
25. Any proposal to enter into a Lease Agreement or Agreement for Lease must be formally approved by Cabinet.
26. When the Lease comes into effect the Council will provide the Lessee with a Tenant Handbook providing instructions for the operation and maintenance of the premises i.e. insurances, utility suppliers, servicing requirements, guarantees and warranties.

Appendix A: Management Agreement Template

MANAGEMENT AGREEMENT

BETWEEN

MID SUSSEX DISTRICT COUNCIL

AND

[INSERT ORGANISATION NAME]

The Management Agreement is a legally binding document which forms an Appendix to the Lease and failure to comply will mean a breach of the Heads of Terms.

1.0 INTRODUCTION

- 1.1 Mid Sussex District Council, "The Council" has agreed to subsidise the rent due on [insert name and address of community asset] "The Facility", leased to [insert organisation name], "The Service Provider", and this Agreement sets out the respective obligations of each organisation.

For the purpose of this Agreement the lead representative for each organisation will be the person occupying the position of:

- (a) For the Council: [The Community Facilities Project Officer]
and
- (b) For the Service Provider: [insert main contact]

- 1.2 This Agreement is for the delivery of a service designed to achieve community and social benefits through the approved use of The Facility, in return for a rental subsidy. The Service Provider is more than a Caretaker for the building which is a community asset at the centre of the local community.
- 1.3 The parties to this agreement will endeavour to work within the shared principles and approach to joint working, as set out in the West Sussex Compact.
- 1.4 This Agreement will commence on [insert start date] and will run for a period of [insert lease term], subject to satisfactory performance and review and in accordance with the provisions set out in this Agreement.
- 1.5 In consideration of the subsidy specified in clause 4, the Council and Service Provider hereby agree the terms and conditions set out in this Agreement.

2.0 SERVICE TO BE PROVIDED

- 2.1 The Service to be provided in accordance with this Agreement is as follows:

The Service Provider shall make The Facility available between [9am and 11pm seven days per week] unless otherwise agreed with the Council. The Service Provider shall allow the general public, local residents, community groups and other organisations use of the Facility for a minimum of [insert % of community use] of the Available Time every year during the Term.

3.0 SERVICE PROVIDER RESPONSIBILITIES

The Service provider must:

- 3.1 maintain the building so it is kept in good repair, accessible and fit for purpose. Any proposal to vary the facilities provided or make changes to community use of The Facility must be agreed with the Council.
- 3.2 have adequate employers, public liability, buildings and contents insurance as necessary
- 3.3 demonstrate good governance and operate in accordance with the organisation's Constitution. Any proposal to vary the Constitution is to be agreed with the Council and it is not to be changed without prior consultation.
- 3.4 comply with all relevant current and future legislation and regulatory requirements, required in the provision of this Service and ensure up to date policies, procedures and training are in place to address key issues such as Equal Opportunities, General Data Protection Regulation, Safeguarding, Health and Safety, Employment and Volunteering.
- 3.5 ensure all staff, volunteers and Trustees have a Disclosure and Barring Service (DBS) check if deemed necessary for their task or role.
- 3.6 ensure business continuity is in place to cover emergencies, sickness and annual leave.
- 3.7 keep risk assessments, fire checks and evacuation procedures. There must also be an accident procedure and log.
- 3.8 maintain proper and accurate financial records
- 3.9 provide good customer service. Staff volunteers and Trustees should always be inclusive, welcoming and friendly. They should treat each other and users with respect and courtesy and respond to enquiries and questions promptly.
- 3.10 advertise the times at which the Facility may be used by members of the public and organisations; details of the booking officer who must be contacted; and charges made for hiring the Facility.
- 3.11 keep records of bookings, user details and activities. Bookings from charitable, local and not for profit community organisations will take priority.
- 3.12 ensure hire charges do not exceed the Council's standard charges for similar facilities owned by the Council for any period during the Term.
- 3.13 set up a complaints procedure and log; accurately record any complaints and follow agreed procedures. There should be a clear route for complaints, compliments and comments about The Facility.
- 3.14 ensure meaningful stakeholder engagement and participation; listen to feedback and adjust services accordingly. This should be delivered through regular and ongoing consultation and / or the establishment of an Advisory Group consisting of the following representatives (as a minimum):

- x 1 District Council
- x 1 Town / Parish Council
- x 2 user group
- x 1 local resident / neighbour
- x 1 Trustee

- 3.15 allow the Council to appoint a representative to attend and observe all Board / Management Committee meetings.
- 3.16 allow reasonable inspection of financial records, management committee and advisory group minutes, consultation findings, booking records, logs, risk assessments, policies and procedures which must be produced to the Council, if requested.

4.0 RENT SUBSIDY

- 4.1 The Council will subsidise the market rent to the value of [??] per annum, for the full term of the Lease.
- 4.2 If the Service Provider fails to deliver the service or comply with their responsibilities as outlined above, the Council reserves the right to reduce the rent subsidy or reinstate the market rent. In this instance, the Council would take steps to terminate the lease.
- 4.3 The Service Provider will be served written notice and there will be a six month review period prior to any action.

5.0 MONITORING AND REVIEW

- 5.1 The Service Provider shall co-operate and comply with the Council's reasonable processes for the monitoring and evaluation of the service and the Service Providers responsibilities as set out in Section 3 of this Agreement.
- 5.2 This Agreement will be subject to a review meeting and written report, to be produced by the Service Provider which will cover all aspects of the Agreement. Any variations in the Agreement will be considered as part of this review. Review meetings will be scheduled to run concurrently with the rent review dates, as set out in the Lease.
- 5.3 If either party requires a review of any aspect of this Agreement then such review shall take place at the earliest practicable opportunity upon written notice being given to the other party specifying the terms of the review. Determination of any matter under this clause shall be without prejudice to the operation of clauses 6 and 7 when applicable.
- 5.4 Membership of the Review meetings will include such representatives of the Service Provider, its Board and of the Council, as can take decisions required for the proper operation of this Agreement and to take decisions as required by the terms of the Agreement.
- 5.5 The review will include:
 - (a) Details of the service provided and compliance with the specification.
 - (b) Examination of the operational policies and evidence of implementation.
 - (c) Information on finances, staffing and volunteers.

- (d) Premises inspection
- (e) Any breaches of this Agreement or the specification.

6.0 RESOLUTION OF DISPUTES

- 6.1 The parties shall use their best endeavours to resolve by agreement any dispute between them. In the first instance the dispute will be discussed by the lead representatives and may then be referred to more senior officers of both the Service Provider and the Council so as to seek amicable resolution.
- 6.2 In the event that the dispute cannot be resolved through the mechanism set out in 6.1 above the parties may refer the matter to an agreed independent arbitrator whose decision shall be binding.

7.0 TERMINATION

- 7.1 If the Service Provider is dissolved, becomes insolvent or ceases to operate for any reason, the Agreement will terminate immediately and The Facility will be returned to the Council.
- 7.2 This Agreement may be terminated by one party [giving x months written notice to the other party – same as lease agreement].
- 7.3 The Council may terminate this Agreement if the Service Provider, their employees or anyone acting on the Service Provider's behalf:
 - (a) corruptly offers, gives or agrees to give to anyone any inducement or reward in respect of this or any other Council contract (even if the Service Provider does not know this has been done), or
 - (b) commits an offence under the Prevention of Corruption Acts 1889-1916 or Section 117(2) of the Local Government Act 1972.

Signed by:

Name:

Position:

**For and on behalf of
Mid Sussex District Council**

Date:

Signed by:

Name:

Position:

**For and on behalf of
Service Provider**

Date

Appendix B: Assessment of Submissions

	The asset	Yes / No	Comments
1.	Is the asset in the freehold/leasehold ownership of the Council?		
2.	Is it suitable / available i.e. not required for Council business, fit for purpose and not subject to any covenants?		
	Eligibility	Yes / No	Comments
3.	Have the following information been submitted? - Constitution - 3 years financial accounts - Business plan and five year income and expenditure forecasts		
4.	Is the organisation non-profit distributing?		
5.	Is organisation established for community / social / environmental benefit objectives?		
6.	Does the constitution allow the management / ownership of buildings and or provision of services		
	The organisation Has the applicant demonstrated:	Yes / No	Comments
7.	A strong track record of delivering services or property management?		
8.	That they have the skills and capacity to effectively deliver services and manage the asset?		

	If no, have they identified any capacity building requirements within their organisation?		
	Proposed use Has the applicant supplied information regarding:	Yes / No	Comments
10.	Their overall vision for the future use of the facility?		
11.	Details of the proposed activity programme and user groups?		
12.	Hiring arrangements and community use of the facility - opening hours and accommodating any existing users (if applicable)?		
	Need and benefits Does the proposal:	Yes / No	Comments
13.	Provide evidence of need and demand for the activities being proposed i.e. details of community consultation, support from partners, stakeholder engagement		
14.	Provide information about the community, social or environmental benefits to result from the asset transfer		
15.	Provide information addressing diversity, community cohesion and social inequalities		
16.	Explain how the proposed use will benefit Mid Sussex residents and contribute toward the Council's corporate priorities (Financial Independence, Effective and Responsive Services, Sustainable Economic Growth, Strong and Resilient Communities)		
	Management	Yes / No	Comments

	Has the applicant provided:		
17.	Details of the day to day management arrangements		
18.	Information regarding ongoing maintenance		
19.	Policy documents i.e. safeguarding, health and safety, equal opportunities		
20.	A marketing plan		
21.	Details of booking system and pricing plan – is it affordable, accessible?		
22.	5 years financial projections which demonstrate long term income generation and sustainability		

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STRATEGIC RISKS 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: No
Report to: Cabinet
7th June 2021

Purpose of Report

1. This purpose of this report is twofold: it presents a slightly revised Strategic Risk Policy Document for agreement, and also presents the Council's key strategic risks for 2021-22. These are assessed using that Risk Policy, and plans are presented for mitigating those risks such that the likelihood and impact of their occurrence is minimised.

Recommendations

2. That Cabinet:
 - (i) Agrees the Strategic Risks for 2021-22 and management plans set out at appendix A; and,
 - (ii) Agrees the MSDC Strategic Risk Management Policy, as set out at Appendix B and supports the consequent changes to the Constitution.

Background

3. Council approved the Corporate Plan and Budget for 2021-22 on 4th March 2021. This Plan is the outcome of a robust service and financial planning process. As with all plans it is, however, based on best known assumptions at the time. If these assumptions prove inaccurate because circumstances change during the year, there could be a potential impact on the Council's ability to fully deliver its plans during the year or to be able to do so within budget. It is therefore prudent that the Council identifies what significant factors or events might occur and to ensure it has in place appropriate arrangements for mitigating 'strategic risks'.
4. This is especially important given the nation is still dealing with the pandemic, which has made accurately forecasting financial and service trends very difficult over both the short and medium term.

Strategic Risk Management Policy

5. The Council adopted a Strategic Risk Management Policy back in 2006. This has been reviewed on an annual basis since then to ensure it remains fit for purpose. Our successful management of the identified risks since that time is evidence that the policy and the associated actions are in no great need of change. However, given the greater economic and societal uncertainty prevalent today, it makes sense to adjust the policy to get the best out of work in this area.

6. The Policy is set out at Appendix B for Cabinet's consideration. The main differences are:
- (a) A clarification of the thresholds between the impact categories. This should enable users to more accurately judge the level of risk threat;
 - (b) A clarification of the probability criteria to offer clear guidance on the level of certainty attached to the likelihood of a risk manifesting ;
 - (c) More description of the principles that guide the management of risk across the organisation as a whole; and,
 - (d) The addition of a further level of Member oversight by fully implementing the Cipfa guidelines on the 'Role of the Audit Committee in Local Authorities 2018'. It should be stressed that this is a matter of choice for the Council but with the increased emphasis on the role of local authorities in dealing with the economic and social impact of the pandemic (particularly around the economic recovery) greater oversight and Member responsibility would be very much in line with our expanded role.

Risk Identification

7. Following consideration of the Council's strategic aims as outlined in the Corporate Plan, three strategic risks have been identified in 2021-22. The risks have been identified using the Council's Strategic Risk Management Policy which considers the likelihood of occurrence, and the level of impact on the organisation and/or the district should they occur. These risks are explained in Appendix A but focus on finance and contract risk and the ever-increasing cyber crime risks.

Initial Risk Score

8. Once risks have been identified, each one is assessed according to the impact on the service, if it occurred, and on the probability that it will happen.
9. Risks are prioritised using a coloured coded scoring system as set out in the risk assessment matrix in Table 1. Risks are assessed on both inherent risk level (no controls or mitigation in place) and residual risk level (after controls and mitigation are implemented). The assessment follows a standard hierarchy where Red risks are the highest, followed by Amber, Yellow, and then Green:

Risk Matrix:

Likelihood	Almost Certain (5)	5	10	15	20	25
	Likely (4)	4	8	12	16	20
	Possible (3)	3	6	9	12	15
	Unlikely (2)	2	4	6	8	10
	Almost Impossible (1)	1	2	3	4	5
		Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Impact						

Next Steps

10. Cabinet is asked to consider the strategic risks for the year and their mitigation plans. Upon this report being agreed, responsibility for management will be assigned and appropriate reporting built in to individual workplans. The appropriate Constitutional changes will also be recommended for implementation in the year.
11. A mid-year report will be produced to update the Executive on mitigation progress and any change in risk rating. In the event that new risks manifest, the appropriate Cabinet Member will be informed and mitigation strategies agreed.

Policy Context

12. The Council has a robust and effective approach to strategic risk management. Strategic Risk Management is an important aspect of every organisation's service and budget processes and the achievement of its corporate priorities. Its application cannot fully insulate the Council from the impact of unexpected external events but it will ensure the Council is best placed to respond if such events occur.

Financial Implications

13. There are no financial implications directly arising from this report.

Risk Management Implications

14. There are no other strategic risk implications aside from those set out in the report and the actions proposed in this report will better enable the Council to identify, mitigate and manage risk. It should, also, be noted that operational risk matters, such as specific business continuity issues, are managed at Service level and escalated as necessary through the Council's Corporate Safety and Risk Management Group which meets quarterly.

Equalities Implications

15. Where appropriate, Equality Impact Assessments are undertaken where service or policy changes are taking place.

Background Papers

None.

Appendix A: Recommendations for Strategic Risks 2021-22

Risk 1: Reserves are needed to balance annual budgets

Corporate Strategic Aim: Financial Independence

Risk Owner: Head of Corporate Resources

Cabinet Member: Councillor Judy Llewellyn Burke

Risk Description

1. The effect of the Covid pandemic has been very serious on the UK economy and local authorities have been as affected as the private sector.
2. The interaction of increased costs along with reduced income across a number of streams has tested the sector's resilience to the limit.
3. Mid Sussex is a strong financial performer yet has been deeply affected by the loss of income in its key income streams of leisure and parking. This position would have been much worse had the government not assisted all authorities with an income compensation and grant package.
4. It is likely that income shortfalls will continue for some time yet and to bridge the gap between income and expenditure some use of reserves will continue. Relying on the general reserve over the medium term is not financially sustainable.
5. A further cause of an imbalance could be the failure of a key contractor. There is a significant contract failure where the Council is exposed to poor performance, business closure or other substantial supply chain impacts.

Current mitigations

- Preparation and distribution of budget management reports and information
- Regular forecasting over the medium term to show national and local financial trends.
- Careful expenditure control.
- Marketing to increase income performance enhancement in key areas.
- Close contract monitoring of service and financial performance.

The consequences

Financial

- Ultimately that reserves are depleted beyond a reasonable and sustainable point
- Contract and/or contractor failure may lead to a compromised ability to deliver the required and stated services and/or the cost of providing those services may increase significantly.

Reputational

- Councils that suffer from chronic financial issues are often accused of mismanagement rather than unfair funding.
- Contractor failure would mean that responsibility would rest with the authority rather than the contractor with consequent negative associations.
- Trust and confidence in the Council may be eroded.

Operational

- Taking over key contracts would present resourcing challenges and may mean delays and slippage in other key work areas.
- The continual need to reduce expenditure to match income would lead to reductions in service levels and/or a withdrawal of services.

The key causal factors:

- Local retention of Business Rates is positive in normal times but can work against recipients when times are more uncertain.
- The Fair Funding review and the reset of Business Rates have been factored in to the financial outlook for 2022/23 but their timing is uncertain.
- General uncertainty in the UK and World economy. Instability and recent high-profile failures of contractors and companies can lead to nervousness which breeds further instability.
- The impacts of COVID-19 restrictions and the uncertain pace of recovery continue to make losses of contractors more likely. Losses can affect supplier chains far from the original problem.
- The financial impacts of the key contracts in light of government Covid19 restrictions

Initial Risk Score: 16

Risk 2: Operational Resilience: Cyber Security

Corporate strategic Aim: Effective and Efficient Services

Risk Owner: Head of Digital and Customer Services

Cabinet Member: Cllr Ruth de Mierre

Risk Description

1. Threat actors targeting local government, locally hosted, or cloud hosted systems and data
Threat actors targeting data and systems hosted by 3rd parties that MSDC works with
2. Malicious software deployed across MSDC / 3rd party systems indirectly through phishing, malicious links or similar.
3. Data breach from deviation of best practice or from a targeted social engineering / phishing based attack.

Current mitigations

- Working with security agencies and employing best practice.
- Various cyber security protection techniques, software hardware and services.
- Staff education.
- Further mitigative actions are available but cannot be described in a document with wide or public circulation.

The consequences

Financial

- Any loss of operational capability will have a corresponding financial impact either in relation to lost income, the cost of correcting the issue or rebuilding infrastructure.
- Loss of some critical data could produce an un-recoverable situation which would have significant financial implications on income, such as with revenues and benefits data.
- Estimated average cost of local authorities recovering from cyber-attack is £500k, but has been seen as high as £10m

Reputational

- The loss of key systems relating to public facing services would likely gather negative publicity in the press and social media, especially if it resulted in poor outcomes for customers in significant need.
- Significant media coverage of cyber-attacks and an erosion of public trust in MSDC can be expected in the wake of any significant incident.

Operational

- Any lengthy downtime for key systems will likely create significant operational difficulties for extended periods of time. Previous incidents of downtime suggest that with some scenarios, only a few weeks of downtime can translate to many months of remedial actions and their associated labour costs.
- Catastrophic effect on operational capabilities if critical systems / data are destroyed and restoration capabilities are compromised or not present.

The key causal factors:

- Increased threat of cyber-attacks (viruses, malware, ransomware, etc.) Many sources report that targeted attacks on local authorities are on the rise, cyber-attacks globally are also increasing and are becoming more sophisticated.
- Local authority systems becoming increasingly attractive target to attackers due to factors such as limited digital budgets, legacy systems and large quantities of personal data.
- More flexible access to data and systems can create complacency, and mobile devices can be lost or stolen. As attacks become more sophisticated and convincing, even well-educated staff can fall victim to a phishing attempt.

Initial Risk Score: 15

Risk 3: Operational Resilience: Business Continuity

Risk Owner: Head of Digital and Customer Services

Cabinet Member: Cllr Ruth de Mierre

Risk Description

1. There is a risk that council operations are affected as a result of data being lost from either on-site or cloud systems and / or legacy physical infrastructure being affected by on-campus disasters such as fire and flood, power loss, or loss of connectivity / service.

Current mitigations

- Procurement policy of cloud-first to reduce reliance on physical infrastructure and active program to move as much existing infrastructure to the cloud as appropriate.
- Various backup and restoration capabilities that cannot be described in a widely circulated / public document.
- Further mitigations are available.

The consequences:

Financial

- Any loss of operational capability will have a corresponding financial impact either in relation to lost income, the cost of correcting the issue or rebuilding infrastructure.
- Loss of some critical data could produce an un-recoverable situation which would have significant financial implications on income, such as with revenues and benefits data.

Reputational

- The loss of key systems relating to public facing services would likely gather negative publicity in the press and social media, especially if it resulted in poor outcomes for customers in significant need.
- Significant media coverage of cyber-attacks and an erosion of public trust in MSDC can be expected in the wake of any significant incident.

Operational

- Any lengthy downtime for key systems will likely create significant operational difficulties for extended periods of time. Previous incidents of downtime suggest that with some scenarios, only a few weeks of downtime can translate to many months of remedial actions and their associated labour costs.
- Catastrophic effect on operational capabilities if critical systems / data are destroyed and restoration capabilities are compromised or not present.

The key causal factors:

- It is difficult to predict the likelihood of some scenarios, however on top of disasters and accidents, there are well documented upkeep challenges when operating physical infrastructure in a significantly well-established building such as Oaklands.
- The increasing prevalence of cyber-attacks for local government increases the risk of data loss greatly.
- Some new operating environments such as software and platforms provided as a service present data management and security challenges, and do not always include a backup and recovery solution as standard.

Initial Risk Score: 15

Strategic Risk Management Policy
2021-23



Strategic Risk Management Policy

Purpose

1. This policy sets out the Council's approach to the identification and management of Strategic Risk.

Definition

2. Strategic Risk Management is the way that the Council responds to uncertainty in the external environment. It allows the Council to:
 - Identify key strategic risks in the context of the Corporate Plan's objectives.
 - Assess risks to determine the potential likelihood and impact of each risk.
 - Determine the response that should be made to each risk.
 - Develop the necessary actions, controls and processes to implement the chosen response to each risk.
 - Communicate its approach to risk management and the results of risk management activity.
 - Deal with each risk – either avoid, reduce, share or accept it.
3. NB: In addition to its strategic risk management, the Council has a well-established approach to operational risk management and the principles and tools used to manage this are set out in a more detailed operational risk management strategy.

Risk Culture

4. A strong business wide risk culture is an important aspect of strong corporate governance. Risk Culture is the shared values, attitudes and practices that characterise how the Council considers risk on a day to day basis. The Risk Culture has developed at the Council over recent years so that as an organisation it is less risk averse.
5. Our experience - has been that this improved risk culture has been influenced by the following factors:
 - Awareness of risks faced by the Council
 - Understanding of the business and the relevance of risk
 - Clear ownership of risks
 - Clearly defined responsibilities for risk management activity
 - Effective monitoring and reporting of the effectiveness of risk Whilst the Council is not risk averse, the principles contained within this policy ensure that the Council strikes the right balance in its approach to strategic risk management.

Responsibility

6. As the Executive, the Cabinet is the body responsible for the Council's strategic risk management. Cabinet will approve the Council's strategic risks on an annual basis. Cabinet members will work with Heads of Service regarding the progress in managing risks that fall within their portfolio. In addition, Cabinet will:
 - Provide overall direction on strategic risk management.
 - Take account of recommendations from the Audit Committee;
 - Approve an annual Strategic Risk Profile.
 - Heads of Service have overall responsibility for managing risks in their service area. This may include any of the Risk Responses set out later and detailed within the risk management plans.

Governance

7. In adopting the 2018 Guidance for Local Authorities for Audit Committees, the Audit Committee will assume the following responsibilities:
 - Assurance over the governance of risk, including leadership, integration of risk management into wider governance arrangements and the top level ownership and accountability for risks;
 - Keeping up to date with the risk profile and the effectiveness of risk management actions, and;
 - Monitoring the effectiveness of risk management arrangements and supporting the development and embedding of good practice in risk management.
8. The Cabinet Member for Finance and Service Delivery is recognised as the Member Risk Champion and works with the Officer Risk Champion to embed risk management into the organisation.

Corporate Management and Reporting

9. Management Team is responsible for ensuring the Council's strategic risks are actively managed through the year. It will use its weekly meetings to monitor progress across all the risks and where it is found a risk has increased its risk profile, a report will be submitted to Cabinet.
10. In addition, Management Team has the following responsibilities:
 - Implementing the strategic risk management policy.
 - Reviewing the management of strategic risk.
 - Monitoring the effectiveness of the controls developed to implement the chosen risk response.
 - Integrating risk management into the service and budget planning process.
 - Promoting a robust and proactive risk culture throughout the staff organisation.

- Ensuring that appropriate training is put in place for appropriate officers and that it is reflected in the Member Development programme.
11. To gain third party assurance of the risk framework, Internal Audit will review the Strategic Risk Register and the management of those risks and will report to the Audit Committee on a regular basis. This then:
- maintains independence from the responsibilities of management.
 - communicates independent and objective assurance and advice to the Council on the adequacy and effectiveness of governance and risk management (including internal control) to support the achievement of organisational objectives, and,
 - reports impairments to independence and objectivity to the Council and will enable the implementation of safeguards as required.
12. There must be regular interaction between internal audit and management to ensure the work of internal audit is relevant and aligned with the strategic and operational needs of the organisation. This is achieved through the setting of the annual audit plan.

Review

13. This Policy will be reviewed on every four years by Cabinet.

Identification of Risks

14. The Council approach to the identification of risk means:
- Proactive risk identification, through identification of risks before they lead to harm. This includes regular Strengths, weaknesses, opportunities and threats (SWOT) and PESTLE analysis and scenario planning.
 - Reactive risk identification, through incident reporting processes. Once hazards and potential risks have been identified, they are formally assessed.

Evaluation of Risks

15. Once risks have been identified, each one is assessed according to the potential impact on the service, and the wider Council, if it were to occur and on the probability that it will happen.
16. Risks are prioritised using a colour-coded scoring system as set out in the risk assessment matrix in Table 1. Risks are assessed on both inherent risk level (no controls or mitigation in place) and residual risk level (after controls and mitigation are implemented). Red risks are the highest, followed by Amber risks and then Yellow, and then Green.
17. The Strategic Risk Register (SRR) typically but not always, includes those risks which are rated Red and Amber.

Table 1: Impact Criteria

18. This table is used to assess the impact that a manifestation of a risk would entail. Whilst these matters are never completely discrete, the descriptions act as a guide.

Risk Level		Financial *	Service	Reputation **
5	Catastrophic	More than £1m	Total service failure	National publicity more than 3 days. Resignation of leading member or Officer
4	Major	£500k-£1m	Serious disruption to service	National public or press interest
3	Moderate	£50-£500k	Moderate disruption to service	Local public/press interest
2	Minor	£5k – 50k	Some minor impact on service	Contained within service
1	Insignificant	Less than £5k	Annoyance but does not disrupt service	Contained within business unit

* Financial impact would include the costs of litigation, claims or fines

** The Reputational impact would include consideration of fatality/injury to persons linked to the Council's activities.

19. For example, a possible fatality would merit a 5 score, with 4 meaning a major injury/permanent disablement, 3 a severe injury to an individual, 4 a minor injury to several people, and 2 being a minor injury to an individual.

Table 2: Probability Criteria

20. This table sets out how probable is the manifestation of a risk event. A level of judgement is required and should be peer reviewed to assist with calibration.

Risk Level		Description
5	Almost certain	Expected to occur in most circumstances
4	Likely	Will likely occur in most circumstances
3	Possible	Fairly likely to occur
2	Unlikely	Could occur at some time
1	Almost Impossible	May occur only in exceptional circumstance

21. These two factors are then combined to give an overall risk score as per the matrix below.

Table 3: Risk Matrix

Likelihood	Almost Certain (5)	5	10	15	20	25
	Likely (4)	4	8	12	16	20
	Possible (3)	3	6	9	12	15
	Unlikely (2)	2	4	6	8	10
	Almost Impossible (1)	1	2	3	4	5
		Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
	Impact					

22. Each risk is then managed via a Risk Management Plan, which could include the following Risk Responses:

Avoid

23. As the name implies, stopping a particular action or opting to not start it at all is one option for responding to risk. When choosing the avoidance option, we are closing off any possibility that the risk will pose a threat to the Council, but this is not always practical or possible.
24. Exercising the avoidance option too much can result in operation well below risk appetite. However, if there is absolutely zero tolerance for the risk in question, then avoidance is the proper risk response strategy.

Reduce

25. Reduction or mitigation is to take action to reduce the likelihood or impact of a loss. If the risk in question currently sits slightly higher than the appetite, reduction is a reasonable strategy to employ to bring it within tolerance levels.
26. This is often the common approach yet a very careful assessment is needed that reduction actions are working or will actually work in the future.

Transfer

27. When doing so, we do not eliminate or reduce but rather delegate it to a third-party. The goal with risk transfer is to ultimately reduce the impact should something materialise. As an organisation we are willing to take a gamble on the risk occurring

Accept

28. The last option is to simply accept the risk as-is and do nothing. This risk response strategy is often used for risks with a low probability of occurring or that would have a low impact if they did happen. It is commonplace to have budget reserves set aside to deal with situations like this. Emerging risks, or ones that may pose some sort of threat in the distant future, are also ones commonly placed in the “accept” category.

FINANCIAL OUTTURN 2020/21

REPORT OF: Head of Corporate Resources
Contact Officer: Cathy Craigen, Chief Accountant
Email: Cathy.craigen@midsussex.gov.uk Tel: 01444 477384
Wards Affected: All
Key Decision: No
Report to: Cabinet
7th June 2021

EXECUTIVE SUMMARY AND RECOMMENDATIONS

Purpose of Report

1. To inform Cabinet of the outturn position for the 2020/21 revenue and capital budgets in the knowledge that the year saw the unprecedented financial impact on the Council of the Covid-19 crisis.

Summary

2. Following closedown, the year-end position for 2020/21 showed a net overspend of £1,400,000 after allowing for transfers to Reserves outlined within this report. This is a decrease of £525,000 since the last report to Cabinet 8 February 2021.
3. The main changes in the last quarter of the year relate to increased recovery in income levels in some areas (with the exception of car parking), together with expenditure savings relating to reduction in services required or delays in works due to the Covid restrictions.
4. Interest income during the year, totalling £170,306, was £185,694 less than the original estimate of £356,000. This was mainly due to the continued reduction in the rates available in the market throughout the year as well as due to timing differences between budgeted and actual capital receipts anticipated for the year. It was also depressed because of the policy to keep higher than usual liquid cash deposits, which was judged necessary due to the impact of Covid-19 on our revenue income streams. Of the total interest received for the year, £275 has been utilised (refer to paragraph 22) leaving a balance of £170,031 to transfer to General Reserve.
5. Dividend income from investments in the Local Authorities Property Fund generated £248,529 in year, which exceeded the 2020/21 projection by £8,529. This overachievement of dividend income received will be transferred to General Reserve.
6. The capital outturn position shows a £3,428,000 increase in approved spending against the revised budget. This includes projects that came forward during the year totalling £4,728,000 which were unbudgeted at the start of the year but approved during the year. An analysis of this is shown in Table 2. The total net expenditure from Specific Reserve and the General Reserve for 2020/21 is set out in Appendix C of this report.

Recommendations

7. **Cabinet is asked to note the contents of this report, and to recommend to Council:**
 - (i) **that grant income as set out in paragraph 12 to 19 of this report be transferred to Specific Reserves;**

- (ii) that requests totalling £108,000 be transferred to Specific Reserves as set out in Table 1;
 - (iii) that £100,000 be transferred to the Community Development Fund Specific Reserve from General Reserve as detailed in paragraph 21;
 - (iv) that balance of interest totalling £170,031 as set out in paragraph 22 is transferred to the General Reserve;
 - (v) that Dividend income totalling £8,529 as set out in paragraph 27 is transferred to the General Reserve;
 - (vi) that the 2021/22 capital programme be increased by £1,556,000 as a result of slippage of some 2020/21 capital projects as detailed in Table 2;
 - (vii) that the revenue overspend in 2020/21, totalling £1,400,000, be met from General Reserve.
-

Background

- 8. During 2020/21, Cabinet received four Budget Management reports on 6 July 2020, 14 September 2020, 23 November 2020, and 8 February 2021. The last Budget Management report in February highlighted a potential overspend of £1,925,000, after the use of Covid Emergency Funding received totalling £1,808,000 and after taking account of further Government funding due to be received in the remainder of the year.
- 9. However, since the last report to Members the position has improved, and the final overspend has reduced to £1,400,000 after allowing for the Government support funding received in year. These service budget outturns have been discussed with the appropriate Cabinet Members and Officers. Members should note that this budget outturn links with the service performance outturn. Full details of service performance outturn for 2020/21 was reported to the first meeting of Scrutiny Committee for Leader, Finance and Performance on 19 May 2021 in the usual way, and is now being considered as a separate item on this agenda.

Revenue Spending 2020/21

- 10. Over the year the budget has been adversely affected as a direct result of the Covid pandemic which severely reduced all sources of income and in some areas, such as Leisure, also increased costs. Whilst the Income Compensation scheme grant for lost sales, fees and charges has helped fund some of these losses, many financial targets were not able to be achieved as planned and service performance was unavoidably affected. However, although the first three quarters of the year showed a forecast overspend of £1,925,000, this position has now improved. The outturn for 2020/21, is an overspend of £1,400,000, being £525,000 less than the latest forecast reported to Cabinet on the 8 February 2021.

11. In summary, this reduction in the forecast overspend is mainly due to the higher than predicted recovery of income in a number of areas, with the exception of Parking, together with increased expenditure savings resulting from works delayed by the Covid restrictions. The outturn position is further detailed in Appendix A.

Requests to Reserves for Grants received in Quarter 4 of 2020/21

12. On 22 December 20, the Council received an un-ringfenced grant totalling £22,117 from the Ministry of Housing, Communities and Local Government (MHCLG) in respect of Council Tax Hardship Fund and Business Rate relief. Members are requested to approve that this sum be transferred to the existing Council Tax Hardship Fund Specific Reserve to meet additional costs which may arise.
13. The following sums were received in respect of Discretionary Track and Trace grant: £24,331 on 30 October 2020; £8,168 on 25th January 2021 and £34,500 on 29th March 2021. Members are requested to approve the total of £69,999 be earmarked to Specific reserves to meet this additional cost.
14. On 29 March 2021, we received a sum of £12,328 which is a not ring-fenced grant from the MHCLG in respect Track and Trace Administration costs. Members are requested to approve that this sum be earmarked to the Revenues and Benefits New Burdens Specific Reserve to meet the costs arising.
15. On 17 March 2021, we received a grant payment of £23,167 from the Department for Work and Pensions to meet the costs of new burdens relating to Council Tax Annex Discount grant. Members are requested to approve the transfer of this sum to the Revenues and Benefits New Burdens Reserve to meet this additional cost.
16. In March we received the following grants from Department for Work and Pensions to meet the costs of new burdens relating to DWP Transparency code (£8,103), Health and Safety Trainers Certificate (£1,755) and Savings Credit Uplift (£2,066). Members are requested to approve the transfer of this sum to the Revenues and Benefits New Burdens Reserve to meet this additional cost.
17. On 31 March 2021 we received a £568 grant from the MHCLG in respect of Mobile Homes Fit and Proper Person Test. Members are requested to approve the transfer of this sum to Specific Reserves to meet these costs as they arise.
18. On 3 February 2021 we received a grant payment of £61,250 from West Sussex County Council for the Cycling Strategy. Members are requested to approve the transfer of this sum to Specific Reserve.
19. On 19th March 2021 we received grant for £80,000 from Chichester District Council to supplement the existing Independent Retail Programme. Members are requested to approve the transfer of this sum to Specific Reserves.

Requests to transfer unused budgets to Specific Reserves

20. Despite the overall overspend position set out above, during the year a number of budgets were underspent. Whilst the majority of these have helped to reduce the final overspend for the Council, Table 1 of this report details two requests to Members to earmark unutilised budgets in Specific Reserve for the reasons outlined below:

Table 1: Requests to Earmark Unutilised Revenue Budgets		
	£	Notes
Cash Receipting Reserve	15,000	1
Repairs and maintenance	93,000	2
Total	108,000	

Notes:

- 1 Additional funding required to cover the cost of the cash receipting implementation in 2021/22, using an underspend on Finance Consultants.
- 2 An underspend on repairs and maintenance in 2020/21 was due to the Covid lockdown which delayed/prevented planned improvement works. This underspend can be used to cover works to the Audio Visual system at the Council Chamber as the existing system needs replacing due to its age. It can also be used for structural repairs at Clair Park Pavilion.

21. In addition to the requests set out above, Members are also requested to approve the transfer of £100,000 from General Reserve to the Community Development Fund to replenish this reserve that grant aids many voluntary organisations and community groups.

Total Interest (Treasury Management, Personal Loans and Mortgage)

22. Interest receipts for the year are £170,306, £185,694 less than the original estimate. Of the total, £275 has been transferred to the Specific Reserve in accordance with existing practice to part pay professional subscriptions. The remaining balance of £170,031 can then be transferred to General Reserve.

Treasury Management Interest

23. This report details the Treasury Management interest earnings for the year to be £169,193 at an average interest rate of 0.396%. This compares with a budgeted figure of £354,475 at 1.0%, which is £185,282 less than the original estimate. This is a slight improvement on the last reported position, which was £187,126 under target.
24. To explain further, the average cash balance for the Council was, in fact, higher than forecast. However the anticipated capital receipt for the land sale, which could have been invested for a medium duration, was not received until 31 March 2021, whilst the large Covid Grants, which resulted in the higher than average balance, needed to be liquid as the government expected them to be paid out as quickly as possible. Consequently, it was not possible to place many fixed term deposits and the interest rates were far lower than anticipated when the budget was set several weeks before the Covid situation. These factors resulted in the Treasury Management interest being under target.

25. Further detail will be set out in a separate report to Audit Committee on 27 July 2021.

Local Authority Property Fund Dividends

26. Members will recall that £6m is invested in the Local Authorities' Property Fund administered by the CCLA. Dividends on these investments are paid to the Council on a quarterly basis.

27. Dividends received for 2020/21 totalled £248,529 against a budget of £240,000 which is required to finance the 2020/21 Revenue Budget. This additional Dividend income of £8,529 will be transferred to General Reserve.

General Reserve 2020/21

28. Reserves and cash balances are amounts held for future revenue or capital expenditure and are also held to ensure the Council has sufficient cash resources for any unforeseen demands. The actual end of year cash position and the contributions and use of reserves are shown in Appendix C.

Specific items

29. Specific Items are sums which are the responsibility of individual Heads of Service and identified for specific purposes. Whilst they do not directly influence Council Tax levels, their proposed utilisation is included in the Corporate Plan. The balance on the reserve for each Business Unit at the beginning of the year, together with the increases during the year (i.e. Contributions), how amounts have been applied (i.e. utilised) and explanations for the changes in year are shown in Appendix C. The total of Specific Items financed from the Specific Reserve and the General Reserve was £11,181,000.

Capital Receipts

30. On 31st March 2021, our land at Hurst Farm was sold and we received a capital receipt of some £24m. As previously agreed by Council, £20m of the receipt will be applied to finance the purchase of the headlease of the Orchards Shopping Centre headlease, bought in 2016, which was initially temporarily financed from internal and external short-term borrowing pending this receipt.
31. We will continue to pay an MRP on £4.6m of remaining debt over the next 46 years, unless this is reduced by further capital receipts. This will be detailed in Audit Committee papers to follow.

Spending on the Capital Programme and Revenue Projects

32. Actual spending for the year on the Capital Programme and Revenue Projects was £12,062,000. This was £3,428,000 more than the updated 2020/21 programme totalling £8,634,000 and is due to service specific and other projects which were not budgeted at the start of the year but were approved within the year and now require financing. Details of spending for each service area are shown in Appendix D, together with reasons for variations over £10,000. A summary of the reasons for these differences is also shown in Table 2 below.
33. The variances within the programme include £1,556,000 not spent in 2020/21. This includes £98,000 relating to Corporate Estates and Facilities projects including Major Capital Renewals schemes, £408,000 in Planning Policy for Burgess Hill Place and Connectivity Programme, £378,000 for Commercial Services and contracts- Landscapes and Leisure, £108,000 on Digital and Technology Services, £135,000 relating to Disabled Facilities Grants and £429,000 on Revenue Projects. Further detail can be found in Appendix D of this report.

34.

Table 2 : Capital Programme and Revenue Projects - Analysis of variation			
<i>Category</i>		<i>£'000</i>	<i>£'000</i>
	2020/21 Revised Budget		8,634
A	Slippage to 2021/22	(1,556)	
B	Projects completed and underspent	(32)	
C	Projects overspent	288	
D	Projects brought forward in the year	4,728	
	Total difference		3,428
	2020/21 Outturn		12,062

Category:

- A. Some projects, in whole or in part, have not been able to be progressed as originally intended. Unspent monies have therefore been rolled forward in order to ensure the completion of the projects.
- B. The final cost of projects was less than the revised budget.
- C. The final cost of projects was more than the revised budget.
- D. Projects that did not form part of the planned Capital Programme and Revenue Projects but which were agreed in-year, authorised under delegated authority and/or financed from S106s.

POLICY CONTEXT

35. The outturn for 2020/21 shows actual financial performance against the original budget, which was approved within the context of the Financial Strategy. The 2020/21 budget was compiled in line with the Council's priorities. This policy context was explained in sections 1 and 2 of the Corporate Plan and Budget 2020/21 that was approved by Council on 4 March 2020. The Financial Procedure Rules require Heads of Service to assume operational responsibility for the Budget, and to make recommendations so that corrective action is taken, whilst ensuring changes from the original budget are reported in a way that makes sure any variations are both clear and transparent.

FINANCIAL IMPLICATIONS

36. This report is concerned in its entirety with the outturn financial position for each service area for 2020/21.

RISK MANAGEMENT IMPLICATIONS

37. This report has no specific implications for risk management. The recommendations are concerned primarily with the movement of reserves and slippage in the capital programme; neither of which change the risk profile of the authority.

EQUALITY AND CUSTOMER SERVICE IMPLICATIONS

38. There are none.

OTHER MATERIAL IMPLICATIONS

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

Background Papers

Revenue Budget 2020/21

Final Accounts Working Papers for 2020/21.

Summary Of Revenue Spending Outturn for 2020/21					
Business Unit	Original budget 2020/21 £'000	Revised Budget* 2020/21 £'000	Outturn 2020/21 £'000	Outturn Variation from Revised Budget £'000	Notes in Appendix
Housing	1,543	1,544	1,514	(30)	1
Planning Policy & Economic Development	1,154	1,154	973	(181)	2
Development Management	830	830	1,114	284	3
Cleansing Services	4,012	4,012	4,041	29	4
Parking Services	(1,197)	(1,196)	78	1,274	5
Landscapes and Leisure	1,294	1,254	5,397	4,143	6
Community Services Policy and Performance	1,486	1,486	1,423	(63)	7
Corporate Estates and Facilities	(2,712)	(2,673)	(2,456)	217	8
Finance Accountancy	0	0	0	0	9
Finance Corporate	1,119	1,119	1,123	4	10
Revenues & Benefits	2,492	2,492	2,556	64	11
Customer Services and Communications	0	0	(36)	(36)	12
Digital and Technology Services	(23)	(23)	1	24	13
Human Resources & Payroll	0	0	(84)	(84)	14
Legal Services	0	0	(15)	(15)	15
Democratic Services	1,013	1,013	893	(120)	16
Land Charges	156	156	44	(112)	17
Planning & Building Control Support	0	0	(38)	(38)	18
Environmental Health	1,156	1,156	1,145	(11)	19
Building Control	341	340	388	48	20
Strategic Core	1,319	1,319	1,430	111	21
Benefits	(119)	(119)	(119)	0	22
Drainage Levies	1	1	1	0	
Balance Unallocated	28	28	0	(28)	23
Corporate Pressures/savings:					
Covid 19 Emergency Funding		0	(1,808)	(1,808)	24
Income Compensaton Scheme grant due (SFC)		0	(2,161)	(2,161)	25
MHCLG Business Grant		0	0	0	
Council Net Expenditure	13,893	13,893	15,404	1,511	**
Total Revenue Spending (before approved reserve transfers)	13,893	13,893	15,404	1,511	
Contribution to the Development Plan reserve	436	436	365	(71)	
Contribution to the Job Evaluation reserve	267	267	267	0	
Contribution to Waste reserve	40	40	0	(40)	
Transfer to Specific Reserves (previously reported)	0	0	0	0	
Total Revenue Spending	14,636	14,636	16,036	1,400	***

* includes approved variations including any utilisation of Balance Unallocated

** Before reductions in budgeted transfers to Specific Reserves approved during 20/21 (£40k & £71k).

*** After reductions in budgeted transfers to Specific Reserves approved during 20/21 (£40k & £71k).

Forecast Budget Variations for 2020/21

	Changes since last report in 2020/21 £'000	Notes
Apr to Dec net pressures Cabinet	3,070	
	<hr/> 3,070	
Final Quarter Variations:		
Economic Development Initiatives	(20)	2
Planning Policy minor variations	(18)	2
Planning Fee Income	(13)	3
Planning Counsels Fees and Consultants	40	3
Garden Waste Income	(28)	4
Parking Season Ticket Income	28	5
Car Parks Pay and Display Income	233	5
Controlled Parking Enforcement Deficit	13	5
Parking Financial Transaction processing	(15)	5
Parking Fixed Plant contracts	(30)	5
Car Parks repairs	(21)	5
Parking Security Services	(14)	5
Car Parks minor variations	6	5
Tree maintenance consultants	246	6
Outdoor Facilities premises	(231)	6
Playground alterations	(15)	6
Outdoor Facilities Income	(28)	6
Outdoor facilities Utilities	(14)	6
Environmental Initiatives	(9)	6
Clair Hall Judicial review	18	6
Leisure Contractor compensation	406	6
Leisure Grant received	(301)	6
Landscapes and Leisure Staffing	(58)	6
Community Services, Policy & Performance - salaries	(19)	7
Community Services, Policy & Performance – Community Development initiatives	(14)	7
Community Services, Policy & Performance – Grants to Organisations	(7)	7
Community Services, Policy & Performance – mileage & staff expenses	(6)	7
Corporate Estates & Facilities – Operational properties rent	(40)	8
Corporate Estates & Facilities – cost of borrowing	(83)	8
Corporate Estates & Facilities – Supplementary rent	(70)	8
Corporate Estates & Facilities – Investment properties rent	368	88
Corporate Estates & Facilities – salaries	12	8
Corporate Estates & Facilities – drainage	15	8
Finance Accountancy minor variations	(2)	9
Finance Corporate – minor variations	(8)	10
Revenues and Benefits staffing	(27)	11
Revenues Magistrates Court costs Income	77	11
Revenues and benefits minor variations	3	11
Customer Services and Comms - salaries	(6)	12
Customer Services and Comms - publicity	(7)	12
Customer Services and Comms – software maintenance	(15)	12
Customer Services and Comms – minor variations	(2)	12
Digital & Technology – software licence and maintenance	(98)	13

Appendix A

	<i>Changes since last report in 2020/21 £'000</i>	<i>Notes</i>
Digital & Technology - printers	(12)	13
Digital & Technology – minor variations	(5)	13
Human Resources and Payroll - training	(39)	14
Human Resources and Payroll - consultants	(17)	14
Human Resources and Payroll minor variations	(4)	14
Legal Service - Income	(30)	15
Legal Services - Salaries	14	15
Legal Services – Minor variations	(2)	15
Democratic Services – Members Allowances and Expenses	(15)	16
Democratic Services – Salary savings	(2)	16
Democratic Services - Canvassing	(23)	16
Democratic Services – Chairman's expenses and events	(8)	16
Democratic Services – Minor variations	(2)	16
Land Charges – Minor variations	(2)	17
Land Charges – Income	(37)	17
Planning & Building Support – Salary savings	(8)	18
HMO Income	12	19
Environmental Health minor variations	9	19
Building Control Income	(33)	20
Building Control Staffing	(14)	20
Building Control minor variations	(4)	20
Strategic Core minor variations	(6)	21
Covid 19 Emergency Funding	(37)	24
Income Compensation scheme grant (August to November claim)	(535)	25
Income Compensation scheme grant (Dec to March claim)	(784)	25
	<u>1,400</u>	

Summary and explanation of Key Variances set out in Table above

The Summary of Revenue Outturn Table above shows the full year variance for each Business Unit. Explanation of variances identified for the first three quarters of the year have been reported to Cabinet in previous budget management reports received by Cabinet during 2020/21. Members should note that some of these variances have also been addressed as part of the Budget Process for 2021/22, and where budgets have been adjusted, the 2020/21 underspends are not expected to reoccur. However, now that the final accounts procedure has been completed a number of final variations have arisen. Explanations for these variances are detailed in the paragraphs below.

Housing

1. The service previously reported a (£30K) saving. No further variation has been identified at outturn.

Planning Policy & Economic Development

2. £143K saving was previously identified for the service. There has since been a further saving of £38K. This is mainly due to an additional underspend of £20K in Economic Development, due to the ongoing need to review/reprogramme activities in light of Covid 19 and other government economic recovery initiatives. A further £18K saving was achieved through a number of minor variations below £10K, resulting in a final outturn saving of £181K.

Development Management

3. The last forecast position identified £257K net pressure for the service, of which the majority was income loss. Since then there has been a further net pressure of £27K. This is partly due to a further pressure of £40K in respect of Counsels fees and Consultants owing to the complexity and length of public enquiries during the year. This is partially offset by an improvement of £13K since the previously reported pressure in respect of Planning Fee Income. Together this resulted in a final outturn pressure of £284K.

Cleansing Services

4. The last reported year-end forecast was a £57K pressure. An improvement of £28K has been identified in the last quarter, resulting in a final outturn pressure of £29K. This is mainly due to additional Garden Waste Income achieved through growth in the service, originally budgeted to be achieved next year.

Parking Services

5. The last forecast position identified a £1,074K net pressure. Since then there has been a further pressure of £200K, resulting in a final outturn pressure of £1,274K. The variation in the last quarter is due to the following:
 - £233K Additional Car Parks Pay and Display income shortfall due to further lockdown and impact on Parking income during the pandemic;
 - £28K Further shortfall in Season ticket Income, as above;
 - £13K Parking Enforcement Deficit over the £35K previously reported. Although West Sussex meet the cost of 70% of any deficit, Mid Sussex is responsible for the remaining 30% deficit.
 - (£30K) Fixed Plant contract saving which is a one off saving as a result of costs being charged to the prior year in error.
 - (£21K) Car parks repair saving due to the pandemic, i.e. less use of car parks and fewer ad hoc repairs required. This saving is not expected to continue.
 - (£15K) Financial transaction processing saving due to lockdowns during the pandemic and fewer pay and display transactions resulting in lower processing costs.
 - (£14K) Car Parks Security services saving due to lockdowns during the pandemic and the reduction in cash pay and display activity, resulting in reduced cash collections to create this one-off saving.
 - £6K minor variations below £10K.

Landscapes & Leisure

6. The last forecast position identified a £4,129K net pressure. Since then there has been a further net pressure of £14K, resulting in a final outturn pressure of £4,143K. The variation in the last quarter is due to the following:
 - £246K Additional Tree Consultancy pressure resulting from backlog statutory tree inspection work. This is not on-going;
 - (£231K) Other premises savings including (£157K) Grounds Maintenance and (£74K) Civil repair savings. Some works were not undertaken as a result of increased contract monitoring.
 - (£15K) Playground Alterations saving resulting from lower than expected and previously forecast Covid related costs of Playground cleaning and signage.
 - (£14K) Utilities saving due to a refund received for a water leak at John pears Pavilion where costs were accrued in a prior year.

- (£9K) Environmental Initiatives underspend as some works were not undertaken as a result of the pandemic.
- (£28K) Betterment on previously forecast shortfalls in respect of Outdoor facilities income due to the pandemic due to:
 - Nurseries reopened sooner than expected and at full time hours and a new nursery opened in Clayton this year;
 - Rental Income was higher due to rent reviews
 - Betterment in tennis income resulting from the reopening of some outdoor sports during the pandemic
 - Betterment in Football income which resumed more quickly than anticipated.
- (£58K) Staff savings due to a restructure and recruited personnel not in post before year end;
- £18K Further costs of a Judicial review in respect of Clair Hall.
- £406K Further costs incurred by the Leisure contractor during the Pandemic resulting from the closure of Leisure Centres and the costs of reopening with restrictions.
- (£301K) Government grant received as partial compensation for the Leisure compensation costs to the contractor

Community Services, Policy and Performance

7. The last forecast position identified a £17K net saving. Since then, there has been a further saving £46k made up as follows; £19k salary and £6k mileage, travel and training savings. This is a result of a safeguarding underspend and will be rectified next year when we recruit a part time safeguarding officer to support the Community Safety and Safeguarding Manager. In addition, normal staff overtime and other costs (e.g. mileage and other staff expenses) which would be budgeted for in relation to community engagement and events throughout the year was not spent because of Covid-19 restrictions. Further savings of £14k for Community Development initiatives and £7k in Grants to Organisations is due to community events not being permitted under COVID19 government social distancing/lockdown restrictions. This results in a final outturn saving of £63k.

Corporate Estates and Facilities

8. The overall position is showing a pressure of £217k. The last reported forecast position was a pressure of £347k; this has now changed to show a saving of £130k. The variation in the last quarter is due to the following:-
 - (£40k) saving on ground rent and turnover rent for Operational properties including the Basepoint Business Centre.
 - (£83k) lower than budgeted cost of borrowing for The Orchards
 - (£70k) betterment in previously reported pressure for Market Place supplementary rent
 - £36k pressure on rental income for investment properties following rent reviews and reductions due to the Covid lockdown.
 - £12k pressure on salaries
 - £15k pressure on drainage repairs

Finance Accountancy

9. The last reported position was a pressure of £2k. Since then there has been a saving of £2k on minor variations resulting in an overall nil variance.

Finance Corporate

10. The overall position is showing a pressure of £4k. The last reported position was a pressure of £12k. Since the last reported position there has been a minor variations saving of £8k.

Revenues & Benefits

11. Outturn is showing a final net overspend of £64K. A net pressure of £11K had been reported previously. Since then a further net pressure of £53K is shown and is made up of some large offsetting pressures and savings: (£27K) further staff saving due to vacant posts; offset by a further £77K shortfall in Enforcement income caused by a lack of Magistrates court activity during the pandemic; and £3K pressure due to minor variations below £10K.

Customer Services and Communications

12. The last reported position identified a saving of £6k. Since then, there have been further savings of £30k which is made up of £6k on salaries, £7k on publicity (reduction in costs due to Covid), £15k on software maintenance (actual costs lower than budgeted) and minor variations of £2k. This results in a final outturn saving of £36k.

Digital & Technology

13. The overall position is showing a pressure of £24k. £139k pressure was previously reported and since then there has been a saving of £115k of which £98k relates to software licence and maintenance contracts. This is due to several solutions being decommissioned and consolidated into less costly alternatives and defunct infrastructure associated with the previous Census network have been removed. This will assist with expanding the business continuity and cyber security services. There is also a saving of £12k for printers which is due to a reduction in printing costs and a reduced level of printing due to less occupation in the office because of Covid. There is a further saving of £5k for minor variations.

Human Resources & Payroll

14. The overall position is showing a saving of £84k. £24k has previously been reported and since then there has been a saving of £60k. There have been savings of £39k for training and £17k for consultants due to the Covid pandemic where a number of areas of work that would involve the use of training providers and consultants were either delayed or not required. There is a further saving of £4k for minor variations.

Legal Services

15. The last forecast position identified a £3K net pressure. Since then there has been a further net saving of £18K. This is due to a planning locum used during the last couple of months of the year to cover vacant posts, contributing to an overspend on salaries of £14k. This has been more than offset by the over achievement of Legal income by £30k. There have been other minor variations resulting in a saving of £2K, resulting in a final outturn net saving of £15K.

Democratic Services

16. The last reported position showed savings of £70k. There have been further savings totalling £50k in the last quarter of the year. These include Members Allowances and Expenses totalling £15k due to the pandemic and the introduction and continuation of virtual council and committee meetings, temporarily removing the requirement for Members to travel to any in-person meetings.

There is an additional £2k unreported salary saving due a vacant post. Canvassing has a saving of £23K due to reduced printing and postage costs because the Cabinet Office introduced a reformed Annual Electoral Canvass, with a range of digital and telephone response channels. Owing to the pandemic there have been no payments to electoral canvassers, as the personal canvass element (visits to households) could not be conducted. The underspend of £8k on the Chairman's expenses and events are due to no in-person civic engagements during the pandemic. There is a further £2k underspend from minor variations, resulting in a total final outturn saving of £120K.

Land Charges

17. A saving of £73k had previously been reported. Since the last reported position there has been a further saving of £39K. This relates to an overachievement for income of £37K due to increased volumes of searches and £2K savings from minor variations, resulting in a final outturn saving of £112k.

Planning & Building Control Support

18. The last reported position showed savings of £30k there has been an additional saving of £8K due to a salary underspend caused by vacant posts, resulting in a final outturn saving of £38k.

Environmental Health

19. The last reported year-end forecast was a £32K saving. Since then a further pressure of £21K has occurred, resulting in a final outturn saving of £11K. The additional pressure is partly due to the loss of HMO Income of £12K as a result of changes in activity by Landlords, reducing tenant numbers below the new regulation threshold and thereby reducing the level of income compared to budget. The remaining £9K pressure is the sum of a number of minor variations below £10K.

Building Control

20. The service previously reported a £99K pressure. Since then a further saving of £51K has been identified. This is due to (£33K) betterment on Building control Income in the last quarter, from a previously reported forecast pressure due to the pandemic; (£14K) staff saving due to vacant posts; and (£4K) saving due to a number of minor variations below £10K. This results in a final outturn pressure of £48K.

Strategic Core

21. The last reported position was a pressure of £117k. Since then there has been a saving of £6k due to minor variations resulting in a final outturn pressure of £111k.

22 Benefits

No variation. (Refer Appendix B of this report).

23. Balance Unallocated

No further variation to report since the last reported saving of £28,000.

Covid 19 Emergency Funding

24. During the year Covid 19 Emergency funding of £1,771k has been reported as grant income to help mitigate the revenue overspend. This additional £37k relates to the use of the first tranche of Covid 19 Emergency Funding received in March 2020 which was already available to help fund the 2020/21 revenue overspend as previously reported in the year. This takes the total COVID 19 Emergency Funding to £1,808k.

Income Compensation Scheme grant

25. The last reported position included savings from unbudgeted income received totalling £842k which related to the April to July. Since the last reported position, a further £535k has been received (August to November claim). An additional £784k has also been accrued in 2020/21 which relates to the December to March claim yet to be received, which brings the total unbudgeted grant income for the year to £2,161k.

Appendix B

Benefits Outturn 2020/21				
(using Academy subsidy claim figures)				
	2020/21	2020/21	Variation	
	Original	Outturn	from	
	Budget		Budget	
Non HRA rent rebates				
	£	£	£	
<i>gross expenditure</i>	767,000	1,072,698	305,698	
net expenditure at standard subsidy	0	0	0	
effect of reduced subsidy	451,000	575,816	124,816	
effect of overpayments	(54,000)	(86,294)	(32,294)	
Total Rent Rebates	397,000	489,522	92,522	1
Rent Allowances				
	£	£	£	
<i>gross expenditure</i>	26,426,000	24,682,739	(1,743,261)	
net expenditure at standard subsidy	0	0	0	
effect of reduced subsidy	571,000	412,737	(158,263)	
effect of overpayments	(651,000)	(498,579)	152,421	
Total Rent Allowances	(80,000)	(85,842)	(5,842)	
Discretionary Local Scheme				
Council Tax Benefit	0	0	0	
Rent Allowances	9,000	12,227	3,227	
Subsidy 75%	(7,000)	(9,171)	(2,171)	
Total Discretionary scheme	2,000	3,056	1,056	
Total Support	319,000	406,736	87,736	
Less: LA Error Subsidy	(67,000)	(34,715)	32,285	2
Expenditure above the cap recoverable from Housing Services	(391,000)	(483,125)	(92,125)	1
Less: Funding to / (from) Benefits Equalisation Reserve	20,000	(7,896)	(27,896)	3
Cost to MSDC	(119,000)	(119,000)	0	

Reasons for variation:					
<p>(1) To maximise the amount of government subsidy received for Temporary Accommodation cases, the benefits team has been using the full rent to assess the claim rather than the previous calculations based on the weekly rate. Whilst there are complications to this, it does have the effect of increasing the subsidy to be paid at 100%. Any expenditure above the cap which does not attract subsidy, is recoverable internally from Housing Services</p>					
<p>(2) The percentage of Local Authority error overpayments has remained below the lower threshold, allowing for Local Authority error subsidy to be retained, albeit a reduced sum due to the lower overpayment volumes.</p>					
<p>(3) The benefits equalisation reserve is made up from prior year's surplus' and was set up to reduce the variances on the revenue budget caused by fluctuations in Benefits subsidy. An adjustment is made to/(from) the reserve to bring the outturn position back to the required budget. An amount of £7,896 has been funded from the equalisation reserve, compared to the £20,000 budgeted contribution to the reserve, a variation of £27,896. This is the result of reduced LA Error subsidy volumes.</p>					

Appendix C

Use of Specific Reserve in 2020/21					
Description	Balance at 01/04/2020 £'000	Contributions In Year £'000	Utilised In Year £'000	Balance at 31/03/2021 £'000	Notes
Housing					
Recyclable loan fund	0	(50)	0	(50)	1
Housing Needs Survey	(19)	0	9	(10)	2
Gypsy and Traveller feasibility Studies	(13)	0	13	0	3
County court desk	(14)	0	14	0	4
CPO Fund for Empty Homes	(50)	0	35	(15)	5
Self Build and Custom House building	(87)	0	2	(85)	6
Flexible Homelessness Support SR	(422)	(397)	387	(432)	7
Preventing Homelessness Grant	(39)	(77)	116	0	8
Overhauling Statutory Homelessness data	(9)	0	9	0	9
Rough Sleepers Partnership Outreach	(10)	(59)	69	0	10
Temporary Accommodation reserve	(346)	0	346	0	11
Choice Based Lettings Scheme SR	0	(23)	7	(16)	12
Planning Policy & Economic Development					
Specialist Advice studies - Gatwick	(91)	0	91	0	13
Neighbourhood Planning Non Frontrunners	(100)	(40)	77	(63)	14
Development Plan Reserve (Studies and EIP costs)	(183)	(365)	73	(475)	15
SAMM Fees	(1,919)	(285)	1,477	(728)	16
Burgess Hill Growth	(539)	(60)	326	(273)	17
Martlets Relocation	(133)	0	133	0	18
Planning Performance Agreement	(14)	0	0	(14)	19
Independence Retail Programme	(17)	(80)	14	(83)	20
Business digitalisation	(16)	0	16	0	21
Burgess Hill Station Qtr Project	(56)	0	33	(23)	22
Development Management					
Development Management Temporary Staff	(1)	0	1	0	23
Brownfield Register	(20)	0	20	0	24
Cleansing Services					
Waste TEEP Assessment	(34)	0	34	0	25
A23 Highway Cleansing	(15)	0	15	0	26
Communal Recycling Quality	(18)	0	18	0	27
Waste and Recycling Projects	(72)	0	72	0	28
Community Street Clean	(3)	0	0	(3)	29
Waste Reserve	0	0	0	0	30
Commercial Services and Contracts SR	0	(80)	34	(46)	31
Parking Services					
CPE Investment Fund	(18)	0	15	(3)	32
Car Park Strategy	(77)	0	59	(17)	33
Landscapes and Leisure					
Outstanding Insurance Claims	(2)	0	2	0	34
Invest to Save - Pavilions	(5)	0	5	(0)	35
Parks Improvement	(217)	0	104	(113)	36
Leisure Reserve	(83)	0	6	(77)	37
Illegal Incursions Preventative Works	(15)	0	15	0	38
Anscombe Wood Regeneration	(58)	0	0	(58)	39
Sang Maintenance	(27)	(18)	0	(45)	40
Leisure Covid Support Reserve	0	(500)	0	(500)	41
Community Services, Policy & Performance					
Capital Grants	(17)	0	17	0	42
Community Development Fund	(101)	(400)	93	(408)	43
CCTV Fund	(39)	0	0	(39)	44
Community Safety - Funding for All	(116)	0	0	(116)	45
Performance and Partnerships staffing	(22)	0	22	0	46
WSCC Pool Business Rates Bicycle Funding	(70)	(61)	18	(113)	47
Emergency Planning	(5)	0	5	0	48
Community Volunteer Service (CVS)	(5)	0	0	(5)	49
Environment and Sustainability	0	(100)	0	(100)	50

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Use of Specific Reserve in 2020/21					
Description	Balance at 01/04/2020 £'000	Contributions In Year £'000	Utilised In Year £'000	Balance at 31/03/2021 £'000	Notes
Corporate Estates and Facilities					
WSSC Watercourse delegated function	(17)	0	17	0	51
Asset Maintenance and Landscapes	(8)	0	0	(8)	52
Planned Asset maintenance Specific Reserve*	(50)	(93)	50	(93)	53
Property Consultants	(14)	0	14	0	54
Orchards Repairs and Renewals	(476)	0	0	(476)	55
Orchards Improvement Reserve	(5,000)	0	209	(4,791)	56
High-rise Residential Building Data Collection SR	(2)	0	2	0	57
Finance Accountancy					
FMS to move server costs	(2)	0	2	0	58
Icon Upgrade costs	(12)	(7)	0	(19)	59
Cash receipting*	0	(15)	0	(15)	60
Finance Corporate					
Insurance Reserve	(61)	0	61	0	61
JE and VR Reserve	(2)	(267)	96	(173)	62
Audit Costs	(16)	0	16	0	63
Land and Property Reserve	(16)	0	0	(16)	64
Covid19 Emergency Fund	(38)	0	38	0	65
Efficiency Reserve	0	(300)	48	(252)	66
Revenues & Benefits					
Localising Council Tax support admin	(129)	0	129	0	67
Revenues and Benefits New Burdens	(118)	(337)	200	(256)	68
Census Partnership Disaggregation	(36)	0	36	0	69
Covid19 - Council Tax Hardship Fund	0	(67)	0	(67)	70
Discretionary Track and Trace funding	0	(67)	12	(55)	71
Digital & Technology					
Inspire hosted software solution	(5)	0	5	0	72
ICT PSN related work	(7)	0	7	0	73
ICT reserve	(15)	0	7	(8)	74
ICT - Replacement GIS Software	(4)	0	4	0	75
Burgess Hill Fibre Exchange	(39)	0	0	(39)	76
Cyber Security	(5)	0	0	(5)	77
Human Resources & Payroll					
Employee Benefits	0	(6)	6	0	78
Corporate Training	(1)	0	1	0	79
Democratic Services					
District Elections	(76)	(46)	76	(46)	80
Civic Events	(2)	0	2	0	81
Individual Electoral Registration Grant	(70)	(11)	40	(41)	82
Land Charges					
Temporary staff for land searches	(2)	0	2	0	83
Environmental Health					
Hackney Carriage Unmet Demand Survey	(5)	(5)	0	(10)	84
LA Compliance and Enforcement Fund	0	(49)	49	0	85
Covid-19 Preventative Interventions (WSSC)	0	(150)	14	(136)	86
Mobile Homes Fit and Proper Person test	0	(1)	0	(1)	87
Corporate Funds					
Benefits Equalisation	(1,096)	0	508	(588)	88
Rate Retention Scheme Equalisation	(3,115)	(24,472)	1,456	(26,131)	89
Benefits & Council tax support scheme equalisation	(100)	0	100	0	90
LA EU Exit Preparation	(52)	0	34	(19)	91
Total Specific Reserves	(15,709)	(28,488)	7,045	(37,152)	

Figures in this table are subject to roundings to nearest £'000

*Subject to approval by Council as set out in recommendations of this report

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1. Created to augment the existing Housing Rent in Advance and Deposit guarantee scheme to create a recyclable loan fund for eligible households. In 2020/21 £50,000 was reallocated to this Reserve from the Flexible Homelessness Support Specific Reserve to be used to assist eligible households into private rented properties, as detailed in the Budget Management Report to Cabinet 14 September 2020.
2. The balance in the Housing Needs Survey Specific Reserve at the start of 2020/21 was £19,314. £9,000 has been returned to General Reserve following a review of Reserves to help increase the balance available in General Reserve to support the 2020/21 forecast Revenue overspend. This leaves a balance of £10,314.
3. Created in 2018/19 to cover feasibility studies to assess Gypsy and Traveller housing needs. The balance at the start of 2020/21 was £13,089. This balance has been returned to General Reserve following a review of Reserves to help increase the balance available in General Reserve to support the 2020/21 forecast Revenue overspend.
4. Set up to fund additional resources to prevent homelessness in the future through defending court proceedings. The balance on this Reserve of £13,989 has now been reallocated to help manage additional pressures in respect of Choice Based Lettings scheme as detailed in the Budget Management Report to Cabinet 14 September 2020.
5. This CPO Fund for Empty Homes was approved by Council 27th February 2013 to be funded from New Homes Bonus monies. £35,000 has been returned to General Reserve following a review of Reserves to help increase the balance available in General Reserve to support the 2020/21 forecast Revenue overspend. This leaves a balance of £15,000.
6. This reserve was created to hold grants received from MHCLG in respect of Self build and custom house building. At the start of the year the balance in this reserve was £87,349. During the year £2,000 was utilised leaving a balance of £85,349 at the end of 2020/21.
7. Reserve created in 2017/18, in respect of Flexible Homelessness Support Grant received from MHCLG to support Local Authority efforts in preventing and dealing with homelessness. In 2020/21, £280,925 was received from MHCLG, a further £115,734 has been transferred to this Reserve from the Preventing Homelessness Grant Specific Reserve as detailed in Budget Management report to Cabinet 6 July 2020 and 14 September 2020 respectively. £50,000 been reallocated to the Recyclable Loan Fund Specific Reserve as detailed in note 1. A further £336,763 has been utilised on Flexible Homelessness costs and temporary accommodation costs leaving a balance of £432,000.
8. Created to hold Preventing Homelessness New Burdens grants received from MHCLG to support Local Authorities in fulfilling their duties under the Homelessness Reduction Act. In 2020/21, £77,071 was received from MHCLG as reported in the Budget Management report to Cabinet on 6 July 2020, and the balance on this reserve of £115,734 has now been transferred to the Flexible Homelessness Support Specific Reserve as detailed in Budget Management report to Cabinet 14 September 2020. (refer note 7 above).
9. Created in 2017/18, to hold £9,202 received from MHCLG for new burdens in respect of Overhauling Statutory Homelessness Data Grant Determination. This grant is no longer required for this purpose and has now been reallocated to help manage additional pressures in respect of Choice Based Lettings scheme as detailed in the Budget Management Report to Cabinet 14 September 2020.
10. Created at Outturn 2017/18 from a contribution received from West Sussex County Council. This has been used for Rough sleeper Outreach work to be undertaken by Housing Services. In 2020/21, £5,483 was received from MHCLG, as reported in the Budget Management report to Cabinet 6 July in respect of a Cold Weather Fund Payment. A further £53,622 was received from MHCLG for Rough Sleepers Initiative Next Steps Accommodation grant as detailed in the Budget Management reports to Cabinet 14 September, 23 November 2020 and the 8 February 2021. This Reserve has been fully utilised in 2020/21 to help fund temporary accommodation costs in year, which have increased due to the additional burden of Housing Rough sleepers during the pandemic.
11. Created at Outturn 2017/18 to acquire and manage properties to improve the quality of services for homeless families and reduce revenue expenditure on the service. The balance at the start of the year is £346,038, which has been fully utilised as part of the Capital Financing for 2020/21. A further £1.4m funding was earmarked from Capital Receipts for this purpose in 2020/21, as approved at Council on 24 June 2020, and has been applied to finance further temporary accommodation purchases detailed in capital expenditure this year.
12. Choice Based lettings scheme Specific Reserve created from transfers from County Court Desk Specific Reserve (refer note 4 above) and Overhauling Statutory Homelessness Data Specific Reserve (refer note 9 above). The balance on this Reserve is currently £23,192. During the year £7,452 was utilised leaving a balance of £15,739 at the end of 2020/21.
13. This reserve was created in 2013/14 to finance the commissioning of specialist studies in respect of noise and other environmental impacts to allow MSDC to provide an informed contribution to any consultation relating to the possible expansion of Gatwick airport. This is no longer needed and the balance of £91,258 has been returned to General Reserve.

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14. The reserve shows the remaining balance of a grant received for Neighbourhood Planning totalling £100,354 at the start of the year. In 2020/21, £40,000 was received from MHCLG as reported in the Budget Management Report to Cabinet 14 September 2020. £55,000 has been returned to General Reserve. In addition, £22,013 has been utilised in-year on grants in relation to Neighbourhood plans, leaving a balance of £63,341.
15. The reserve shows the remaining balance of £183,210 at the start of the year. This Reserve is to help meet the costs of maintaining and preparing Development Plans. A contribution of £436,000 was approved in the Corporate Plan and Budget 2020/21 to Council 4 March 2020. In 2020/21 £71,000 no longer went ahead following a review of Specific Reserves to help mitigate the effects of Covid-19 on the Revenue Budget. In 2021/21 £73,047 has been utilised on Counsels fees and Consultants. A balance of £475,163 remains on this reserve at 31 March 2021.
16. This represents contributions collected from developers in respect of the Strategic Access Management and Monitoring tariff (SAMM) which is required to fund migration projects to be delivered by the Conservators of Ashdown Forest. This reserve totalled £1919,369 at the start of 2020/21. In year, the Reserve has increased by a further £285,297. During 2020/21, £1,477,128 has been transferred to Wealden District Council to date as part of the Joint SAMM Strategy and the pooled funding of the shared service this year, leaving a balance at year end of £727,538.
17. Created to help meet the costs of planning and delivering the Burgess Hill growth work. A contribution of £46,230 relating to the Planning Performance Agreement (PPA) was reported in the Budget Management Report to Cabinet 14 September 2020. A further £14,000 PPA grant was received as reported at Outturn 2020/21. £200,000 has been returned to General Reserve following a review of Reserves to help increase the balance available in General Reserve to support the 2020/21 forecast Revenue overspend. A further £59,649 has been utilised on Burgess Hill growth work and £66,732 used to fund Development surveyor costs within Corporate Estates. The balance remaining at 31 March 2021 stands at £272,825.
18. Created to hold contributions from New River Retail Ltd towards any costs relating to the closure of Martlets Hall needed to support the town revitalisation project. The balance of £133,355 has been returned to General Reserve.
19. In December 2017, the Council received a fee of £14,176 in relation to a Planning Performance Agreement with a developer to facilitate delivery of a strategic housing site. Planning Performance Agreements are supported by the Government to promote an improved and more efficient service and is good practice in supporting delivery of housing. The Planning Performance Agreement Specific Reserve was created to hold the sum, as reported in the Budget Management Report to Cabinet 19th February 2018. To date this reserve has not been utilised.
20. Created to deliver a training programme for independent retailers on managing their shopfronts and to provide them with small bursaries to enable improvements to be made. Grant totalling £80,000 was received in-year and £13,650 has been utilised leaving a balance of £83,400 at year end.
21. Business Digitalisation Balance of £15,707 has been re-categorised to Economic Development from ICT at Outturn 2019/20 as it relates to Economic Development activities. The balance of this Reserve has been returned to General Reserve.
22. This Reserve holds a balance of £55,995 in respect of One Public Estate funding, for Masterplanning Burgess Hill Station Quarter Project for which the costs are expected to cover two financial years. £33,238 has been utilised in 2020/21 as part of financing of this Revenue project. The balance remaining at year end is £22,757.
23. Created at Outturn 2014/15 is to cover the cost of temporary staff for a two-year period to meet the rising number of planning applications. The balance of this Reserve has been returned to General Reserve.
24. Created at Outturn 2016/17 to hold grant received from MHCLG in respect of New Burdens funding for the Brownfield Land Register and Permission In Principle (PIP) Legal Agreement. As reported in the Budget Management Report to Cabinet 14 September 2020, the balance of this Reserve has been returned to General Reserve following a review of Reserves to help increase the balance available in General Reserve to support the 2020/21 forecast Revenue overspend.
25. Created in 2016/17 to meet the full cost of the TEEP assessment of £50,000. The balance in this Reserve at the start of the year was £34,025. In 2020/21 £8,215 has been transferred to the Commercial Services and Contracts Specific Reserve to pay for consultancy support as detailed in the Budget Management report to Cabinet 14 September 2020. the balance of this Reserve totalling £25,810 has been returned to General Reserve.
26. The A23 Highway Cleansing Reserve was created to cover the cost of litter-picking the A23. The balance in this Reserve at the start of the year was £15,213, and this has now been returned to General Reserve.
27. This Reserve is to fund a project to improve communal recycling quality and to fund a pilot project with the British Heart Foundation to increase recycling of textiles and small goods as set out in the Budget Management Report to Cabinet 19th February 2018. The balance in this Reserve at the start of the year was £17,705, and this has now been returned to General Reserve.

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28. The Waste and Recycling Projects Specific Reserve of £83,403 is to fund future projects identified in the 2018/19 Service Plan as set out in the Budget Management Report to Cabinet 19th February 2018. In 2019/20 £11,618 has been utilised leaving a balance of £71,785. In 2020/21 the balance has been reallocated to the Commercial Services and Contracts Specific Reserve to support the development of a business case for the future operation of the service, as reported in the Budget Management Report to Cabinet 14 September 2020.
29. The Community Street Clean Specific Reserve was approved at Outturn 2018/19 following receipt of £26,005 from MHCLG in respect of National Community Clean up Grant to be used for projects working with community groups to undertake community-led street cleans. There has been no call on this reserve in 2020/21, leaving a balance of £2,588.
30. A budget contribution of £40,000 to the Waste Reserve was approved in the Corporate Plan and Budget 2020/21 to Council 4 March 2020. In 2020/21 this was not required and did not proceed.
31. The Commercial and Services and Contracts Specific Reserve was created from a transfer of the Waste TEEP Assessment Specific Reserve (refer note 25) and the Waste and Recycling Projects Specific Reserve (refer note 28) in order to support the development of a business case for the future operation of the service as reported in the Budget Management Report to Cabinet 14 September 2020. During the year £34,100 has been utilised on consultants as part of the SERCO service redesign leaving a balance of £45,900 at year end.
32. This Reserve was created at Outturn 2016/17 as 30% of the Civil Parking Enforcement (CPE) Surplus is retained by MSDC for re-investment in the Service. In 2020/21, £984 was utilised on Parking Enforcement investment and £14,284 to fund the 30% CPE deficit, arising from the loss of Enforcement income during the pandemic in 2020/21, leaving a balance of £2,500.
33. Created to support the Car Park Strategy refresh in 2020/21. In year, £59,250 has been utilised on Parking Strategy consultant costs leaving a balance at year end of £17,253.
34. Created following the contract award for the management of the Leisure centres to cover outstanding insurance claims which have not yet been settled by our insurers. The balance in this Reserve has now been returned to General Reserve.
35. Originally set up to fund the improvement works to pavilions as set out in the Proposal for in-year investment projects report to Cabinet 16th October 2012. The balance in this Reserve at the start of the year was £4,527, and this has now been returned to General Reserve.
36. The Parks Improvements Reserve was created to cover the costs of the Parks Asset Management Plan, Recycling Bins in key parks and master planning costs, prior to bringing forwards Capital projects in 2020/21. The balance at the start of the year was £217,284. £39,000 has now been returned to General Reserve as remaining work is estimated to be lower than the Reserve sum. A further £44,187 has been utilised on consultants and Masterplanning costs and £20,957 used to finance Capital Projects in year. The balance on this Reserve stands at £113,140.
37. The Leisure Reserve was created to enable investment in the Council's Leisure Centres. As part of the recent review of reserves, the balance was retained to support any 'invest to save' projects to be agreed a part of contract negotiations. The remaining balance at the start of the year was £82,712. £5,950 has been used to finance the Dolphin car park works Revenue project leaving a balance of £76,762 at year end. This will be used as part of the works to reopen the centres in 2021/22.
38. Illegal Incursions Preventative Works Reserve was created to accelerate the programme of outstanding works across the District's most vulnerable sites. The balance at the start of the year was £15,218, which has now been returned to General Reserve.
39. In 2013/14, we received a S106 from Crest Nicholson to meet the costs arising from St. Francis, Haywards Heath – Anscombe Wood Regeneration. This sum was transferred to Specific Reserve to finance the wood regeneration undertaken by Mid Sussex in 2019/20. £214 has been utilised in year leaving a balance of £57,905 on this Reserve at year-end.
40. SANG Maintenance Specific Reserve was created to hold SANG Maintenance contributions from developers totalling £26,943. This is ringfenced to fund costs in future years. This has been increased by a further £17,862 in 2020/21. The balance on the Reserve stands at £44,805.
41. Leisure Covid Support Reserve created to help finance the costs of closure and reopening of the Leisure centres as reported in Budget Management Report to Cabinet 8 February 2021.
42. This reserve represents the Capital grant which was approved by the Cabinet Grants Panel on 11th February 2009 for Ansty Village Hall, but not yet paid over. This has been used as part of Capital financing by year end.

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43. Set up to help meet the cost of Community Development related activities. The balance in this Reserve at the start of the year was £100,586. £300,000 has been contributed to this Reserve as part of the Revised Corporate Plan to Council 30 September 2020 to refocus towards activities to support recovery. At Outturn, a proposal for a further £100,000 contribution from General Reserve has been requested as outlined in para 21 of this report. £93,676 has been utilised in -year on Community Development grants and Covid Recovery grants. The balance on the Reserve stands at £408,911.
44. Reserve created to part-fund the upgrade of the existing CCTV system with additional contributions to be sought from partners. There has been no call on this Reserve in 2020/21.
45. The Community Safety - Funding for All Reserve was created at Outturn 2016/17 to meet any future reductions in Mid Sussex Partnership funding. There has been no call on this Reserve in 2020/21.
46. Created due to a Revenue Underspend at Outturn 2016/17 to be used for temporary staffing and equipment in Community Services, Policy and Performance Business Unit. Following a review of Specific Reserves this has now been utilised to help mitigate the effects of COVID-19 on the Revenue Budget in 2020/21.
47. £70,000 contribution relates to grant received from WSCC Business rate pool in March 2019 to support WSCC Walking and Cycling Strategy. The WSCC Pool Business Rates Bicycle Funding Specific Reserve was approved at Outturn 2018/19. During the year a further £61,250 was received from WSCC for the cycling strategy and £17,876 has been used leaving a balance of £113,374 at 31 March 2021.
48. Created at Outturn 2019/20 to allow funding for a Covid-19 response and recovery process. The balance on this Reserve has now been returned to General Reserve.
49. The Community Volunteers Service (CVS) Specific Reserve was created at Outturn 2019/20 to provide additional grant requests resulting from the Covid-19 pandemic.
50. The Environment and Sustainability Specific Reserve as approved as a tabled amendment to the Corporate Plan and Budget Report 2020/21 to Council 4 March 2020.
51. This represents balance of monies received from WSCC for the watercourse delegated function which was earmarked for trash screens at Copthorne Golf Course. The balance on this Reserve (£17,338) has now been returned to General Reserve.
52. Reserve created to fund the cost of purchasing and implementing the new property, asset maintenance and landscapes system. There has been no call on this Reserve in 20/21.
53. Reserve created to fund planned asset maintenance works that were not able to be completed during the year it was created. As reported in the Budget Management Report to Cabinet 14 September 2020, the (£49,889) has now been returned to General Reserve. At Outturn there is a request to add a further £93,000 to this Reserve as detailed in the Table 1 note 2 of this report.
54. Approved to help meet the future cost of Property Consultants. The balance on this Reserve (£14,495) has now been returned to General Reserve.
55. In 2017/18, this reserve was created to meet expenses that remain the landlord's responsibility and for future investment in the centre. The balance at the start of the year was £476,080. There has been no call on this Reserve in 20/21.
56. Created at Outturn 2017/18 to fund future Orchards improvements. During the year £208,849 has been utilised on feasibility studies consultant costs leaving a balance of £4,791,151 at year end.
57. Created in 2019/20 from grant received from the MHCLG to assist Local Authorities with the costs of completing a data collection exercise to identify external wall materials and insulation on all high-rise residential buildings in their area. The balance on this Reserve (£1,779) has now been returned to General Reserve.
58. Created to fund the consultancy costs of moving FMS over to the new server. At the start of the year the balance was £2,016. Following a review of Specific Reserves this has now be utilised to help mitigate the effects of COVID-19 on the Revenue Budget in 2020/21.
59. Created to fund the bi-annual Icon system upgrade costs. The balance at the start of the year was £12,000. In 2020/21 £7,000 represented the annual budgeted contribution.
60. At Outturn, there is a request to add £15,000 to this Reserve as detailed in the Table 1 note 1 of this report.
61. The insurance reserve is to be held for non- planned MSDC liability settlements. The balance at the start of the year was £61,308, which has now been returned to General Reserve.
62. Created to offset planned redundancy and job evaluation costs. A budgeted contribution of £267,000 was approved in the Corporate Plan and Budget 2020/21 to Council 4 March 2020. £96,255 has been utilised leaving a balance of £173,153 at year-end.

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63. Created to offset unbudgeted costs which may arise due to the uncertainty of the total cost of External Audit services. The balance at the start of the year was £15,917, which has now been returned to General Reserve.
64. The Land and Property Reserve was created in 2016/17 to enable land and property investments to generate a revenue stream. The balance remaining on this Reserve at the start of the year was £16,148. No utilisation of this Reserve during 2020/21.
65. Created in 2019/20 from grant totalling £37,729, received from the MHCLG, to provide additional support to local Authorities for homelessness and rough sleepers, as well as to help meet pressures from reduced income, rising costs or increased demand as a result of the COVID 19 epidemic. This has been utilised as part of Outturn 2020/21 to mitigate any Revenue Overspend.
66. The Efficiency Specific Reserve was part of the Revised Corporate Plan and Budget 2020/21 approved at Council on 30 September 2020 to cover the cost of consultancy to help deliver the changes required to make future revenue savings following the impact of COVID-19 on the MSDC net revenue spend in future years. £48,207 has been used in-year leaving a balance remaining at year end totalling £251,793.
67. Set up to meet the additional administration costs in the transition to a Council Tax Support Scheme as reported to Cabinet on 9th July 2013. The balance at the start of the year was £129,199, which has now been returned to General Reserve following a review of Reserves to help increase the balance available in General Reserve to support the 2020/21 forecast Revenue overspend as there is no further call on this Reserve.
68. Created in 2018/19 to hold grants received for implementing new burdens, in order to offset the costs as they arose. The balance at the start of the year was £118,442 and in 2020/21 further grant payments were received totalling £336,939 as detailed in the Budget Management Reports to Cabinet 6 July, 14 September 2020, 8 February 2021 and Outturn on 7th June 2021. £135,075 has also now been returned to General Reserve. In addition, £64,793 has been utilised on Employment project coordinator and new burden admin costs leaving £255,513 remaining at year-end.
69. This reserve was created from reserves reallocated to fund additional costs emerging associated with Census partnership disaggregation, as detailed in Budget Management Report to Cabinet 12 November 18. The balance on this Reserve £35,720 has now been returned to General Reserve.
70. As detailed in the Budget Management Report to Cabinet 6 July 2020, the Covid-19 -Council Tax Hardship Fund was created from Government Grant of £695,753, received in April 2020, intended to be paid to those in the Council Tax Support Scheme to the value of £200 per recipient. As part of the year end process, the Collection Fund was refunded by application of this grant and was moved to show as Collection Fund income at Outturn 2020/21. Following this application, £44,880 has now been returned to this Reserve which represents the amount unused in the Collection Fund Accounting at year end. A further £22,117 was also received as reported at Outturn 2020/21 leaving an unapplied balance at year end of £66,997.
71. Reserve created at Outturn 2020/21 from Discretionary Track and Trace funding totalling £67,000. Of this total £11,500 has been applied leaving a balance of £55,500.
72. Reserve created in 2013/14 from grant received from DEFRA for local authorities to comply with a European directive to make spatial (GIS) data available. The reserve was to meet the costs of purchasing a hosted software solution to fulfil our obligations. The balance on this Reserve (£4,631) has now been returned to General Reserve.
73. Reserve created to fund the on-going Public Service Network (PSN) costs which are an essential requirement for creating the statutory secure government computer network. The balance on this Reserve (£6,659) has now been returned to General Reserve.
74. Reserve created to enable future development in ICT and related customer service software and the balance remaining at the start of the year was £15,019. £7,000 has been utilised in year leaving a balance on this Reserve of £8,019.
75. This Reserve was set up to fund a fully hosted web-based service. The balance on this Reserve (£4,484) has now been returned to General Reserve.
76. This Reserve was created for the Burgess Hill Fibre Exchange to procure legal, procurement and commercial advice. The balance at the start of the year is £38,505. No utilisation of this Reserve during 2020/21.
77. Created at Outturn 2019/20 from grant received at the end of 2019/20 to undertake work to improve cyber security. £400 has been utilised in year leaving a balance on this Reserve of £4,600.
78. Contributions made to this reserve in year represent the annual budgeted sum of £6,000, and any additional amount that represents the difference between the average interest rates and the interest rate charged on personal loans being transferred to this reserve as a result of the 2020/21 final accounts exercise. Any utilisation in 2020/21 is to fund professional qualification subscriptions. This reserve has been fully utilised in 2020/21.

Appendix C

79. This reserve is to meet necessary training requirements over and above the Corporate Training budget. The balance on this Reserve (£1,259) has now been returned to General Reserve.
80. This reserve represents the annual contribution made from revenue to meet the future costs of District Elections. The balance at the start of 2020/21 was £75,639. During the year the Reserve was topped up by the annual budgeted sum of £45,994. £75,639 has now been returned to General Reserve. This leaves a balance on this Reserve of £45,994.
81. Earmarked to offset additional costs for the Chairman's civic events. Following a review of Specific Reserves this has now be utilised to help mitigate the effects of COVID-19 on the Revenue Budget in 2020/21.
82. This reserve totalling £69,706 at the start of 2020/21 holds the non-ring-fenced grants received from the Cabinet Office to cover the cost of the move to Individual Electoral Registration (IER). In 2020/21, a further £10,870 was received from the Cabinet Office for this purpose as reported in Budget Management Cabinet 14 September 2020. Following a review of Specific Reserves £40,000 has now be utilised to help mitigate the effects of COVID-19 on the Revenue Budget in 2020/21.
83. Created to cover the increased cost of a temporary Local Land Charges Assistant required due to increased volume of searches. Following a review of Specific Reserves this has now be utilised to help mitigate the effects of COVID-19 on the Revenue Budget in 2020/21.
84. Hackney Carriage Unmet Demand Survey reserve created through an annual reserve contribution of £5K to fund the triennial cost of this survey. During 2020/21 this has increased by a further £5,085 leaving a balance on this Reserve of £10,085 at the end of 2020/21.
85. Local Authority Compliance and Enforcement fund created from £48,631 MHCLG grant received in November 2020 to aid activities to raise Business and Public awareness of Regulations and guidance in respect of Covid 19 restrictions, as detailed in Budget Management Report to Cabinet 8 February 2021. This Reserve has been fully utilised in 2020/21.
86. COVID19 preventative interventions Specific Reserve created from £150,000 grant received from WSCC in November 2020 (£75K) and January 2021 (£75k) as reported in Budget Management Report to Cabinet 8 February 2021. During the year £14,417 has been utilised leaving a balance of £135,583.
87. Reserve created at Outturn 2020/21 from 'Mobile homes Fit and Proper Person Test Grant' received totalling £568.
88. This is available to smooth out any variations year on year, in the Benefits outturn position, reducing the impact on the Council of any possible adverse effects after the final Benefits claim for the year is audited. As reported in the Budget Management Report to Cabinet 14 September 2020, £500,000 has been returned to General Reserve. This has been possible as there are no longer large calls on this Reserve to fund audit qualification adjustments, following post Census improvements. £7,896 was required to cover the shortfall against the budgeted contribution of £119,000. (refer Appendix B of this report for more detail). The balance remaining stands at £587,985.
89. This reserve is available to smooth out any variations year on year as a result of the actual RRS being less than the budgeted figure for 2020/21. In 2020/21 contributions totalled £24,471,927. Of the total contributions, £56,878 relates to WSCC NNDR pool income for 2019/20; £24,415,049 relates to MHCLG grants such as the NNDR1 Section 31 small Business / Empty Property Rate Relief (£7,089,249) and S31 Business Rates Relief Underestimation Covid 19 grants (£17,325,800) received in year. £1,455,812 has been utilised in 2020/21. £581,244 represents use of BRR to fund the estimated NNDR deficit for the Corporate Plan 2020/21. £874.568 was the use of BRR to fund the RRS budgeted figure as part of the financing of the Corporate Plan 2020/21. This leaves a balance of £26,130,846 in this reserve at year end. A portion of this will need to be repaid in 21/22.
90. Available to smooth out any variations year on year as a result of the actual Council Tax Support scheme income being less than the budgeted figure for 2020/21. The balance on this Reserve (£100,000) has been returned to General Reserve.
91. Reserve created from grant received from MHCLG in respect of funding Local Authority EU Exit. The balance at the start of the year was £52,452. £33,937 was used to fund Brexit advice given by CAB in 2020/21 leaving £18,515 in the Reserve at 31 March 2021.

Appendix C

Use of General Reserve in 2020/21					
Description	Balance at 01/04/2020 £'000	Contributions In Year £'000 y635	Utilised In Year £'000 y636	Balance at 31/03/2021 £'000	Notes
Unallocated Balance:	(2,650)				
Transfer from Specific Reserves following Review of Reserves RBM report Cabinet 14 Sept 2020		(1,851)			1
Other Transfers (from) /to Specific Reserves		0	1,300		2
Other grants received in year	0	(12)	0		3
Local Authority Property Fund (LAPF) dividends **	0	(9)	0		4
Interest received / paid in 2020/21**	0	(171)	0		5
New Homes Bonus	0	(3,267)			6
Annual contribution to General Reserve for MCR and Drainage	0	(302)	0		7
Capital Financing	0	0	986		8
Financing of Revenue Projects in Capital Programme	0	0	449		9
Financing of Revenue Overspend 2020/21	0	0	1,400		10
Total Unallocated Balance	(2,650)	(5,611)	4,136	(4,125)	
Historic Building Loans	(24)	0	0	(24)	11
Commuted Sums – Cemetery Maint.	(1)	0	0	(1)	
Commuted Sums – Open Spaces Maint.	(2,510)	0	0	(2,510)	
Commuted Sums – Culverts Maint	(101)	0	0	(101)	
SANG in perpetuity	(846)	(207)	0	(1,053)	12
Total General Reserve	(6,133)	(5,818)	4,136	(7,815)	

*Figures are subject to roundings to nearest £'000

**Subject to approval by Council as set out in recommendations of this report

Notes:

- £1,850,959 was transferred to General Reserve as detailed in the Budget Management Report to Cabinet 14 September 2020. This represents Specific Reserve monies no longer needed which were returned to General Reserve and so available to support the Revenue overspend in 2020/21.
- £700,000 has been moved to Specific Reserve as detailed in Specific Reserve notes 43, 50 & 66 of this report. This included a £100,000 contribution from General Reserve to the Environment and Sustainability Specific Reserve as reported in the minutes for the Corporate Plan and Budget Report 2020/21 Council 3rd March 2021. It also includes a £300,000 contribution from General Reserve to the Community Development Fund Specific Reserve and £300,000 to the Efficiency Specific Reserve as detailed in the Revised Corporate Plan and Budget Report 2020/21 Council 30 September 2020. £500,000 was transferred to the Leisure Covid Support Specific Reserve to help finance the costs of closure and reopening of the Leisure centres as reported in Budget Management Report to Cabinet 8 February 2021. In addition, paragraph 21 of this Outturn Report recommends £100,000 is transferred to the Community Development Fund.
- £504 grant income from Department for Work and Pensions relating to New Burdens funding to meet costs of implementing Local Allowance changes was transferred to General Reserve as reported in Budget Management Report to Cabinet 14 September 2020. £708 relates to additional S31 Council Tax support grant and £10,901 relates to additional HB Admin grant.
- Refer paragraph 27 of the main report.
- Total interest received in 2020/21 of £170,306. Of this total £275 was transferred to the Employee Benefits Specific Reserve (refer Specific Reserves note 78 above). There is also a small contribution of £452 relating to reduced PWLB interest.
- £3,266,762 New Homes Bonus monies have been received in 2020/21. This forms part of General Revenue Reserves.

Appendix C

7. This is the annual contribution budgeted to be paid to General Reserve for Major Capital Renewals (MCR) and drainage revenue projects.
8. Being the amount utilised to finance the capital programme.
9. Being the amount utilised to finance the revenue projects in the capital programme.
10. Revenue overspend 2020/21 funded from General Reserve.
11. Relates to transfer to/from General reserve relating to part repayment of Historic building loans.
12. Earmarked reserve to help meet costs of SANG. In 2020/21, £206,992 has been added to this reserve.

Appendix D

Capital Projects Outturn 2020/21						
Scheme Description	2020/21 Original Budget £'000	2020/21 Revised Budget £'000	2020/21 Outturn £'000	Variance on Revised Budget £'000	Category	Notes
Housing						
TA Project	0	0	1	1	C	
TA Project	0	219	219	0		
TA Project	0	313	316	3	C	
TA Project	0	292	292	0		
TA Project	0	285	287	2	C	
TA Project	0	248	257	9	C	
TA Project	0	223	224	1	C	
Affordable Housing	400	0	100	100	D	1
Total Housing	400	1,580	1,696	116		
Planning Policy						
Burgess Hill Place and Connectivity Programme	0	2,815	2,407	(408)	A	2
Total Planning Policy	0	2,815	2,407	(408)		
Commercial services and Contracts - Cleansing Services						
Purchase of Green Bins	0	20	30	10	C	3
Total Commercial services and Contracts - Cleansing Services	0	20	30	10		
Commercial services and Contracts - Parking Services						
Dolphin Car Park Works	0	0	6	6	C	
Total Commercial services and Contracts -Parking Services	0	0	6	6		
Commercial services and Contracts -Landscapes and Leisure						
Padel Tennis Court at the Triangle leisure Centre	0	3	3	0		
Twineham Playground Improvements	40	40	40	0		
Bolney Recreation Ground(Batchelor's Field) Playground Improvements	80	80	48	(32)	A	4
John Pears Playground - AshhurstWood, Playground Improvements	80	80	79	(1)	B	
Petanque Rink construction, Marle Place Recreation Grd, Bhill Playground Improvements 20/21		30	0	(30)	A	5
Forest Field, Haywards Heath	60	60	0	(60)	A	6
London Road Recreation Ground, Hassocks	80	80	0	(80)	A	7
Turners Hill Recreation Ground	60	60	0	(60)	A	8
St Andrews Play Area, Burgess Hill	73	73	0	(73)	A	9
Clair Park - Cricket Ball Stop Fencing	0	27	27	0		
King Georges Field, East Grinstead New Playground Equipment	0	46	46	0		
King Georges Field, East Grinstead New Skatepark Equipment	0	32	30	(2)	B	
Beech Hurst Gardens artifical bowls mat replacement	0	0	9	9	C	
Scaynes Hill Recreation Ground Playground Equipment	0	43	0	(43)	A	10
Total Commercial services and Contracts -Landscapes and Leisure	473	654	282	(372)		

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Capital Projects Outturn 2020/21						
Scheme Description	2020/21 Original Budget £'000	2020/21 Revised Budget £'000	2020/21 Outturn £'000	Variance on Revised Budget £'000	Category	Notes
Corporate Estates & Facilities						
Council Chamber Modernisation	0	661	645	(16)	A	11
Drainage capital works	0	12	5	(7)	B	
Replacement heating distribution system, Oaklands	138	138	140	2	C	
Replace intruder alarms, Oaklands	0	33	0	(33)	A	12
Resurface Queensway car park, East Grinstead	0	41	0	(41)	A	13
Finches Field Community Building Pavilion & Car Park	0	21	20	(1)	A	
Oaklands Window Replacement	110	110	106	(4)	A	
Disposal of Handcross car park	0	15	13	(2)	A	
Hurst Farm Development costs	0	118	307	189	C	14
St John's Park - Burgess Hill Pavilion Improvements	0	180	179	(1)	A	
Stone Quarry Post Office Hollands Way EG	0	25	25	0		
Bolnore Road Disposal Costs	0	22	22	0		
Burgess Hill Library Demolition works	0	140	180	40	C	15
Total Corporate Estates and Facilities	248	1,516	1,642	126		
Revenues and Benefits						
	0			0		
Total Revenues and Benefits	0	0	0	0		
Digital and Technology Services						
Workstation replacement programme	50	50	33	(17)	A	16
Host Replacement- Production farm and DMZ	55	55	0	(55)	A	17
Fibre Channel Switch Replacement	36	36	0	(36)	A	18
Replacement Document Management	70	20	16	(4)	B	
COVID 19 -purchase of laptops	0	70	70	0		
Local Full Fibre Network	0	0	2,086	2,086	D	19
Rural Connectivity Programme	0	0	35	35	D	20
Total Digital and Technology Services	211	231	2,240	2,009		
Land Charges						
				0		
Total Land Charges	0	0	0	0		
Environmental Health						
Disabled Facility Grants	900	1,165	1,030	(135)	A	21
Total Environmental Health	900	1,165	1,030	(135)		
Planning Services						
Goddards Green Sewage Treatment Works	0	0	1,596	1,596	D	22
Total Planning Services	0	0	1,596	1,596		
Total Programme	2,232	7,981	10,929	2,948		

Appendix D

Capital Projects Outturn 2020/21						
Scheme Description	2020/21 Original Budget £'000	2020/21 Revised Budget £'000	2020/21 Outturn £'000	Variance on Revised Budget £'000	Category	Notes
Projects brought forward in the year						
East Grinstead Sports Club Fac Imp & Cricket Pitch	0	0	11	11	D	23
Lindfield Cricket Club Pavilion Extension	0	0	30	30	D	24
Haven Centre renovationsCrawley Down Community Centre Assoc	0	0	0	0	D	25
Ansty Viillage Centre Trust - community Centre & sports facility	0	0	394	394	D	26
Worth PC cricket square renovation & rainwater harvesting	0	0	1	1	D	27
Hassocks PC - Adastra Park Play area	0	0	33	33	D	28
Felbridge Junction EG WSCC	0	0	7	7	D	29
Sayers Common to Downlands school cycle route WSCC	0	0	87	87	D	30
Chequer Mead Theatre toilet facilities	0	0	50	50	D	31
Footpath 29CU A272 Lewes Rd HH upgrade - WSCC	0	0	9	9	D	32
Electrical Power upgrade Glen Vue -Age UK East Grinstead	0	0	10	10	D	33
East Grinstead Town Football Club pitch drainage East Court	0	0	28	28	D	34
RTPI Displays Cuckfield - WSCC	0	0	20	20	D	35
Modernisation of toilet at Meridian Hall East Court - EGTC	0	0	16	16	D	36
Bike Shelter and stands at East Court - EGTC	0	0	1	1	D	37
Traffic Calming Project-SID & Village Gateways - Albourne PC	0	0	3	3	D	38
Pedestrian crossing Burgess Hill Girls school - WSCC	0	0	12	12	D	39
Secure fencing at Southway School - WSCC	0	0	16	16	D	40
Ashenground Community Centre - Covid secure measures	0	0	2	2	D	41
Hurstpierpoint Allotment Society - Water standpipes	0	0	1	1	D	42
Speed Indicator Devices - Ansty PC	0	0	10	10	D	43
Haywards Heath Transport improvements - WSCC	0	0	170	170	D	44
Total Projects brought forward in the year	0	0	911	911		
Grand Total	2,232	7,981	11,840	3,859		

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Revenue Projects Outturn 2020/21						
Scheme Description	2020/21 Original Budget £'000	2020/21 Revised Budget £'000	2020/21 Outturn £'000	Variance on Revised Budget £'000	Category	Notes
Drainage works (20/21)	125	125	34	(91)	A	45
About the Place Public Arts Project	0	98	0	(98)	A	46
Installation of electronic access gates- John Pears Recreation Ground Tennis courts, Ashurst Wood	0	9	3	(6)	A	
ICT	0					
Telephony System replacement (hardware)	250	250	48	(202)	A	47
Supporting Infrastructure Refresh	36	36	28	(8)	B	
MCR	0					
Refurbishment of Committee Room	68	0	0	0		
Refurbishment of Oaklands Meeting Room	30	0	0	0		
Resurfacing Oaklands Car Park, Haywards Heath	32	32	23	(9)	A	
Resurfacing of Haywards Road Service Road, Haywards Heath	25	25	15	(10)	B	48
Resurfacing of Denmans Lane Car Park, Lindfield	10	10	22	12	C	49
Resurfacing of Ardingly Car Park	12	12	16	4	C	
Council Priority Projects						
Burgess Hill Station Project	90	56	33	(23)	A	50
Centre for Outdoor Sport (Master Planning)*	245	0	0	0		
Total Revenue Projects	923	653	222	(431)		
Grand Total for Revenue and Capital Projects 2020/21	3,155	8,634	12,062	3,428		

Notes:

- This relates to a grant payment in March 2021 for the Rough Sleepers project. Under delegated Cabinet Member authority, the Cabinet Member for Housing and Planning approved the payment to Worthing Homes of £100,000 from commuted sums held for affordable housing, to support the acquisition of a property to provide accommodation for rough sleepers in Mid Sussex. This is detailed in MIS 43 on 28th October 2020.
- Burgess Hill Place and Connectivity Programme £408k underspend. The challenges of delivering a complex programme of improvements have always been acknowledged. The ongoing impacts of COVID-19 on the Programme, resources and delivery of infrastructure have had and continue to present a very challenging environment for scheme delivery. The Programme has experienced delay caused by COVID-19:
 - Site survey work required to progress with detailed design;
 - Public engagement; and
 - Supply chain, contractor and resource issues

Despite the continuing challenges presented by COVID-19, the Programme has been condensed wherever possible to make good the delays and opportunities to further accelerate the Programme continue to be exploited with key elements already delivered or under delivery and with contracts in place for ongoing delivery. Therefore, the programme underspend has been re-phased across all projects being delivered under P&C to be picked-up during Q1 2021/22. All spend incurred on the Place and Connectivity Programme will be reimbursed from Local Growth Fund grant funding.
- Purchase of Green Bins £10k overspend. This overspend relates to the early delivery of part of the 2021/22 Garden Waste Bin project financed from capital receipts. The 2021/22 project will be adjusted accordingly in the first Budget Management Report to Cabinet in July 2021.
- Bolney Recreation Ground (Batchelor's Field) Playground Improvements (£32k underspend). Playground installation complete. Phase 2 of this project involves the installation of a BMX/ 'Pump Track' on site, using the remaining funds. Contract for this work was awarded in March, and works are due to be completed by Autumn. Therefore, balance remaining on this project to be slipped to 2021/22.

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5. Petanque project (£30k underspend). Project being managed by BHTC. Construction delayed due to impact of Covid. Tender now awarded, and project due for completion early in 2021/22. Therefore, project to slip to 2021/22.
6. Playground Improvements -Forest Field, Haywards Heath (£60k underspend). Project delays due to impact of Covid on capacity. Public consultation completed, tender for design and build underway. Slippage to 2021/22.
7. Playground Improvements - London Road Recreation Ground, Hassocks (£80k underspend). Currently reviewing original proposals to improve the play area in isolation, and considering whether to instigate a broader improvement project across the site. Slippage to 2021/22 pending a decision.
8. Playground Improvements - Turners Hill Recreation Ground (£60k underspend). Project delays due to impact of Covid on capacity. Public consultation completed, tender for design and build underway. Slippage to 2021/22
9. Playground Improvements - St Andrews Play Area, Burgess Hill (£73k underspend). Project delays due to impact of Covid on capacity. Public consultation completed, tender for design and build underway. Slippage to 2021/22
10. Scaynes Hill Recreation Ground Playground Equipment (£43k underspend). The Scaynes Hill project was signed-off at the end of November 2020, and had been due to start in March 2021, but ground conditions prevented that. We are currently awaiting a revised start date in order to progress as soon as possible.
11. Council Chamber Modernisation (£16k underspend) The main works are practically complete, with the final account and snagging to finalise. Remainder of budget to slip into 2021/22 in order to complete the seating for the viewing gallery and chamber staging.
12. Intruder Alarm Upgrade -£33k underspend. Some initial works carried out. Further works to be specified and agreed. Budget to be slipped to 2020/21.
13. Resurface Queensway car park, East Grinstead £41k underspend. Improvement works to this car park were completed in April 2021. Budget to be slipped to 2021/22.
14. Hurst Farm Development Costs £189k overspend – these costs have increased as a result of legal and agency work needed to finalise the sale of the asset and which acted to produce the net capital receipt. These costs are shown separately from the capital receipt in order to increase transparency.
15. Burgess Hill Library Demolition works (£40k overspend) The additional spend was due to the removal of additional asbestos that was not part of the original contract plus the enhanced finish of the site on completion.
16. Workstation replacement programme – (£17k underspend). Annual programme of replacing old desktops that are out of warranty. Forecast renewal of some assets not required in 2020/21 due to Covid 19 mobile device acquisition. Remainder of budget to slip into 2021/22 to assist with the acquisition of additional technology to enable collaborative working.
17. Host Replacement- Production farm and DMZ (£55k underspend). This project will now need to be slipped to 2021/22 as this project was de-prioritised in 2020/21 due to the impact of Covid 19, favouring the enablement of remote and collaborative working technology.
18. Fibre Channel Switch Replacement (£36k underspend). This project will now need to be slipped to 2021/22 as this project was de-prioritised in 2020/21 due to the impact of Covid 19, favouring the enablement of remote and collaborative working technology.
19. The Local Full Fibre Network (LFFN) programme consists of a number of projects to support delivery of full fibre connectivity in Burgess Hill. Further detail on this project was reported to Cabinet 11 February 2019. Expenditure originally shown as revenue have been reclassified as capital in line with conditions of the grant funding. Costs shown as capital are funded from the National Productivity Infrastructure Fund administered by the Department for Digital Culture, Media and Sport (DCMS).
20. Rural Connectivity Programme (RCP) (£35k overspent) This project is aimed at supporting digital infrastructure and full fibre rollout within Mid Sussex, building on projects already underway such as the LFFN programme. The project is externally funded from the Coast to Capital LEP.
21. Disabled Facility Grants (DFG): The total grant budget last reported in 2020/21 was £1,165,000 (to the nearest £'000). During the year £1,030,000 reflects the capital spend leaving an underspend of £135,000 at year end, against the revised Capital Budget. These unspent funds will be slipped to 2021/22 to meet the cost of renovation works approved in 2020/21 for which the works will not be completed until 2021/22. However, in addition to the £135,000 slippage explained above, since the last Budget Management Report, additional DFG grant of £201k was received (being £100k from Other Local Authorities and £101k from WSCC). At Outturn, £36,000 has been used to meet the revenue cost of the Better Care Fund leaving additional 2020/21 grant funding of £165,000 available to carry forward into 2021/22. Therefore, the 2021/22 budget will need to be adjusted to reflect an increase of £300,000 in total. This will be reflected in the first Budget Management Report For 2021/22 to Cabinet in July 2021.

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22. Goddard's Green Sewage Treatment Works: Mid Sussex acts as Accountable body for a Grant from the Local Enterprise Partnership. Any overspend shown for works completed in 2020/21 are fully funded by a Coast to Capital grant.
23. Payment of Formal Sport contributions (PL13-000019 £465.07, PL13-000617 £7,967.88 & PL13-000677 £3,326.55) S106 monies to East Grinstead Sports Club for facility improvements and cricket pitch drainage, as agreed by the Cabinet Member Grants Panel on 14th March 2018 (refer MIS 11 14th March 2018).
24. Payment of Formal Sport contribution (P35/662 £30,000) S106 monies to Lindfield Cricket Club towards the cost of extending the pavilion, as agreed by the Cabinet Grants Panel on 19th June 2018 (refer MIS 25 20th June 2018).
25. Payment of Community Building contribution (PL12-000562 £438.59) S106 monies to Crawley Down Community Centre Association towards improvements to the café bar, outdoor paving and meeting rooms at the Haven Centre, as agreed by the Cabinet Grants Panel on 18th June 2019 (refer MIS 25 21st June 2019).
26. Payment of Community Buildings contributions (P35/723 £33,325, PL13-000965 £5,066.71, PL12-001307 £3,485, PL12-001393 £30,542.99, PL12-001613 £34,055.62 & PL12-001421 £9,131.08 & PL13-001068 £1,920) and Formal Sport contributions (PL12-001393 £70,312.68, PL13-000965 £11,661.45, PL12-001307 £289.47 & P35/723 £76,716) S106 monies, £17,440 Specific Reserve and £100,000 General Reserve to Ansty Village Centre Trust towards a community centre and sports facility, as agreed by the Cabinet Grants Panel 30th May 2013, Cabinet Grants Panel 29th October 2019, Cabinet Grants Panel 19th October 2020 & Cabinet 8th February 2021 (refer MIS 44 30th October 2019 & MIS 42 19th October 2020).
27. Payment of Formal Sport contribution (P35/728 £1,250) S106 monies to Worth Parish Council towards cricket square renovation and rainwater harvesting, as agreed by the Cabinet Member for Environment and Service Delivery in December 2019 (refer MIS 49 4th December 2019).
28. Payment of Play Space contributions (P35/750 £14,503.52 & PL13-001074 £18,495.10) S106 monies to Hassocks Parish Council towards the Adastra Park play area, as agreed by Cabinet Member for Environment and Service Delivery in December 2019 (refer MIS 49 4th December 2019).
29. Payment of Sustainable Transport (TAD) contribution (P35/554 £6,935.27) S106 monies to West Sussex County Council for the improvements to Felbridge Junction, East Grinstead, as agreed by the Cabinet Member for Housing and Planning on in November 2018 (refer MIS 46 14th November 2018).
30. Payment of Sustainable Transport (TAD) contributions (P35/750 £30,707, P35/638b £11,976.50, P35/697 £17,515 & PL13-001074 £26,871.21) S106 monies to West Sussex County Council for a cycle route from Sayers Common to Downlands School, as agreed by the Cabinet Member for Housing and Planning in May 2020 (Refer MIS 18 6th May 2020).
31. Payment of Community Buildings contributions (P35/694 £1,393.16, PL13-000415 £3,168, P35/671 £2,231.89, P35/722 £9.72, PL12-000896 £4,666, PL13-000617 £4,224, PL13-000680 £5,242, PL13-000271 £2,065.33, PL13-000677 £2,300.96, PL13-000547 £2,043.56, PL13-000019 £5,593.69 & PL12-000378 £17,011.69) S106 monies to Chequer Mead Theatre towards the toilet upgrade, as agreed at the Cabinet Grants Panel on 25th February 2020 (refer MIS 8 26th February 2020).
32. Payment of Sustainable Transport (TAD) contribution (P35/489 £8,902.70) S106 monies to West Sussex County Council to upgrade Footpath 29CU, A272 Lewes Road, Haywards Heath, as agreed by the Cabinet Member for Housing and Planning in June 2020 (refer MIS 24 17th June 2020).
33. Payment of Community Building contribution (PL12-000929 £9,764.60) S106 monies to Age UK East Grinstead towards an electrical power upgrade at Glen Vue, as agreed by the Cabinet Grants Panel on 25th February 2020 (refer MIS 8 26th February 2020).
34. Payment of Formal Sport contributions (P35/671 £10,458.80, P35/694 £7,001.13, PL12-000271 £4,754.55, P35/743 £5,834) S106 monies to East Grinstead Town Football Club for pitch drainage and irrigation at East Court, as agreed by the Cabinet Grants Panel on 25th February 2020 (refer MIS 8 26th February 2020).
35. Payment of Sustainable Transport (TAD) contribution (P35/737 £19,750.80) S106 monies to West Sussex County Council for RTP1 displays in Cuckfield, as agreed by the Cabinet Member for Housing and Planning in October 2020 (refer MIS 32b 12th October 2020).
36. Payment of Community Buildings contributions (PL12-000378 £7,607.56, PL13-000980 £2,946.59, PL13-001136 £4,462.85 & PL13-001986 £1,529) S106 monies to East Grinstead Town Council for the modernisation of toilets at Meridian Hall, East Court, as agreed by the Cabinet Member for Community in August 2020 (refer MIS 33 21st August 2020).
37. Payment of Local Community Infrastructure contribution (PL13-000677 £656.67) S106 monies to East Grinstead Town Council towards bike shelter and stands at East Court, as agreed by the Cabinet Member for Housing and Planning on 26th August 2020 (refer MIS 34 26th August 2020).

Appendix D

38. Payment of Sustainable Transport (TAD) contribution (P35/572 £2,709.02) S106 monies to Albourne Parish Council towards a traffic calming project, as agreed under delegated authority by the Cabinet Member for Housing and Planning in July 2019 (refer MIS 29 22nd July 2020).
39. Payment of Sustainable Transport (TAD) contributions (P35/625a £1,289.30, P35/781 £140.04 & P35/491 £10,498.66) S106 monies to West Sussex County Council towards a pedestrian crossing at Burgess Hill Girls school, as agreed by the Cabinet Member for Housing and Planning in May 2020 (refer MIS 20 21st May 2020).
40. Payment of Sustainable Transport (TAD) contribution (PL13-000869 £15,871) S106 monies to West Sussex County Council for secure fencing at Southway school, Burgess Hill, as agreed by the Cabinet Member for Housing and Planning in August 2020 (refer MIS 31 5th August 2020).
41. Payment of Community Buildings contribution (PL12-001082 £1,740) S106 monies to Ashenground Community Centre towards Covid secure facility improvements, as agreed by the Cabinet Grants Panel on 19th October 2020 (refer MIS 42 21st October 2020).
42. Payment of Local Community Infrastructure contributions (PL12-000578 £1,167.51 & P35/787 £207.49) S016 monies to Hurstpierpoint Allotment Society towards water tanks and standpipes, as agreed by the Cabinet Grants Panel on 19th October 2020 (refer MIS 42 21st October 2020).
43. Payment of Local Community Infrastructure contribution (P35/723 £9,850) S106 monies to Ansty and Staplefield Parish Council to purchase Speed Indicator Devices (SID), as agreed by Cabinet Member for Housing and Planning in October 2020 (refer MIS 41 14th October 2020).
44. Payment of Sustainable Transport (TAD) contributions (P35/768 £116,352.61, PL12-000511 £33,449, P35/489b £1,129.39, PL13-000539 £8,200 & PL13-000616 £10,869) S106 monies to West Sussex County Council towards the Haywards Heath transport improvement projects, as agreed by the Cabinet Member for Housing and Planning in February 2021 (refer MIS 5 3rd February 2021).
45. Drainage works RP (£91K underspend). There are 3 main reasons for this underspend. 1. The estimated volume of repair works from the Drainage Asset Management Plan was far less than expected (the flood risk infrastructure which was surveyed in 20/21 was in a better condition than expected. 2. The planned infrastructure works which were carried out were reviewed and more cost effective methods were found and used. 3. The planned infrastructure works were significantly delayed due to Covid. Remaining budget to be slipped into 2021/22.
46. About the Place Public Arts Project RP (£98k underspend) This project was due to commence in Spring 2021 but as with most community projects it has been delayed due to Covid-19. Slippage to 2021/22.
47. Telephony System Replacement (Hardware) RP (£202k underspend) Phase 1 (migration and implementation) complete. Remaining budget to be slipped into 2021/22 for Phase 2 (enhancement and development) in line with the customer journey review and developments.
48. Resurfacing of Haywards Road Service Road, Haywards Heath RP (£10K underspend). The budget was set based on the resurfacing of the East section of the service road. However, an inspection identified that the West section should be given priority as it had deteriorated at a greater rate than the East. The West section is smaller and this resulted in the underspend.
49. Resurfacing of Denmans Lane Car Park Lindfield (£12k overspend). Due to the car park being of a concrete construction a specialised treatment was required in order to resurface with tarmac which resulted in additional costs.
50. Burgess Hill Station Project (£23k underspend) This project is entirely externally funded through One Public Estate Programme funding, held in specific reserves. The underspend is due to delays in completion of works which will now take place in 2021/22. Therefore, this project will be slipped to 2021/22.

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PERFORMANCE OUTTURN 2020/21

REPORT OF: HEAD OF CORPORATE RESOURCES
Contact Officer: Neal Barton, Policy, Performance and Partnerships Manager
Email: Neal.Barton@midsussex.gov.uk Tel: 01444 477588
Wards Affected: All
Key Decision: No
Report to: Cabinet
7th June 2021

Purpose of Report

1. This report sets out the Council's outturn performance for the year 2020/21. It provides the Cabinet with an analysis of performance over the past year using the suite of performance indicators previously agreed. The report also updates on progress on delivery of the Council Priority Projects identified in the Corporate Plan and proposes some minor changes to performance targets for 2021/22.

Summary





2. Outturn performance for 2020/21 has been good overall, with most services performing at or close to target. This is in the context of the challenges to the delivery of Council services arising in the past year from the pandemic. In the small number of cases where service targets are not being fully met, the reasons for this are clearly understood and appropriate action is being taken. Good progress has also been made in the delivery of the Council Priority Projects.

Recommendations




3. **Cabinet is recommended to:**
 - (i) **Note the Council's outturn performance and progress with Council Priority Projects in 2020/21 and identify any areas where further reporting or information is required; and**
 - (ii) **Agree to the minor changes to performance targets for 2021/22 included at appendix B to this report.**
-

Introduction

4. Outturn performance for 2020/21 has previously been considered by the Scrutiny Committee for Leader, Finance and Performance at their meeting on 19th May 2021. Issues raised by the Committee are summarised in paragraphs 12 to 17 of this report.
5. One of the functions of the Committee is to regularly monitor the performance of the Council's services, with a view to determining whether any additional scrutiny is required of specific services, particularly if performance is not of a satisfactory level.
6. Outturn performance indicator information for 2020/21 is provided at Appendix A. This is set out in tabular form using a traffic light system as explained below:





-  red – more than 10 percent off target
-  amber – slightly off target (10 percent or less)
-  green – on or exceeding target
-  health check - indicator for information only

7. The Committee also has responsibility for monitoring progress with the Council Priority Projects. These were reviewed in the revised 2020/21 Corporate Plan and Budget Report. Progress to these projects is set out in tabular form in the appendix using a traffic light system as follows:

-  Green – project is on track
-  Amber – the project is off target and requires action to address this
-  Red – the project is off target and unlikely to deliver as planned, which will require a change in the project's scope.

Performance Indicators

8. Performance continues to be good across the Council, with a small number of exceptions. The outturn position in comparison with the previous financial year is summarised below:

Outturn	 Green	 Amber	 Red	 Health check	Total
2020/21	32 (74%)	7 (16%)	4 (9%)	23	66
2019/20	38 (70%)	12 (22%)	4 (7%)	19	60

9. This level of performance is particularly noteworthy given the challenges arising in the last year from the pandemic in the delivery of Council services and contributing to the District's recovery. These include the changes to working arrangements required to allow Council staff and contractors to carry out their roles safely and in line with government guidance.
10. Some parts of the Council have also had to take on additional responsibilities arising from the pandemic, while continuing to deliver their day to day services. These include Revenues and Benefits in administering Test and Trace Support and Exceptional Hardship payments, as well as providing grants to local businesses. Also, Environmental Health are involved in Local Outbreak Plans and have taken on additional responsibilities for COVID-19 preventative interventions.

Council Priority Projects

11. Plans for the delivery of the Council Priority Projects have had to be reassessed in the light of the pandemic. The outturn assessment of performance shows that 7 projects were rated at green, 1 at amber and none at red. For the activity shown as amber in the report, senior officers have reviewed and agreed actions to ensure that outcomes will be delivered as proposed.

Consideration of the Performance Report by the Scrutiny Committee for Leader, Finance and Performance at their meeting on 19th May 2021

12. Progress with the procurement of electric vehicle charging points was discussed. The Business Unit Leader for Community Services, Policy and Performance outlined why the original West Sussex joint procurement exercise had been unsuccessful and updated on the revised tender schedule for the installation of additional charging points in the Council's car parks.

13. The implications of increases in the workload of the Land Charges Team were discussed, given the housing market and demand for property searches. The Head of Regulatory Services confirmed that the service had still processed searches well within the Government performance target of 10 working days. It had also maintained its market share and achieved an increase in income.
14. The Committee commented on the performance of the Environmental Health service in meeting its targets, despite a large increase in service requests arising from its Covid related inspection duties.
15. The Committee asked about progress with the Council Priority Project for enabling full fibre infrastructure, particularly the Rural Fibre Project. The Head of Digital and Customer Service updated on the timetable for the Rural Connectivity Programme and plans to arrange a Member Workshop on progress with full fibre.
16. Discussion was held on the performance indicator measuring the percentage of policy compliant section 106's signed in the year and the ability of the Council to hold developers to their agreement to provide affordable housing.
17. The effects of the pandemic on the commercial sector were discussed, including the collection of property rents and footfall in the Orchards Shopping Centre. The Head of Corporate Resources updated on negotiations with tenants and the return of shoppers to the Centre now that shops have reopened.

Conclusions

18. The Council's services performed well in 2020/21, despite the challenges arising from the pandemic. Where performance was below target, corrective action aimed at improvement has been planned and is being delivered. Good progress has also been made with the Council Priority Projects for 2020/21.

Proposed changes to Performance Indicator Targets for 2021/22

19. There are some minor changes proposed to the performance indicator targets that were included in the Service Plans for 2021/22. The Plans were prepared in December 2020 as part of the Corporate Plan. The proposed changes are in the light of the availability of the outturn data and a clearer understanding of the continuing implications of the pandemic for the Council's services. Appendix B sets out the amendments and their rationale. More challenging targets are proposed for three out of the ten indicators.

Risk Management Implications

20. There are no risk management implications associated with this report.

Equalities Implications

21. There are no direct equality implications contained within this report. Equality impact assessments are undertaken within individual services as required.

Sustainability Implications

22. The suite of performance indicators monitored by the Scrutiny Committee contains sustainability-based indicators. The report also reviews progress with the Council Priority Projects, which include Delivery of the Sustainability Strategy Action Plan.

Financial Implications

23. There are no direct financial implications contained within this report.





Background papers




Revised Corporate Plan 2020/21 report to Council 30th September 2020.

APPENDIX A







2020-2021 Outturn Performance Report to Cabinet









PI Status	
	On target
	Slightly off target (up to 10%)
	Off target (10% or more)
	Data Only

Council Priority Project Status	
	On track
	Off target- requires action
	Off target – unlikely to deliver and requires change in project's scope





Community Portfolio – Cllr Norman Webster



Building Control

	2019/20			2020/21			Latest Note
	Value	Target	Status	Value	Target	Status	
The percentage of plans received by Building Control which are checked within 15 working days	92%	87%		93%	87%		2020/21 = 1,066 plans checked 2019/20 = 1,051 plans checked.
Building Control Site inspections carried out within 24 hours of date requested.	99%	99%		99%	99%		2020/21 = 6,961 site inspections 2019/20 = 7,791 site inspections.



Community Services, Policy and Performance							
	2019/20			2020/21			Latest Note
	Value	Target	Status	Value	Target	Status	
Anti-social behaviour cases resolved within 3 months as a percentage of those referred	60%			66%			2020/21 = 184 out of 279 ASB cases resolved 2019/20 = 127 out of 211 ASB cases resolved
Overall Crime Rate per 1000	47.83			41.52			
Number of health and wellbeing interventions delivered	2,312	2,050		1,078	1,700		The Wellbeing Team have been unable to provide face to face interventions due to social distancing requirements. All the Wellbeing support services (except Health Checks) are fully up and running either virtually or through telephone support and there has been an increase each quarter in referrals coming into the service. Public Health remain satisfied with progress on the service recovery thus far.
Proportion of health and wellbeing interventions resulting in health improvement	85%	80%		92%	80%		This indicator involves calling back three months after the intervention to monitor whether it has led to a sustained improvement.

Environmental Health





	2019/20			2020/21			Latest Note
	Value	Target	Status	Value	Target	Status	
Proportion of Environmental Health service requests which are actioned and resolved within 3 months of receipt	97%	96%		97%	94%		2020/21 = 4,254 service requests 2019/20 = 2,942 service requests.
Percentage of Environmental Health service requests that are	99%	97%		98%	95%		2020/21 = 5,857 service requests 2019/20 = 4,881 service requests.





	2019/20			2020/21			Latest Note
	Value	Target	Status	Value	Target	Status	
responded to within five working days							Requests for services can be across the range of Environmental health activities including licensing, housing standards, environmental protection and food hygiene. Also, COVID-19 related activity in 2020/21.
Disabled Facilities Grants completed	137			134			









Land Charges



	2019/20			2020/21			Latest Note
	Value	Target	Status	Value	Target	Status	
The percentage of Local Authority Searches replied to within 5 working days	100%	96%		56%	96%		2020/21 = 3,865 searches received 2019/20 = 2,804 searches received. An extremely busy property market led to a 38% increase in searches. Most searches were dealt with within 7 working days when the 5-day target was missed. Also, the Council's Land Charges Team had to answer a large number of Personal Searches during the initial lockdowns as reception was not open for the companies to inspect the data themselves.

Legal and Member Services









	2019/20			2020/21			Latest Note
	Value	Target	Status	Value	Target	Status	
The percentage of agendas which are published on the website 5 days before a meeting	100%	100%		100%	100%		
Number of legal cases which are live as at the end of each month	434			567			

Customer Services Portfolio - Cllr Ruth de Mierre							
Customer Services and Communications							
	2019/20			2020/21			Latest Note
	Value	Target	Status	Value	Target	Status	
Number of Complaints received	230			181			<p>Complaints breakdown- main services in receipt of complaints and causes:</p> <ul style="list-style-type: none"> • Waste & Outdoor Services – 74 (garden waste service, alleged crew behaviour/driving, misplaced bins, small electrical collections) • Revenues – 50 (issuing of Final Notices and Summonses; calculation of liability and applications of discounts) • Development Management – 16 (handling of planning applications, tree procedures, Covid-19 street signs, planning enforcement) • Parking – 9 (reintroduction of parking charges and claims that Parking Penalty Charge Notices issued incorrectly) • Community Services, Policy & Performance – 6 (handling of ASB cases and issuing of Community Protection Notice) • Housing Needs – 5 (allocations of temporary accommodation, responses to homelessness applications) • Leisure – 4 (delays in reopening of leisure facilities) • Benefits – 4 (management of benefit applications)
Percentage of complaints responded to within published deadlines	98%	100%		94%	100%		<p>The deadline for responding to complaints is to acknowledge within 5 days and respond within 10 working days. Some complaints needed longer investigation times and apologies were provided for the delays.</p>







Average waiting time (in seconds) to speak to a customer services officer for all services answered in the Customer Contact Centre, including switchboard.	19	30		21*	30		<p>*This shows the average waiting time from April to December 2020, when a new phone system was implemented. Figures for January to March are currently not available.</p> <p>The Customer Services Centre received: 2020/21 = 73,525 calls 2019/20 = 84,457 calls.</p> <p>As well as switchboard, the Centre receives 9 Council services direct line calls, including Building Control, Electoral Services, Parking Services and Waste Management. In addition to phone calls, Centre staff also dealt with 6,839 personal callers to reception, against 34,535 in the previous year. Due to the pandemic, reception at Oaklands has been closed to visitors except for those needing emergency support such as Housing Needs.</p>
Percentage of enquiries resolved at point of Contact	89%	75%		92%	75%		
Number of Compliments received	366			575			<p>Breakdown of main services in receipt of compliments:</p> <ul style="list-style-type: none"> • Customer Services - 246 • Waste & Outdoor Services - 138 • Development Management - 75 • Revenues - 41 • Corporate Estates & Facilities - 11 • Landscapes - 11 • Planning & Building Control Support - 10 • Parking - 8 • Benefits - 8 • Environmental Health - 8 • Housing Needs - 7
Number of e-forms submitted directly by the public	24,484			27,011			

Monthly customer satisfaction scores	100%	80%		96%	80%		Customer satisfaction is being measured by phoning back a sample of customers who had previously contacted the Customer Service Centre to gain their feedback on how the call was dealt with.
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Human Resources





	2019/20			2020/21			Latest Note
	Value	Target	Status	Value	Target	Status	
Staff sickness absence rate (Cumulative)	7.61	8.00		4.85	8.00		
Staff turnover	10.16%	12%		8.1%	12%		
Ethnic Minority representation in the workforce - employees	3.8%			4.0%			
Percentage of Employees with a Disability	7.0%			7.0%			


ICT









	2019/20			2020/21			Latest Note
	Value	Target	Status	Value	Target	Status	
The percentage of ICT help desk service requests completed within the target time agreed with the customer	95%	90%		95%	95%		2020/21 = 4,951 service requests 2019/20 = 6,844 service requests.
Percentage of ICT helpdesk calls outstanding	21%	20%		19%	20%		
Freedom of Information Requests responded to within 20 working days	99%	100%		99.4%	100%		2020/21 = 952 out of 966 FOI requests in target time 2019/20 = 778 out of 787 FOI requests in target time


Revenues and Benefits							
	2019/20			2020/21			Latest Note
	Value	Target	Status	Value	Target	Status	
Speed of processing new Housing Benefit claims (days)	19	20	✓	20.1	23	✓	2020/21 = 463 claims processed 2019/20 = 452 claims processed.
Speed of processing new Council Tax Support claims (days)	20.0	20.0	✓	16.6	20.0	✓	2020/21 = 2,620 claims processed 2019/20 = 1,319 claims processed.
Speed of processing Housing Benefit changes of circumstances claims (days)	7	8	✓	6.4	8	✓	2020/21 = 12,478 changes of circumstances 2019/20 = 14,233 changes of circumstances.
Speed of processing changes of circumstances for Council Tax Support claims (days)	8.0	8.0	✓	8.5	8.0	⚠	2020/21 = 18,397 changes of circumstances 2019/20 = 14,610 changes of circumstances. Covid-19 has led to a 26% increase in the number of adjustments to Council Tax Support required, despite the introduction of a banded income scheme. The Benefits Team have also had to administer Test and Trace Support and Exceptional Hardship payments.
Percentage of Council Tax collected	98.3%	98.9%	⚠	98.5%	98.6%	⚠	2020/21 = £115,314,106 collected 2019/20 = £111,958,420 collected Council Tax collection has stood up well during the pandemic. The Council's collection rate is the best in West Sussex and one of the few to improve its collection rate on the previous year.
Percentage of Non-Domestic Rates Collected	95.3%	98.1%	⚠	93.7%	92.0%	✓	2020/21 = £26,775,043 collected 2019/20 = £46,225,751 collected The amount to collect has reduced due to the impact of Covid-19 on businesses. The Revenues Team has also had to administer business grants.
LA Overpayment Error	£44,121	£178,812	✓	£34,715	£112,799	✓	
Accuracy in Assessment	93.6%	92.0%	✓	93.9%	92.0%	✓	









Deputy Leader Portfolio - Cllr Judy Llewellyn-Burke							
Finance							
	2019/20			2020/21			Latest Note
	Value	Target	Status	Value	Target	Status	
Percentage of undisputed invoices paid within 10 days of receipt	95.8%	95.0%		95.6%	95.0%		2020/21 = 3,822 invoices processed 2019/20 = 5,101 invoices processed.

Property and Asset Maintenance							
	2019/20			2020/21			Latest Note
	Value	Target	Status	Value	Target	Status	
Return on tenanted non-residential property portfolio	6.4%			6.8%			
The percentage of rent due collected	95%			87%			Collection rates reflect difficulties experienced by the Council's commercial property tenants due to the pandemic, especially the retail sector.

Council Priority Projects			
Project name	Lead Officer	Status	Commentary
Orchards Shopping Centre Strategic Plan	Peter Stuart		<ul style="list-style-type: none"> Work in progress to develop a proposal and business case.















Economic Growth Portfolio – Cllr Stephen Hillier							
Economic Development							
	2019/20			2020/21			Latest Note
	Value	Target	Status	Value	Target	Status	
Footfall in the Orchards Shopping Centre, Haywards Heath	+3.38%			-34.86%			This shows the % change in footfall compared to the previous year.
Micro business grants – funds awarded compared to total grant received	100%			100%			49 Micro business grants have been awarded through the Cabinet Grants Panel and all of the £71,428 budget allocated.
Parking Services							
	2019/20			2020/21			Latest Note
	Value	Target	Status	Value	Target	Status	
Cancellation rate of Penalty Charge Notices	8%	7%		7%	7%		2020/21 = 567 cancelled out of 8,088 notices issued. 2019/20 = 1,026 cancelled out of 13,483 notices issued.
The percentage of pay and display transactions made by cashless payments	38%	30%		51.5%	39%		The Covid pandemic has accelerated the use of cashless payments to a level not anticipated at the start of the year. Payments made by cashless platforms were split 45.5% via machine and 6% by pay by phone.

Council Priority Projects			
Project name	Lead Officer	Status	Commentary
Enabling Full Fibre Infrastructure	Simon Hughes		<ul style="list-style-type: none"> • Good progress on both Local Full Fibre Network (LFFN) and Converged Fibre Connectivity Project (CFCP). • LFFN duct network completed on time and on budget; now being tested and commercialization agreed. • CFCP 91% complete and on target to complete project on schedule by July 2021. • Rural Fibre Project has been initiated for works in 2021/22.

Environment & Service Delivery Portfolio - Cllr John Belsey							
Landscapes							
	2019/20			2020/21			Latest Note
	Value	Target	Status	Value	Target	Status	
% Satisfaction with the grounds maintenance service	96%	95%		N/A	93%	N/A	Contractor IDV has not been able to carry out any satisfaction surveys due to Covid-19 and social distancing restrictions.
Leisure Operations							
	2019/20			2020/21			Latest Note
	Value	Target	Status	Value	Target	Status	
The number of visits made to the Leisure Centres	1,747,464			151,617			Attendance figures reflect lockdown closures and operation of centres at reduced capacity. Leisure Centres reopened on 12 th April 2021.
Sustainability							
	2019/20			2020/21			Latest Note
	Value	Target	Status	Value	Target	Status	
Usage of Council-owned electric vehicle charging points in public car parks (in kWh)	13,513			32,722			Breakdown of usage of charging points in car parks (kWh): Cyprus Road, Burgess Hill – 15,735 Chequer Mead, East Grinstead – 6,300 Hazelgrove Road, Haywards Heath – 10,687
Number of Electric Vehicle Charging Points per 100,000 population	New PI			22.5	34		Plans for an additional 26 charging points in the Council's car parks have been delayed by the need to establish a new partnership procurement agreement.
Greenhouse gas emissions from Council buildings (kg)	519,869	503,444		251,172	310,340		Temperature differences account only for a 1.1% change, the remainder of the reduction in emissions is likely to have arisen from changes to operational demand due to the pandemic. A

							Carbon Baseline and Net Zero Feasibility Study has been commissioned as part of the evidence base for the new Sustainable Economy Strategy.
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Waste and Outdoor Services















	2019/20			2020/21			Latest Note
	Value	Target	Status	Value	Target	Status	
% satisfied with refuse collection, recycling collection and street cleansing	85%	87%		90%	87%		
Amount of waste per household which is disposed of in landfill sites (kilos)	421	410		454	460		
Percentage of household waste sent for reuse, recycling and composting	44%	45%		43%	46%		The outturn percentage was affected by the temporary suspension of the garden waste service in April due to the pandemic. Also, by some increases in the contamination rates for recyclables, which the Council is working with Serco to address.
Number of subscriptions to green waste composting	20,008			21,032			
Number of missed collections per 100,000	45	75		53	50		Covid-19 pressures have led to disruption to Serco collection crews and more missed collections than the target.
% of relevant land assessed as having below acceptable levels of litter	9%	4%		6%	6%		
% of relevant land assessed as having below acceptable levels of detritus	7%	6%		6%	8%		

Council Priority Projects			
Project name	Lead Officer	Status	Commentary
Sustainability Action Plan	Judy Holmes	✓	<ul style="list-style-type: none"> A progress report on the Sustainability Action Plan was considered at the Scrutiny Committee for Leader, Finance & Performance on 10th March 2021. Project to develop the Sustainable Economy Strategy in progress for approval in December.
Service Redesign: waste and cleansing	Rob Anderton	✓	<ul style="list-style-type: none"> Service redesign work nearing completion; awaiting confirmation of funding expectations from WSCC and government New Burdens fund. Proposals for future service operation will be shared with Members in the usual way.
Parks Investment	Rob Anderton	✓	<ul style="list-style-type: none"> Work has begun on Bolney Pump Track (an addition to the existing, improved play facilities). Consultation on a further three play areas completed. Final designs received for master plans at Victoria Park, St Johns Park, Hemsleys and Mount Noddy. Analysis of designs underway. Project timetable revised because of Covid-19 delays in construction from June to later Summer 2021.

Housing and Planning Portfolio - Cllr Andrew MacNaughton

Development Management

	2019/20			2020/21			Latest Note
	Value	Target	Status	Value	Target	Status	
Validation of planning applications within 7 working days	98%	98%		93%	96%		2020/21 = 2,541 applications processed 2019/20 = 2,322 applications processed
The average time taken to process planning applications (days)	64	65		65	65		
Costs awarded against the Council where the decision of the Council is overturned at Planning appeal	£1400			£00			
Processing of planning applications: Major applications within 13 weeks (or agreed extension of time)	100%	80%		98%	85%		2020/21 = 45 major applications processed 2019/20 = 59 major applications processed
Processing of planning applications: Minor applications within 8 weeks.	99%	85%		98%	85%		2020/21 = 320 minor applications processed 2019/20 = 351 minor applications processed
Processing of planning applications: Other applications within 8 weeks.	100%	94%		100%	94%		2020/21 = 1,065 other applications processed 2019/20 = 1,058 other applications processed
Planning appeals allowed	19%	33%		27%	33%		

Housing							
	2019/20			2020/21			Latest Note
	Value	Target	Status	Value	Target	Status	
Number of households accepted as homeless	77			100			Performance in dealing with homelessness and use of temporary accommodation has been impacted by the Covid-19 pandemic. The Government directed all Councils to house all rough sleepers and to extend the provision of temporary accommodation to all homeless households, including those to whom the council did not have a duty towards. These measures have increased the number of households in temporary accommodation.
The number of households approaching the Council with a housing enquiry (excludes telephone calls)	817			645			
Number of households living in temporary accommodation	83			90			
Number of households in nightly paid temporary accommodation	48			44			
The average amount of time a household has spent in temporary accommodation overall when they leave following the acceptance of a full homelessness duty (days)	249			196			
Number of affordable homes delivered (gross)	214			245			The 245 new affordable homes delivered comprised 174 for rent and 71 shared ownership.
The % of policy compliant section 106's signed in the year on sites that meet the affordable housing threshold	89%	85%		75%	90%		6 out of 8 schemes signed in the year have met the policy requirement. For the remaining 2 schemes, there was only a shortfall in provision of 8 affordable housing units and this was due to viability.

Council Priority Projects			
Project name	Lead Officer	Status	Commentary
Temporary Accommodation	Judy Holmes	✓	<ul style="list-style-type: none"> • A further five TA units for families have been acquired and let. • Private sector leased properties being sought.
Local Plan Review	Sally Blomfield	✓	<ul style="list-style-type: none"> • High level review of existing policies completed; collating evidence base information required for update. • Call for Sites has been carried out, officers are assessing the submissions.
Provision of sites for Gypsies and Travellers	Judy Holmes	⚠	<ul style="list-style-type: none"> • Assessment of need to be considered in Local Plan review. • Improvement plans for Bedelands are being developed.

Proposed Changes to Performance Indicator Targets for 2021/22

Service Area	Performance Indicator	20/21 Actual	21/22 Service Plan target	Proposed New Target	Rationale
Revenues and Benefits	Percentage of Council Tax collected	98.5%	98.0%	98.5%	Targets have been reviewed on the basis of the actuals achieved for 2020/21 and expectations in 2021/22 for the implications of the pandemic on collection rates and the processing of benefit claims. More challenging targets are proposed for Council Tax collection and accuracy in assessment.
	Percentage of Non-Domestic Rates collected	93.7%	94.5%	93.1%	
	Speed of processing new Housing Benefit claims (days)	20.1	20	21	
	Speed of processing - changes of circumstances for Council Tax Support claims (days)	8.0	8	9	
	Accuracy in Assessment	93.9%	92%	92.5%	
Waste & Recycling	Percentage of household waste sent for reuse, recycling and composting	43%	47%	44%	The original target for reuse, recycling and composting was on the assumption of an early introduction of separate food waste collections, which has now been delayed. The new target also takes account of the likelihood that people will continue to work from home (at least for part of the week) and the Council will therefore continue to have to deal with much more domestic waste. This also has implications for a realistic target for the amount of waste going to landfill.
	Amount of waste per household which is disposed of in landfill sites (kilos)	454	400	425	
	Number of missed collections per 100,000	53	45	60	The revised target assumes the introduction of food waste collection in the latter part of the year, which is likely to see an increase in missed collections.

Service Area	Performance Indicator	20/21 Actual	21/22 Service Plan target	Proposed New Target	Rationale
HR	Staff sickness absence rate – days per full-time equivalent	4.85	7.5	7.0	This proposes a more challenging target, based on the reduced amount of staff sickness last year and a sustained level of homeworking.
Land Charges	The percentage of Local Authority Searches replied to within 5 working days Change to % replied to within 7 working days	56% (in 5 working days)	96%	96% (in 7 working days)	Last year Local Authority search volumes recorded record levels, making it very difficult for staff to process responses in the demanding 5 working day timeframe. At present, the Local Land Charges team are processing searches within 6 working days. It is considered that a revised 7-day turnaround will reduce the pressure on staff whilst continuing to deliver a very marketable and attractive level of service. To put this timeframe into context the Government's accepted level of service for Local Authority searches is 10 working days.