

## **BUDGET MANAGEMENT 2019/20 – HALF YEAR PROGRESS REPORT**

REPORT OF: Head of Corporate Resources  
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Wards Affected: All  
Key Decision: No  
Report to: Cabinet  
18th November 2019

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### **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 September is showing a projected net underspend of £43,000 against the original estimate, after transfers totalling £457,000 to Specific Reserve, as approved by Council on 25 September 2019. This underspend mainly relates to additional income for Development Management Fees, Garden Waste as well as salary savings, mainly offset by pressures in Temporary Accommodation, Building Control fee income and Town Centre supplementary rents.

#### **Recommendations**

##### **3. To recommend to Council for approval:**

- (i) that £75,000 be transferred to Specific Reserve from General Reserve to cover the cost of Gatwick Studies as detailed in paragraph 21
- (ii) that £90,000 One Public Estate government grant income in respect of Burgess Hill Station Quarter Project be transferred to Specific Reserve as detailed in paragraph 22;
- (iii) that £17,484 grant income relating to Local Authority EU Exit preparation Grant be transferred to Specific Reserve as detailed in paragraph 23;
- (iv) that £24,737 grant income relating to Individual Electoral registration (IER) in 2019/20 be transferred to Specific Reserve as detailed in paragraph 24;
- (v) that £9,225 grant income relating to new Burdens Business Rates be transferred to Specific Reserve as detailed in paragraph 25;
- (vi) that ££68,762 to meet the costs arising from St. Francis, Haywards heath – Anscombe Wood Regeneration be transferred to Specific Reserve as detailed in paragraph 26;
- (vii) the variations to the Capital Programme contained in paragraph 36 in accordance with the Council's Financial Procedure rule B3.

##### **To note:**

- (viii) the remainder of the report;

## REVENUE SPENDING

### Position to the end of September 2019

4. This is the third 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 half 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 September 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.

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<b>INCOME</b>	2019/20 Actual to September £'000	Profiled 2019/20 Budget £'000	2019/20 Original Budget £'000	Pressure/ (Saving) To end September £'000	Pressure/ (Saving) To end July £'000	Projected Year-end Variance £'000
Car Park Charges	(1,118)	(1,030)	(2,085)	<b>(88)</b>	<b>(76)</b>	<b>(75)</b>
Development Management Fees	(884)	(727)	(1,454)	<b>(157)</b>	<b>(43)</b>	<b>(157)</b>
Building Control Fees	(240)	(315)	(549)	<b>75</b>	<b>50</b>	<b>69</b>
Land Charges	(94)	(82)	(153)	<b>(12)</b>	<b>(3)</b>	<b>(13)</b>
Licensing Act Fees	(49)	(23)	(144)	<b>(26)</b>	<b>(14)</b>	<b>0</b>
Hackney Carriage Fees	(64)	(64)	(129)	<b>(0)</b>	<b>(4)</b>	<b>(10)</b>
Outdoor Facilities Income	(130)	(209)	(280)	<b>79</b>	<b>(15)</b>	<b>0</b>
Garden Waste	(769)	(680)	(1,281)	<b>(89)</b>	<b>(89)</b>	<b>(45)</b>
Leisure Contract Income	(711)	(717)	(1,433)	<b>6</b>	<b>8</b>	<b>0</b>
Industrial Estates Rents/ Depot Rents	(836)	(543)	(1,050)	<b>(293)</b>	<b>(336)</b>	<b>(317)</b>
Town Centre Rents	(1,286)	(1,270)	(2,540)	<b>(16)</b>	<b>25</b>	<b>64</b>
General/Miscellaneous Property	(167)	(109)	(210)	<b>(58)</b>	<b>(48)</b>	<b>(56)</b>
<b>Total Income</b>	<b>(6,348)</b>	<b>(5,769)</b>	<b>(11,308)</b>	<b>(579)</b>	<b>(545)</b>	<b>(540)</b>
<b>EXPENDITURE</b>						
Staffing costs	6,309	5,934	11,868	<b>375</b>	<b>109</b>	<b>(79)</b>

6. Car parking income is above budget by £88,000 in the first six 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 £10,000, as well as additional Pay and Display Income (£78,000). 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.

	<i>Actual April to September</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	(78)	(133)	(75)
Season Tickets	(10)	2	0
Total additional income	(88)	(131)	(75)

7. At the end of September, additional Planning Application fee income of £157,000 is showing. This is due to some large applications received in August and September. Due to continuing uncertainty in the housing market, the full year forecast has been amended to include the additional income to date, but includes no further increase for the remainder of the year. This will be kept under review as the year progresses.
8. At the end of September, Building Control Income is under target by £75,000. Due to system issues, income to the value of £6,000 could not be raised in September and was delayed until October, which will reduce the shortfall to date to £69,000. The Head of Service for Building Control has confirmed that a fee increase is expected to reduce any ongoing shortfalls from 1<sup>st</sup> December 2019. 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. However, it is not expected that the shortfall to date can be recovered and the projection has therefore been amended to reflect this £69,000 shortfall, an additional £40,000 since previously reporting, which is also showing in Appendix A of this report.
9. At the end of September Land Charges income is above budget by £12,000. A variation of £13,000 is projected for the full year. The full year projection has been amended to reflect this which is showing in Appendix A of this report.
10. Licencing income is £26,000 above target for April to September. This is mainly due to the profiling of income, which can fluctuate. Therefore, the forecast remains unchanged.

11. Hackney Carriage Fees are showing no variation to budget for the first six months of this financial year. The forecast was previously amended to reflect additional income identified at outturn 2018/19 of £10,000, resulting from an increase in the number of Taxi licence applications. No change to the full year forecast is anticipated at this stage.
12. Outdoor facilities income is £79,000 below budget after the first six months of the year. This is mainly due to income being invoiced later 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 September. However, this is partly due to the profiling of income which can fluctuate. A project to expand the Garden Waste service to deliver an additional 1800 customers in 2018/19, has unexpectedly already been achieved. The forecast has therefore been amended to reflect anticipated additional income of £45,000 by year-end, which is reflected in Appendix A of this report. A business case to support further expansion of the service is being prepared.
14. The value of the Leisure Contract income 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 / Depot Rents are £293,000 above the target at the end of September. As reported in May this includes unbudgeted rental income of £317,000 following the acquisition of 208-216 London Road, Burgess Hill.
16. Town Centre rent is £16,000 above the target at the end of September. However it is anticipated that there will be a pressure of £64,000 for the supplementary rent at the Martlets Shopping Centre. The full year projection has been amended to reflect this which is showing in Appendix A of this report.
17. General/miscellaneous property income is £58,000 above the target at the end of September. This includes additional turnover rent of £25,000 for the Basepoint Business Centre which is proving to be very successful. The full year projection was increased by £25,000 in July to reflect this. In addition to this there is further income which has been received for additional rental income at The Redwood Centre totalling £31,000. 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 September is showing a pressure of £375,000 against the profiled budget, which is mainly due to agency, consultant, redundancy and recruitment costs across the Council, which will be met from Specific Reserves, compensating vacancy savings or additional forecast income by year-end. Therefore, by year-end there is a forecast saving of £79,000 as detailed in the Appendix at the end of this and the previous Budget Management reports 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 September 2019), is an underspend of £43,000.

## **Miscellaneous**

20. The total remaining in Balance Unallocated of £62,000 has been committed to commission three specialist companies to provide support for the first-stage work in respect of the Development Consent Order process at Gatwick. This will cover the costs of preparing the Council's response to the Environmental Impact Assessment Scoping Work.
21. It is also proposed that a further £75,000 is transferred from General Reserve to supplement a £25,000 Specific Reserve previously set up for Specialist advice at Gatwick. This is to meet the cost of ongoing work to support challenges to the details of the Development Consent Order, and to seek to secure robust financial contributions through S106. Members are requested to approve the transfer of £75,000 to this Specific Reserve.
22. In June, we received £90,000 from GBEB 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. Members are requested to approve the transfer of this sum to Specific Reserves to be drawn down as required for this purpose.
23. In May 2019, grant totalling £17,484 was received from MHCLG in respect of funding Local Authority EU Exit preparation. In September, the Council received a third payment of £17,484 and Members are requested to approve the transfer of this sum to Specific reserves to meet the cost of preparing for Brexit.
24. In August the Council received £24,737 from the Cabinet Office to cover additional costs due to the Individual Electoral registration (IER) Project in 2019/20. Members are requested to approve the transfer of this sum to Specific reserves for this purpose.
25. In August 2019, grant totalling £9,225 was received from MHCLG in respect of New Burdens Business Rates. Members are requested to approve the transfer of this sum to Specific reserves to meet the costs arising.
26. In 2013/14, we received the sum of £68,762 in S106 from Crest Nicholson to meet the costs arising from St. Francis, Haywards Heath – Anscombe Wood Regeneration. This contribution was incorrectly treated as a commuted sum and put to General Reserve in error. Members are now requested to approve the transfer of this sum to Specific Reserve to finance the wood regeneration undertaken by Mid Sussex in 2019/20.

## **CAPITAL SPENDING**

### **Position to the end of September 2019**

27. The Capital Programme for 2019/20 now stands at £4,659,000. This includes slippage from the 2018/19 Capital Programme and current year capital project variations, as reported to Cabinet 8 July 2019 and 16 September. The actual and commitments to the end of September 2019 total £3,458,705.

### **Variances to the 2019/20 Capital Programme**

28. 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 (Unbudgeted /overspends)	<i>Variances</i> £'000 (underspends)	<i>Notes</i>
Temporary Accommodation	371		1
Disabled Facility Grants		(723)	2
Dolphin Leisure Centre Improvements works		(198)	3
Council Chamber Modernisation		(290)	4
Oaklands Replacement heating distribution system		(138)	5
Martlets Hall Demolition and Car Park Extension		(159)	6
Goddards green Sewage Treatment Works	368		7
<b>Total</b>	<b>739</b>	<b>(1,508)</b>	

## Notes:

*Housing*

- (1) Housing purchases to be funded from the Temporary Accommodation Reserve created at Outturn 2017/18 Refer paragraph 33 in this report for further detail.

*Environmental Health*

- (2) Demand-led Housing adaptations service for which a further £387,649 has been committed as at end of September. 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. budget to slip into 2020/21. Refer paragraph 32 below.
- (6) Martlets Hall Demolition and Car Park Extension – Works have commenced and are on track to be completed by Christmas 2019.

*Planning Policy*

- (7) Goddards green Sewage Treatment Works - Mid Sussex acts as Accountable body for a Grant from the C2C Local Enterprise Partnership. Any works completed are to be funded from a grant claim in 2019/20.

**Proposed Variations to the Capital Programme**

30. The Deputy Leader authorised the release of £34,190 from the S106 Formal Sport Contributions for the Refurbishment works at Sheddingdean Community Centre, Burgess Hill under Delegated Member authority as reported and detailed further in MIS 33 on 14 August 2019. As the total cost of the works is £44,665, the balance of £10,475, not funded from S106, is requested to be met from General Reserve. The Capital Programme has been updated accordingly.

31. The Current Capital Programme includes £21,000 for Hurst Farm development costs. Costs associated with bringing forward this site continue to accrue, mainly for specialist consultancy and planning advice. It is expected that the final total of these will exceed the budget by some £50,000. The budget will therefore be increased to £71,000, and the additional cost will need to be funded from General Reserve. However, a receipt is expected in 2020/21.
32. The Current Capital Programme includes £140,000 for the Oaklands Replacement heating distribution system. The first phase of works is complete and further phases are to follow on from more in-depth feasibility and design work. As a result £138,000 of the budget will now slip into 2020/21. The Capital Programme has been updated accordingly.
33. 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 and improving the service. A number of properties were purchased during last year as reported at Outturn 2018/19. As at the end of September 2019, the Council has purchased additional properties as detailed in Table 4 below, all funded from this Reserve. The current Capital Programme has been amended to reflect this.
34. The current Capital Programme includes £137,000 for the Windows 10 project. This project is currently showing an overspend of £89,000. This variance has arisen because the original budget was an estimate of hardware costs as the specified hardware was not yet within the market at the time of planning. Additionally, there has been a higher than planned user base of mobile devices following field testing within departments and this has increased hardware refresh costs. Positively, the higher uptake will help a more rapid delivery of the long-term efficiency gains expected by the adoption of mobile devices, Windows10 and Office365. Additional spend was also required to appoint a dedicated external resource to bring the required skills and training to accelerate delivery of the project before Windows7 support is removed. This will help to realise the project benefits more rapidly. This additional cost can partly be financed from two other ICT projects that are now complete and underspent. The Storage Area Network (SAN) Replacement project (£65,000) was underspent by £13,000 and the Supporting Infrastructure Refresh Project (£30,000) was delivered with a saving of £22,000. Therefore, savings on these projects totalling £35,000 will be reallocated to offset the additional cost of the Windows 10 project. The unfunded balance of £54,000 is requested to be funded from General Reserve.
35. Enhanced software, costing £28,000 has been purchased from our existing service provider to enable a proposed new Council Tax Support Banded Income Scheme (CTSS) to be properly administered, if approved after public consultation. It is requested that this project is funded from General Reserve. The Capital Programme has been amended accordingly.
36. Proposed capital variations are summarised in table 4 below:

**Table 4: Capital Project Variations April to end September 2019**

	<i>Apr to Sept</i>	<i>Ref</i>
	<i>£'000</i>	
Sheddingdean Community Centre	44	<i>Para 30</i>
Hurst Farm Development Costs	50	<i>Para 31</i>
Oaklands Replacement heating distribution system	(138)	<i>Para 32</i>
Temporary Accommodation	371	<i>Para 33</i>
Windows 10	89	<i>Para 34</i>
Storage Area Network (SAN) Replacement	(13)	<i>Para 34</i>
Supporting Infrastructure Refresh	(22)	<i>Para 34</i>
Council Tax Support Banded Income Scheme (CTSS)	28	<i>Para 35</i>
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Total	409	
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37. Taking into account the changes detailed above, the overall effect is an increase to the current capital programme for 2019/20 of £409,000. Therefore the revised programme total for 2019/20 now stands at £5,068,000.

#### **Capital receipts and contributions received to the end of September 2019**

38. S106s and grant contributions of £806,335 have been received in the period April to September 2019.

#### **S106 contributions committed/utilised to the end of September 2019**

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

40.

**Table 5 S106 utilisation 2019/20**

	<i>Apr to Sept</i>	<i>Note</i>
	<i>£'000</i>	
Ardingly Parish Council	3	<i>1</i>
West Sussex County Council	157	<i>2</i>
East Grinstead Town Council	18	<i>3</i>
Guinness Housing Association	400	<i>4</i>
Slaugham Parish Council	175	<i>5</i>
East Grinstead Rugby Football Club	50	<i>6</i>
Crawley Down Community Centre Association	25	<i>7</i>
Hassocks Community Association	9	<i>8</i>
Haywards Heath Rugby Club	150	<i>9</i>
West Sussex County Council	486	<i>10</i>
West Sussex County Council	101	<i>11</i>
Lindfield Rural Parish Council	7	<i>12</i>
Lindfield Rural Parish Council	2	<i>13</i>
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Total	1,583	
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#### **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-a-side 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.
- 12 Utilisation of Local Community Infrastructure contribution (PL3-000199 £7,145.56) S106 monies for the extension and enhancement of the footpath on Scaynes Hill Common, as agreed by the Cabinet Member for Planning on 15 August 2019 MIS 34a 23 August 2019.
- 13 Utilisation of Local Community Infrastructure contribution (PL3-000199 £2,225.67) S106 monies to purchase an additional Speed Indication Device (SID), as agreed by the Cabinet Member for Planning in September 2019 MIS 37 11 September 2019.

## TREASURY MANAGEMENT INTEREST

41. 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.
42. As at the end of September 2019, actual Treasury Management interest earnings were £145,955 at an average rate of 1.071%. The estimated year-end projection for Treasury Management to be earned in the year is £316,355 being £41,000 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*

43. For CCLA we have received £129,731 against a budget of £240,000, so it looks likely that the full year budget will be exceeded by at least £10,000. This will continue to be monitored and further updates will be reported in future Budget Management Reports.

**POLICY CONTEXT**

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

**FINANCIAL IMPLICATIONS**

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

**RISK MANAGEMENT IMPLICATIONS**

46. 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**

47. There are none.

**OTHER MATERIAL IMPLICATIONS**

48. 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 September 2019

	<i>Pressures in 2019/20</i>	<i>Notes</i>
	<i>£'000</i>	
April to May pressures Cabinet 16 September 2019	359	
Approved Transfers to Specific Reserve (Cabinet 16 <sup>th</sup> September 19)	457	
Martlets Shopping Centre – supplementary rent	64	1
Housing Standards Legal costs	12	2
Building Control Consultants	11	3
Building Control Income	40	4
Car Parks NNDR	54	5
Counsels Fees and Planning Consultants	40	6
Temporary Accommodation	135	7
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	1,172	
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#### Notes:

- (1) The receipt of supplementary rent is uncertain and is currently being disputed.
- (2) Costs of prosecution in respect of a works in default case.
- (3) Building Control consultant required to cover staff vacancies.
- (4) See paragraph 8.
- (5) An NNDR revaluation was conducted in 2017, for which there has been a period of transitional relief, which has now come to an end.
- (6) Additional forecast cost of Counsels fees and Consultants in respect of upcoming Planning appeals by Public Inquiry.
- (7) A saving of £135,000 was reported as part of the Corporate Plan and Budget for 2019/20. This saving was to be achieved through reducing the number of households in guest houses by purchasing our own stock of Temporary Accommodation. However, the rental income after allowing for void periods and running costs, split over fewer properties than originally planned, has led to a cost neutral position rather than a net surplus from operating our own stock. In addition, during this time demand has increased, which means that the planned savings through requiring lower use of guest houses has not been achieved.

## Appendix A

### Forecast Budget Variations for 2019/20 at the end of September 2019

	<i>Savings in 2019/20</i>	<i>Notes</i>
	<i>£'000</i>	
April to May savings Cabinet 16 September 2019	(870)	
General Property – additional income	(31)	8
Land Charges	(13)	9
NNDR - Oaklands	(20)	10
Environmental Health Staffing	(22)	11
Building Control Staffing	(20)	12
Building Control Car Allowances	(5)	13
Garden Waste Income	(45)	14
A23 Highway Cleansing	(10)	15
Development Management Income	(157)	16
Development Management Staffing	(22)	17
	<hr/> <hr/> <b>(1,215)</b> <hr/> <hr/>	

#### Notes:

- (8) Refer paragraph 17 above.
- (9) Increased Land Charges income due to a successful marketing campaign, resulting in an increased market share of the business.
- (10) Lower than budgeted cost of NNDR for the offices at Oaklands.
- (11) Staff savings resulting from vacant posts.
- (12) Staff savings resulting from vacant posts.
- (13) Car Allowance savings resulting from vacant posts.
- (14) See paragraph 13.
- (15) An annual budget of £20,000 was identified for A23 Highway cleansing as part of 2019/20 budget process. However, due to issues regarding access to be able to do the work which involves road closures, it will not be possible to fully undertake the cleansing work as planned.
- (16) See paragraph 7.
- (17) Staff savings resulting from vacant posts.

## Project justification details

## Council Tax Support Banded Income Scheme (CTSS) Software

**Purpose of project :**

To purchase enhanced software from our existing service provider to enable a proposed new Council Tax Support Banded Income Scheme (CTSS) to be properly administered if approved after public consultation..

**Total Amount : £28,035**

*Capitalised Salaries included in the project total: Nil*

*Other sources of funding:(ie s106/ big lottery etc): None*

*Revenue Implications:£6,125 per annum annual costs*

**Value For Money Assessment:**

The changes are designed to reduce administration for the Council and the ongoing cost of providing the service, whilst producing a simpler, more transparent scheme for the customer in response to wider welfare reform, such as the ongoing roll out of Universal Credit (UC). It will also ensure that the Council continues to collect Council Tax in a timely way.

**Business Unit/Service:** Revenues and Benefits

**Head of Service :** Peter Stuart

**Project Manager:** Kevin Stewart

**Cabinet Members :** Cllr Ruth De Mierre

**Ward Members :** All

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

Effective and responsive services. We need to ensure we get the right benefit to the right person at the right time and people in receipt could be vulnerable so we need to ensure we implement the scheme properly.

**Summary of discussions with Cabinet Member :** The Cabinet Portfolio Holder has been fully consulted.

**Previous Consideration at Scrutiny Committee :** The proposed Council Tax Support Banded Income Scheme approved for consultation on 4 September 2019 Scrutiny Committee for Leader, Finance and Performance.

**Risk Analysis :** There are other options that can be considered. Whilst leaving the scheme as it is now is an option, due to the potential number of changes to the people in employment on Universal Credit, this may be an unsustainable burden on the Council's Benefit and Revenues Service.