

BUDGET MANAGEMENT 2019/20 – PROGRESS REPORT APRIL TO JULY 2019

REPORT OF: Head of Corporate Resources
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Wards Affected: All
Key Decision: No
Report to: Cabinet
16th September 2019

EXECUTIVE SUMMARY AND RECOMMENDATIONS

Purpose of Report

1. This report reviews the progress on the Revenue Budget, Capital Programme and Treasury Management for 2019/20.

Summary

2. The forecast revenue outturn position for 2019/20 at the end of July is showing a projected net underspend of £511,000 against the original estimate, which mainly relates to additional investment property income from properties purchased after the budget was prepared. In addition, there are net on-going savings from 2018/19, being contract savings for insurance and Audit fees. This saving now gives us the opportunity to consider using part of this underspend for a limited range of discrete purposes totalling £457,000, which, if approved will reduce the projected net underspend to £54,000.

Recommendations

3. To recommend to Council for approval:

- (i) that £280,925 grant income relating to Flexible Homelessness Support Grant be transferred to Specific Reserve as detailed in paragraph 21;
- (ii) that £27,765 grant income relating to Preventing Homelessness Grant be transferred to Specific Reserve as detailed in paragraph 22;
- (iii) that £457,000 of the revenue underspend be transferred to Specific Reserves as detailed in paragraph 23;
- (iv) the variations to the Capital Programme contained in paragraph 33 in accordance with the Council's Financial Procedure rule B3.

To note:

- (v) the remainder of the report;
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REVENUE SPENDING

Position to the end of July 2019

4. This is the second budget management report for the current financial year. This is intended to inform Members how key income and expenditure targets are performing after the first four months of 2019/20, and to give an indication of the likely position at the end of the year.

Expenditure and Income to date

5. Table 1 details 'actuals' to date for the key income categories and salaries expenditure, compared to their profiled budgets. It gives a snapshot position on performance to the end of July only. This table also details the projected year-end position for these key income categories, but this only forms part of the consideration for the year-end predictions for the Council's overall revenue budget.

INCOME	2019/20 Actual to July £'000	Profiled 2019/20 Budget £'000	2019/20 Original Budget £'000	Pressure/ (Saving) To end July £'000	Pressure/ (Saving) To end May £'000	Projected Year-end Variance £'000
Car Park Charges	(776)	(700)	(2,085)	(76)	(13)	(75)
Development Management Fees	(528)	(485)	(1,454)	(43)	57	0
Building Control Fees	(165)	(215)	(549)	50	29	29
Land Charges	(60)	(57)	(153)	(3)	(3)	0
Licensing Act Fees	(30)	(16)	(144)	(14)	(4)	0
Hackney Carriage Fees	(47)	(43)	(129)	(4)	4	(10)
Outdoor Facilities Income	(105)	(90)	(280)	(15)	54	0
Garden Waste	(420)	(331)	(1,281)	(89)	9	0
Leisure Contract Income	(350)	(358)	(1,433)	8	239	0
Industrial Estates Rents/ Depot Rents	(806)	(470)	(1,050)	(336)	(289)	(317)
Town Centre Rents	(849)	(874)	(2,540)	25	59	0
General/Miscellaneous Property	(153)	(105)	(210)	(48)	(20)	(25)
Total Income	(4,289)	(3,744)	(11,308)	(545)	122	(398)
EXPENDITURE						
Staffing costs	4,065	3,956	11,868	109	29	(10)

6. Car parking income is above budget by £76,000 in the first four months operation of the service although when compared to last year income levels are broadly the same. This is detailed in Table 2 below. This includes variations in respect of higher than budgeted Season Tickets £6,000, as well as additional Pay and Display Income (£70,000). The forecast was previously amended to recognise the over achievement of income at outturn 2018/19, whilst at the same time including a conservative forecast of increased income for the current year of £75,000. This end of year forecast remains unchanged.

Table 2: Car Parking Income variance			
	<i>Actual April to July</i>	<i>Outturn 2018/19</i>	<i>Forecast 2019/20</i>
	<i>(Over)/ under target £'000</i>	<i>(Over)/ under target £'000</i>	<i>(Over)/ under target £'000</i>
Pay & Display tickets	(70)	(133)	(75)
Season Tickets	(6)	2	0
Total additional income	(76)	(131)	(75)

7. At the end of July, additional Planning Application fee income of £43,000 is showing. This is due to increased income being received in July. We had previously forecast, in the May report, an overall shortfall so due to continuing uncertainty in the market, no change to the full year projection has been included at this stage. This will be kept under review as the year progresses.
8. At the end of July, Building Control Income is under target by £50,000. The Head of Service for Building Control has confirmed that a fee increase is expected to reduce any ongoing shortfalls, once implemented. In addition, Approved Inspectors providing Building control services have reduced in the Market as a result of a change in insurance practices. This is likely to result in work being redirected to the Council to the value of approximately £20,000. Therefore, no further change to the full year forecast is anticipated at this stage.
9. At the end of July Land Charges income is above budget by £3,000. However, no variation to the full year projection is anticipated at this stage.
10. Licencing income is £14,000 above target for April to July. This is mainly due to the profiling of income, which can fluctuate. Therefore, the forecast remains unchanged.
11. Hackney Carriage Fees are above target by £4,000 for the first four months of this financial year. The forecast has been amended to reflect additional income of £10,000, resulting from an increase in the number of Taxi licence applications. The full year projection has been amended to reflect this which is showing in Appendix A of this report.
12. Outdoor facilities income is £15,000 above budget after the first four months of the year. This is mainly due to Tennis income being invoiced earlier than profile. However, no variation to the full year projection is anticipated at this stage.
13. Based on the current budget profile, Garden Waste income is £89,000 above target at the end of July. A capital project to expand the Garden Waste service was expected to deliver an additional 1800 customers in 2018/19, in order to achieve the budgeted customer base of 20,000 customers. Further growth in this financial year has resulted in the number of subscriptions being close to the budgeted target and the Council is on track to achieve the targeted subscriber base by year end. The additional income to date is due to the profiling of income, which can fluctuate. However no change to the full year forecast is anticipated at this stage.

14. The value of the Leisure Contract this year has recently been agreed with Places for People Leisure, and there is no forecast change to the full year budget.
15. Industrial Estates rent are £336,000 above the target at the end of July. As reported in May this includes unbudgeted rental income of £317,000 following the acquisition of 208-216 London Road, Burgess Hill. The previously reported year-end projection remains the same. Depot rent is on target for April to July. No change to the full year projection is anticipated at this stage
16. Town Centre rent is £25,000 below the target at the end of July. This shortfall is due to the timing of supplementary rent for the Market Place Car Park which will be received later in the year. No change to the full year projection is anticipated at this stage. In addition the figures provided for the supplementary rent for the Martlets Shopping Centre are being queried with the tenant. No change to the full year projection is anticipated at this stage.
17. General/miscellaneous property income is £48,000 above the target at the end of July. This includes additional turnover rent of £25,000 for the Basepoint Business Centre which is proving to be very successful. The full year projection has been amended to reflect this which is showing in Appendix A of this report.
18. The salaries expenditure to the end of July is showing a pressure of £109,000 against the profiled budget, which is mainly due to agency, consultant and recruitment costs across the Council, which will be met from Reserves, compensating vacancy savings or additional forecast income by year-end. Therefore, by year-end there is a forecast saving of £10,000 as detailed in the Appendix at the end of this and the previous Budget Management report for 2019/20. This position will continue to be monitored closely as we progress through the year.
19. In summary, based on current information available and as outlined in Appendix A, the current forecast year-end position (at the end of July 2019), is an underspend of £511,000.

Miscellaneous

20. The total remaining in Balance Unallocated is unchanged at £62,000 as there has been no utilisation to date.
21. In May, we received £280,925 from the Ministry of Housing Communities and Local Government in respect of Flexible Homelessness Support Grant. This is to support Local Authority efforts in preventing and dealing with homelessness. As the funding is ring-fenced for 2019/20 and can only be used to prevent or deal with homelessness, Members are requested to approve the transfer of this sum to a Specific Reserves for this purpose.
22. In May, we received £27,765 from the Ministry of Housing, Communities and Local Government in respect of Preventing Homelessness Grant (LAs). This is to support Local Authorities in fulfilling their duties under the Homelessness Reduction Act, and this payment is the last of three payments over a three year period totalling £82,706 for New Burdens in respect of Homelessness. Members are requested to approve the transfer of this sum to Specific Reserve for this purpose.

Use of Underspend

23. This latest report shows that income levels, in particular, in respect of Car Parking and property rents, continue to be well above target, which together with contract savings for insurance and Audit fees now allows Members to consider the allocation of monies totalling £457,000 as detailed below:
- (a) £100,000 for Tree works. Earlier in the year, survey work established that a number of trees, for which the Council are responsible, require maintenance. At Outturn 2018/19, £59,000 was earmarked in a Reserve to start to finance an accelerated programme of tree inspection and maintenance work in 2019/20 pending further surveys. It is now proposed a further £100,000 is transferred to the Tree Works Specific Reserve to cover the continuing costs associated with maintaining a healthy tree stock. Therefore, Members are requested to approve the transfer of £100,000 to this Specific Reserve.
 - (b) £57,000 for the current year impact of implementing the Estates Team Restructure required to better align service capacity and provision with current and anticipated organisational expectations and responsibilities. Therefore, Members are requested to approve the transfer of £57,000 to Specific Reserve for this purpose. Future year's revenue pressures will be addressed as part of the 2020/21 Budget process.
 - (c) £300,000 to top up the JE/VR Reserve which is mainly required to cover additional pressures on this Reserve resulting from the ICT restructure of £335,000. The restructure is designed to bring in the skills and capabilities needed for the ICT strategy to reduce infrastructure and increase our use of the new web technologies to improve business efficiency.

CAPITAL SPENDING

Position to the end of July 2019

24. The Capital Programme for 2019/20 now stands at £3,588,000. This includes slippage from the 2018/19 Capital Programme and current year capital project variations, as reported to Cabinet 8 July 2019. The actual and commitments to the end of July 2019 total £2,179,958.

Variances to the 2019/20 Capital Programme

25. At this early stage in the year the major variances are set out in table 3 below, the remainder being a number of smaller variations totalling less than £100,000.

	<i>Variances</i> £'000 (overspend)	<i>Variances</i> £'000 (underspends)	<i>Notes</i>
Temporary Accommodation – Howard Hill, B Hill	292		1
Temporary Accommodation – St. Francis Close, HH	235		1
Temporary Accommodation – Burdocks Drive, BH	217		1
Disabled Facility Grants		(958)	2
Dolphin Leisure Centre Improvements works		(198)	3
Council Chamber Modernisation		(290)	4
Oaklands Replacement heating distribution system		(139)	5
Martlets Hall Demolition and Car Park Extension		(111)	6
Total	<u>744</u>	<u>(1,696)</u>	

Notes:

Housing

(1) Housing purchases to be funded from the Temporary Accommodation Reserve created at Outturn 2017/18 Refer paragraph 30 in this report for further detail.

Environmental Health

(2) Demand-led Housing adaptations service for which a further £468,704 has been committed as at end of July. No forecast variation is anticipated at this stage.

Leisure and Landscapes

(3) Dolphin Leisure Centre improvement works approved by Cabinet 29 April 19. Works have commenced and are on track to be completed in 2019/20.

Corporate Estates & Facilities

(4) Council Chamber Modernisation Works – Some value engineering is necessary post tender to reduce overall cost. Now expected to be subject to limited further tender to bring project within budget. Start put back to March 2020.

(5) Oaklands Replacement heating distribution system - 1st phase of works complete. Further phases to follow on from more in-depth feasibility and design work.

(6) Martlets Hall Demolition and Car Park Extension – refer paragraph 31 below.

Proposed Variations to the Capital Programme

26. The Cabinet Member for Environment and Service Delivery authorised the release of £19,602 from the S106 Formal Sport Contributions for improvements to the junior pitch drainage at The Haven Sports Field in Crawley Down under Delegated Member authority as reported and detailed further in MIS 27 on 3 July 2019. The Capital Justification is also shown in Appendix B at the end of this report. The Capital Programme has been updated accordingly.
27. The Cabinet Member for Environment and Service Delivery authorised the release of £11,000 from the S106 Formal Sport Contributions for improvements to the tennis courts at Lindfield Common under Delegated Member authority as reported and detailed further in MIS 27 on 3 July 2019. The Capital Justification is also shown in Appendix B at the end of this report. The Capital Programme has been updated accordingly.
28. Since the Corporate Plan was approved at Council on 27 February 2019, there have been some changes to the Major Capital Renewals. Cuckfield Rec Pavilion (£84,000) works on the Café refurbishment are no longer required, and so will not be progressed at present. £57,000 was to be funded from the MCR budget and £27,000 was S106 Community Funded. Of the £57,000 MCR budget, £36,000 can be re-allocated to East Court to facilitate a nursery and the remainder will be held unallocated until a decision is made on alternative use. The Capital Programme has been amended accordingly.
29. Playground improvements for Bolney Recreation Ground, John Pears Recreation Ground and Twineham Recreation Ground totalling £240,000 were included in the proposed Starts list in the Corporate Plan 2019/20 to Council 27 February 2019. These projects, totalling £200,000 have now come forward for approval and further detail on these projects have been included in the Capital Justifications shown in Appendix B of this report. These will be mainly funded from Capital Receipts with a sum of £1,316 s106 funding available from Land at Ashurstwood Abbey – 11/02918/FUL – P35/739 to spend on play space/kickabout provision in the John Pears Recreation Ground. The Capital Programme has been amended to include these projects.

30. At Outturn 2017/18 Members agreed to earmark £4m in a Temporary Accommodation Reserve to provide up to 20 units of accommodation and 10 leased properties in order to secure better, more flexible, housing for vulnerable families and to invest in assets with long term value whilst reducing the revenue strain for the Council. A number of properties were purchased during last year as reported at Outturn 2018/19. As at the end of July 2019, the Council has purchased a number of additional properties as detailed in Table 4 below, all funded from the Temporary Accommodation Reserve. The current Capital Programme has been amended to reflect this.
31. The current Capital Programme includes £180,000 for the Martlets Hall demolition and car park project. However, the demolition of the building has been delayed by the presence of contamination around a concrete ring-beam. Planning for its removal has taken longer than anticipated and will add to the cost of the demolition by circ. £65,000. The budget will be increased accordingly, but it is important that such contaminants are dealt with safely and in accordance with the relevant legislation.
32. The current Capital Programme includes £20,000 to Refurbish ICT Suite. However, due to the restructure of ICT, structural works are required to accommodate the additional staff in the new structure. As a result, the cost of the project cost has increased by £58,000. The budget will therefore be increased to £78,000, and the additional cost will be funded from capital receipts.
33. Proposed capital variations are summarised in table 4 below:

Table 4: Capital Project Variations April to end July 2019		
	<i>Apr to July</i> £'000	<i>Ref</i>
Improvement works to The Haven Sports Fields, Crawley Down Junior Football pitches	20	<i>Para 26</i>
Improvement works to Lindfield Common Tennis Courts	11	<i>Para 27</i>
Cuckfield Rec Pavilion	(84)	<i>Para 28</i>
East Court - Nursery	36	<i>Para 28</i>
MCR Balance Unallocated	21	<i>Para 28</i>
<i>Playground Improvements:</i>		
Twineham Playground Improvements	40	<i>Para 29</i>
Bolney Recreation Ground (Batchelor's Field) Playground Improvements	80	<i>Para 29</i>
John Pears Playground – AshurstWood, Playground Improvements	80	<i>Para 29</i>
Temporary Accommodation – B Hill	292	<i>Para 30</i>
Temporary Accommodation – HH	235	<i>Para 30</i>
Temporary Accommodation – BH	217	<i>Para 30</i>
Martlets Hall demolition and car park	65	<i>Para 31</i>
Refurbish IT Suite	58	<i>Para 32</i>
Total	1,071	

34. Taking into account the changes detailed above, the overall effect is an increase to the current capital programme for 2019/20 of £1,071,000. Therefore the revised programme total for 2019/20 now stands at £4,659,000.

Capital receipts and contributions received to the end of July 2019

35. S106s and grant contributions of £207,151 have been received in the period April to July 2019.

S106 contributions committed/utilised to the end of July 2019

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

	<i>Apr to July</i> £'000	<i>Note</i>
Ardingly Parish Council	3	1
West Sussex County Council	157	2
East Grinstead Town Council	18	3
Guinness Housing Association	400	4
Slaugham Parish Council	175	5
East Grinstead Rugby Football Club	50	6
Crawley Down Community Centre Association	25	7
Hassocks Community Association	9	8
Haywards Heath Rugby Club	150	9
West Sussex County Council	486	10
West Sussex County Council	101	11
Total	<u><u>1,574</u></u>	

Notes

- 1 Utilisation of Local Community Infrastructure contribution (PL13-000981) S106 monies to enhance the car park provision at Ardingly Recreation Ground, as agreed by the Cabinet Member for Planning on 26 March 2019 MIS 13 27 March 2019.
- 2 Utilisation of Sustainable Transport (TAD) contributions (P35/559a £43,833, P35/559b £57,190, P35/650 £8,687, P35/698 £349, P35/756 £43,893 & PL13-000368 £3,313) S106 monies to carry out various traffic management schemes in Handcross, Pease Pottage and Warninglid, as agreed by the Cabinet Member for Planning on 4 April 2019 MIS 14a 5 April 2019.
- 3 Utilisation of Community Buildings contributions (P35/620a £1200, P35/633b £6,775, P35/671 £2,311 & P35/709 £3,545) and Local Community Infrastructure contributions (P35/667 £4,595) S106 monies to refurbish the gents toilets at East Court Mansion, as agreed by the Cabinet Member for Planning on 4 April 2019 MIS 14a 5 April 2019.
- 4 Utilisation of Affordable Housing contributions (P35/323 £3,390, P35/563 £200,662, P35/523b £5,000, P35/694 £38,663 & PL12-000929 £152,285) S106 monies to enable delivery of affordable housing at Blackwell Farm Road, East Grinstead, as agreed by the Cabinet Member for Housing & Planning on 11 April 2019 MIS 16 17 April 2019.
- 5 Utilisation of Formal Sport contributions (P35/698a £3,565, PL13-000368 £9,695, PL13-001524 £9,166, PL12-001742 £20,256, PL12-002157 £6,630 & PL3-000303 £688), Community Buildings contributions (P35/745 £4,704, PL13-000368 £4,211, PL13-001524 £3,982, PL12-001742 £8,799 & PL3-000303 £58,304) and Playspace contributions (PL13-000368 £8,050, PL13-001524 £7,611 & PL3-000303 £29,339) S106 monies to upgrade the pavilion and playground at Handcross Recreation Ground, as agreed by the Cabinet Grants Panel on 16 April 2019 MIS 16 17 April 2019.
- 6 Utilisation of Formal Sport contributions (P35/501c £18,284.92, P35/602e £4,012.30, P35/632b £3,335.04, P35/633b £6,204.65 & P35/694 £18,163.09) S106 monies to enable the refit of the junior clubhouse roof and terrace, reconfigure the changing rooms and refurbish the outdoor tennis courts to create a 5-aside football area, as agreed by the Cabinet Grants Panel on 18 June 2019 MIS 25 21 June 2019.
- 7 Utilisation of Community Buildings contributions (P35/717 £2.41, P35/ 728 £0.71, PL12-000170 £1,172, PL12-000367 £10,198.71, PL12-000620 £9,440 & PL12-000562 £4,358) S106 monies for improvements to the Café Bar, outdoor paving & meeting rooms at the Haven Centre, as agreed by the Cabinet Grants Panel on 18 June 2019 MIS 25 21 June 2019.
- 8 Utilisation of Community Building contribution (P35/681 £8,650) S106 monies to improve disabled access at Adastra Hall, as agreed by the Cabinet Grants Panel on 18 June 2019 MIS 25 21 June 2019.
- 9 Utilisation of Formal Sport contributions (P35/688 £37,982.47, P35/ 708 £12,017.53, P35/754 £3,665.61 & PL3-001439 £96,334.39) S106 monies for a new clubhouse at Whitemans Green, Cuckfield, as agreed by the Cabinet Grants Panel on 18 June 2019 MIS 25 21 June 2019.
- 10 Utilisation of Sustainable Transport (TAD) contributions (P35/625a £1,289.30, P35/711 £13,346, P35/781 £140.04, PL12-000331 £4,528, PL13-Kings Head £7,400, PL13-000560 £3,483, PL13-000869 £20,240, PL13-001075 £8,727.35, PL13-000948 £25,223) and Local Community Infrastructure contributions (P35/491 £32,584.11, P35/658 £52,425.56, P35/658b £9,173.43, P35/710 £44,915.36, P35/716 £36,505.15, P35/732 £5,949.02, P35/769 £50,202.11 & £53,560.37, P35/781 £3,545.69, PL12-000331 £4,325, PL12-000682 £8,075, PL13-Kings Head £7,675, PL13-000386 £6,975, PL13-000560 £4,311.67, P35/711 £4,661, P35/727 £4,811.58, PL12-001772 £29,854.45, PL13-000621 £10,107.76, PL13-000869 £6722.03, PL13-001075 £8,806.50, PL13-001294 £8,100 &, PL13-000948 £8,105.82) S106 monies to facilitate the delivery of projects within the Place & Connectivity Programme, as agreed by the Cabinet Grants Panel on 18 June 2019 MIS 25 21 June 2019.

- 11 Utilisation of Sustainable Transport (TAD) contributions (P35/554 £40,950, P35/581 £0.79, P35/602e £2,450, P35/617 £649, P35/623b £13,802, P35/628b £3,026, P35/637 £10,169, P35/642b £18,251.01, P35/664 £2,880, P35/709 £4,912 & PL13-000677 £3,524.20) S106 monies for the installation of a pedestrian crossing at Sackville School, East Grinstead, as agreed by the Cabinet Member for Planning in July 2019 MIS 28 10 July 2019.

TREASURY MANAGEMENT INTEREST

37. Treasury Management interest for this financial year was projected in the Budget Report to be £357,230 at an average rate of 1.15%. The Budget Report is prepared well before many of the cash flow items are known.
38. Actual Treasury Management interest earnings for the first four months of 2019/20 were £83,676 at an average rate of 1.086%. The estimated year-end projection for Treasury Management to be earned in the year is £289,613 being £68,000 under target, due to a lower than forecast average balance, due to timing differences between budgeted and actual capital receipts anticipated for the year. This position will continue to be monitored closely as we progress through the year.

Local Authority Property Fund Dividends

39. Members will recall that £6m is invested in the Local Authorities' Property Fund administered by the CCLA. Dividends on these investments are paid to the Council on a quarterly basis being due for the quarters ending 30 June; 30 September; 31 December and 31 March. Dividends received for the quarter ending 30 June are £71,032 less management expenses of £9,141. Therefore, the net income to the Council is £61,891 as at the end of June 2019. £240,000 is budgeted to finance the Revenue Budget in the current year. However, based on the first quarter dividend, this is likely to be exceeded by year-end. This will continue to be monitored and further updates will be reported in future Budget Management Reports.

POLICY CONTEXT

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

FINANCIAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

42. There are no risk management implications. Financial risks have been seen as a strategic risk in the past but the Council has a proven track record in Budget Management and this is not seen as a strategic risk for 2019/20.

EQUALITY AND CUSTOMER SERVICE IMPLICATIONS

43. There are none.

OTHER MATERIAL IMPLICATIONS

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

Background Papers

Revenue Budget 2019/20

Appendix A

Forecast Budget Variations for 2019/20 at the end of July 2019

	<i>Pressures in 2019/20</i>	<i>Notes</i>
	<i>£'000</i>	
April to May pressures Cabinet 8 July 2019	225	
Cash Office – service charge for BACS payments	15	1
Financial management system – read only access	25	2
Ongoing Pressure –staff salaries Spinal Column Point restructure	29	3
Salaries – ICT restructure	14	4
Housing Standards Licence Fees	15	5
Refurbishment of the Oaklands top floor	36	6
	<hr/>	
	359	
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Notes:

- (1) Unbudgeted costs of service charge for BACS payments.
- (2) Read only access is required for the Civica financial management system following the implementation of the Technology One system in September.
- (3) Pressure from the restructure of Scale points for staff below SCP 30.
- (4) Part year pressure resulting from the restructure of ICT.
- (5) Lower than anticipated income from new Homes in Multiple Occupation licences, due to Landlords reducing their tenant numbers to fall below the regulation thresholds.
- (6) Improvement works to the Benefits Office including decorations and the renewal of the existing kitchenette.

Appendix A

Forecast Budget Variations for 2019/20 at the end of July 2019

	<i>Savings in 2019/20</i>	<i>Notes</i>
	<i>£'000</i>	
April to May savings Cabinet 8 July 2019	(572)	
External audit fees	(35)	7
Insurance re-tender of contract	(80)	8
Community Services, Policy & Performance Salaries	(40)	9
Economic Development Promotions	(49)	10
Basepoint Business Centre supplementary rent	(25)	11
Hackney Carriage Income	(10)	12
Environmental Health minor variations	(5)	13
Bulky Waste Collections	(8)	14
Recycling Credit Income	(18)	15
Cleansing Services Staffing	(28)	16
	<hr/> <hr/> (870) <hr/> <hr/>	

Notes:

- (7) Lower than budgeted cost of external audit fees.
- (8) The retendering of the insurance contract for the next 5 years has resulted in a significant saving.
- (9) Vacant posts and staff on lower grades than budgeted.
- (10) Forecast under spend in Economic development activities due to a delay in allocating and committing spend pending the Sites Development Planning Document.
- (11) Unbudgeted supplementary rent for Basepoint Business Centre.
- (12) See Para. 11.
- (13) Saving as a result of a number of minor variations below £10K.
- (14) Additional Bulky Waste income as a result of an increase in demand for collections.
- (15) Additional Recycling credit income in respect of 2018/19 final performance payment.
- (16) Staff savings resulting from vacant posts.

Capital Project Justification Form

The Havens Playing field, Crawley Down Drainage improvements

Purpose of project:

The Haven Sports Field in Crawley Down is a very popular Recreation Ground used by local residents and Football clubs.

Crawley Down Gatwick FC Juniors has been operating for over 25 years and aims to provide football for the young people of Crawley Down and its' surrounding areas.

The club offers recreational and competitive football for all age groups from 5 to senior.

The junior football pitch currently has no formal drainage installed.

On a number of occasions over recent years training & matches have had to be cancelled as the pitch was waterlogged, the club have raised concerns on a regular basis about the unplayable pitch condition.

The proposal is to install a new formal herringbone style piped drainage system that will allow the clubs to use the pitch soon after installation. This will help to reduce cancellations, allowing a greater number of matches to take place on this pitch and reducing pressure on other pitches that also have drainage problems.

The main benefits of good drainage are:

- Improvement of the quality, firmness and durability of the turf
- Quick drying of the soil for extending playing time
- Improved air movement in the soil
- Improved root development
- Better soil structure
- Higher soil temperature and longer growing season

Costs:

Maximum Amount : £19,602

This project will be funded by S106 Formal sport Contributions from the following developments:-

(P35/654) £1,973 – Land adjacent to Burleigh Infant School

(P35/717) £10,547 – Land at Haven Farm

(P35/728) £7,082 – Land south of Grange Road

The planning permission for the development at land adjacent to Burliegh Infant School secured a financial contribution for the purpose of providing formal sport provision in the area served by the North Area Planning Committee.

The planning permission for the development at land at Haven Farm secured a financial contribution for provision of formal sport in the North Area

The Planning permission for land south of Grange Road secured a financial contribution towards junior pitches at the Haven Centre.

Capitalised Salaries included in the project total : N/A

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

Revenue implications: Improvements to the facilities will ensure the pitches continue to be booked and used by the local football clubs and reduce the risk of cancellation which will lead to a reduction in the loss of income due to cancellations.

Value for money assessment:

A do nothing approach will result in a decrease in usage and a deterioration in pitch condition, and therefore a reduction of income collected by MSDC. A failure to invest will necessitate a continued annual increase in maintenance costs. There would also be a risk of injury resulting in potential insurance claims; and an increase in disruption to football club fixtures.

Business Unit/Service: Commercial Services & Contracts

Head of Service: Judy Holmes

Divisional leader: Rob Anderton

Business Unit Leader: Jo Reid

Project Manager: Stuart Brown

Cabinet Member: Cllr John Belsey

Ward Members: Cllr Phillip Coote, Cllr Ian Gibson & Cllr Roger Webb

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

Enhancing and improving play value for formal sports in MSDC

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

Providing facilities for the local community

Summary of discussions with Cabinet Member:

The Cabinet Member is supportive of the scheme, stating that it is a good investment that will benefit local groups.

Risk Analysis:

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

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

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

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Capital Project Justification Form

Lindfield Common Tennis Court Upgrade

Purpose of project:

To upgrade the existing tennis court surface at Lindfield Common, Lindfield which will greatly improve the playing experience as well as greatly improving safety. Mid Sussex District Council (MSDC) have an opportunity to upgrade the facilities which will significantly improve the standard and quality of play and improve the participants' experience. The facilities are well used by the community and the large and growing tennis club. The improvements to these courts will help to continue and increase the users enjoyment and interest for the foreseeable future and to encourage more people to use the facilities.

Costs:

Maximum Amount : £11,000

S106 Lindfield Formal sport Contributions

Land north of Newton Rd (08/02903/FUL – P35/662) - £11,000

Capitalised Salaries included in the project total : N/A

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

Revenue implications: Improvements to the facilities will ensure the courts continue to be used by the club and by occasional paying users who provide the income to fund ongoing maintenance.

Value for money assessment:

A do nothing approach will result in a decrease in usage and a deterioration in the facility, resulting in a reduction of income collected by this Council. A failure to invest will require a continued annual increase in maintenance costs. There would also be a risk of injuries resulting in implications for the Council's insurance.

The alternative option is to close the tennis which would deny Mid Sussex residents the opportunity to participate in tennis.

Business Unit/Service: Commercial Services & Contracts

Head of Service: Judy Holmes

Divisional Leader: Rob Anderton

Business Unit Leader: Jo Reid

Project Manager: Stuart Brown

Cabinet Member: Cllr John Belsey

Ward Members: Cllr Jonathan Ash-Edwards , Cllr Anthea Lea & Cllr Andrew Lea

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

Enhancing and improving play value for formal sports in MSDC

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

Providing facilities for the local community

Summary of discussions with Cabinet Member:

The cabinet member is very supportive of the scheme, which will enhance participants' experience and secure on-going use of the courts.

Risk Analysis:

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

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

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

Capital Project Justification Form

Twineham Playground Improvements

Purpose of project:

The Council's 2019/20 Corporate Plan and Budget sets out proposals to invest £360k in some of the District Council's parks , and a further sum of almost £2m in 2020/21.

These proposals are intended to provide a broad range of projects from major master-planning and improvement works at the Council's key parks sites, to the development of a proactive asset-management plan for all hard infrastructure across the estate, derived from a detailed condition survey.

Included within this project is a proposal to deliver six new or improved playgrounds over the next two years. The first three these have been identified as follows:

- Bolney Recreation Ground (Batchelor's Field)
- John Pears Recreation Ground
- Twineham Recreation Ground

These three sites have been identified on the basis of the findings of the Independent Annual Playground Safety inspection carried out in April 2018, and a separate 'play value' assessment which was carried out at the same time.

In the case of the playground at Twineham Playground, the inspections found that:

- A number of wooden components were rotten and required replacing, much of the equipment was old and dated, some items do not meet current safety standards, and some metal components are rusting and/ or showing signs of corrosion.
- Although there are some accessible features; navigating the play area would present difficulties to the majority of people with disabilities.
- The play area had a very low play assessment score (assessing accessibility, safety, play value, and quality) of 35%

Costs:

Maximum Amount : £40,000

There are no s106 funds available for play provision in the Bolney area. This project will require funding from capital reserves.

Capitalised Salaries included in the project total : N/A

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

Revenue implications:

Improvements to the facilities will ensure the site requires less on-going maintenance in the medium term, meaning the playground revenue budget can be directed to other sites in need of investment.

Value for money assessment:

A do nothing approach will result in a decrease in usage and a deterioration in the condition of the play area, and will result in a continued annual increase in maintenance costs. There would also be a risk of injury resulting in potential insurance claims.

Business Unit/Service: Commercial Services & Contracts

Head of Service: Judy Holmes

Divisional leader: Rob Anderton

Project Manager: Jo Reid

Cabinet Member: Cllr John Belsey

Ward Members: Cllr Judy Llewellyn-Burke

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

The 2019/20 Corporate Plan priority 'Strong and Resilient Committees'. The Plan sets out proposals to invest £375k in the Council's parks to enable extensive master planning and remodelling in some of the key parks to improve the facilities for all users; and includes a flagship activity to develop and approve strategies for investment in the Council's Playgrounds, Parks and Open Spaces.

Summary of discussions with Cabinet Member:

The Cabinet Member is supportive of the scheme, stating that it is a good investment that will benefit local residents.

Risk Analysis:

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

Risk	Likelihood	Severity	Financial impact
1. Incidents during construction	low	low	low
2. Severe weather impacting on construction	low	medium	low
3. Incident following construction	low	low	low

Mitigation actions: Use of qualified contractors, Risk Assessments, Method Statements, thorough project planning (including contingency planning).

Capital Project Justification Form

Bolney Recreation Ground (Batchelor's Field), Playground Improvements

Purpose of project:

The Council's 2019/20 Corporate Plan and Budget sets out proposals to invest £360k in some of the District Council's parks in the current financial year, and a further sum of almost £2m in 2020/21.

These proposals are intended to provide a broad range of projects from major master-planning and improvement works at the Council's key parks sites, to the development of a proactive asset-management plan for all hard infrastructure across the estate, derived from a detailed condition survey.

Included within this project is a proposal to deliver six new or improved playgrounds over the next two years. The first three these have been identified as follows:

- Bolney Recreation Ground (Batchelor's Field)
- John Pears Recreation Ground
- Twineham Recreation Ground

These three sites have been identified on the basis of the findings of the Independent Annual Playground Safety inspection carried out in April 2018, and a separate 'play value' assessment which was carried out at the same time.

In the case of the playground at Batchelor's Field, the inspections found that:

- A number of wooden components were rotten and required replacing, much of the equipment was old and dated, some items do not meet current safety standards, some metal components are showing signs of corrosion, and the safety surfacing needs replacing in places.
- Although there are some accessible features; navigating the play area would present difficulties to the majority of people with disabilities.
- The play area had a low to moderate play assessment score (assessing accessibility, safety, play value, and quality) of 65%

Costs:

Maximum Amount : £80,000

There are currently no s106 funds available play provision in the Bolney area. This project will require funding from capital reserves.

Capitalised Salaries included in the project total : N/A

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

Revenue implications:

Improvements to the facilities will ensure the site requires less on-going maintenance in the medium term, meaning the playground revenue budget can be directed to other sites in need of investment.

Value for money assessment:

A do nothing approach will result in a decrease in usage and a deterioration in the condition of the play area, and will result in a continued annual increase in maintenance costs. There would also be a risk of injury resulting in potential insurance claims.

Business Unit/Service: Commercial Services & Contracts

Head of Service: Judy Holmes

Divisional leader: Rob Anderton

Project Manager: Jo Reid

Cabinet Member: Cllr John Belsey

Ward Members: Cllr Llewellyn-Burke

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

The 2019/20 Corporate Plan priority 'Strong and Resilient Committees'. The Plan sets out proposals to invest £375k in the Council's parks to enable extensive master planning and remodelling in some of the key parks to improve the facilities for all users, and also includes a flagship activity to develop and approve strategies for investment in the Council's Playgrounds, Parks and Open Spaces.

Summary of discussions with Cabinet Member:

The Cabinet Member is supportive of the scheme, stating that it is a good investment that will benefit local residents.

Risk Analysis:

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

Risk	Likelihood	Severity	Financial impact
1. Incidents during construction	low	low	low
2. Severe weather impacting on construction	low	medium	low
3. Incident following construction	low	low	low

Mitigation actions: Use of qualified contractors, Risk Assessments, Method Statements, thorough project planning (including contingency planning).

Capital Project Justification Form

John Pears Playground- Ashurst Wood, Playground Improvements

Purpose of project:

The Council's 2019/20 Corporate Plan and Budget sets out proposals to invest £360k in some of the District Councils parks , and a further sum of almost £2m in 2020/21.

These proposals are intended to provide a broad range of projects from major master-planning and improvement works at the Council's key parks sites, to the development of a proactive asset-management plan for all hard infrastructure across the estate, derived from a detailed condition survey.

Included within this project is a proposal to deliver six new or improved playgrounds over the next two years. The first three these have been identified as follows:

- Bolney Recreation Ground (Batchelor's Field)
- John Pears Recreation Ground
- Twineham Recreation Ground

These three sites have been identified on the basis of the findings of the Independent Annual Playground Safety inspection carried out in April 2018, and a separate 'play value' assessment which was carried out at the same time.

In the case of the playground at John Pears recreation Ground, the inspections found that:

- A number of wooden components were rotten and required replacing, much of the equipment was old and dated, some items do not meet current safety standards, some metal components are showing signs of corrosion, ropes/ nets are showing signs of deterioration, and the multi-play unit has a life-expectancy of less than 12 months.
- Although there are some accessible features; navigating the play area would present difficulties to the majority of people with disabilities.
- The play area had a low play assessment score (assessing accessibility, safety, play value, and quality) of 55%

Costs:

Maximum Amount : £80,000

There is a sum of £1,316 s106 funding and available from Land at Ashurstwood Abbey – 11/02918/FUL – P35/739 to spend on play space/kickabout provision in the John Pears Recreation Ground.

The balance of £78,684 will require funding from capital reserves.

Capitalised Salaries included in the project total : N/A

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

Revenue implications:

Improvements to the facilities will ensure the site requires less on-going maintenance in the medium term, meaning the playground revenue budget can be directed to other sites in need of investment.

Value for money assessment:

A do nothing approach will result in a decrease in usage and a deterioration in the condition of the play area, and will result in a continued annual increase in maintenance costs. There would also be a risk of injury.

Business Unit/Service: Commercial Services & Contracts

Head of Service: Judy Holmes

Divisional leader: Rob Anderton

Project Manager: Jo Reid

Cabinet Member: Cllr John Belsey

Ward Members: Cllr John Belsey

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

The 2019/20 Corporate Plan priority 'Strong and Resilient Committees'. The Plan sets out proposals to invest £375k in the Council's parks to enable extensive master planning and remodelling in some of the key parks to improve the facilities for all users; and includes a flagship activity to develop and approve strategies for investment in the Council's Playgrounds, Parks and Open Spaces.

Summary of discussions with Cabinet Member:

The Cabinet Member is supportive of the scheme, stating that it is a good investment that will benefit local residents.

Risk Analysis:

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

Risk	Likelihood	Severity	Financial impact
1.Incidents during construction	low	low	low
2. Severe weather impacting on construction	low	medium	low
3. Incident following construction	low	low	low

Mitigation actions: Use of qualified contractors, Risk Assessments, Method Statements, thorough project planning (including contingency planning).

