

## **BUDGET MANAGEMENT 2021/22 – PROGRESS REPORT APRIL TO JULY 2021**

REPORT OF: Head of Corporate Resources  
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Wards Affected: All  
Key Decision: No  
Report to: Cabinet  
13th September 2021

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### **EXECUTIVE SUMMARY AND RECOMMENDATIONS**

#### **Purpose of Report**

1. This report reviews the progress on the Revenue Budget, Capital Programme and Revenue Projects and Treasury Management for 2021/22.

#### **Summary**

2. The forecast revenue outturn position for 2021/22 at the end of July is showing a projected net overspend of £559,000 against the original budget. This largely relates to the cost of the pending unbudgeted pay award, the continued impact of Covid19 that has resulted in further unbudgeted Leisure centre re-opening costs together with reduced Town Centre rental income. However, all Leisure costs reported to date will be met from the Leisure Covid Support Specific Reserve created in 2020/21 which will reduce the forecast overspend to £277,000.
3. This overspend will reduce when a proportion of lost income is claimed from the MHCLG Income Compensation scheme which will apply to the first quarter of the year. The amended scheme has yet to be set out so it has not been possible to quantify the compensation figure. Depending upon the extent of the overspend, some draw on reserves may be necessary to balance the budget by year end.

#### **Recommendations**

4. **To recommend to Council for approval:**
  - (i) **that £50,000 grant income received to fund the Burgess Hill Station project be transferred to Specific Reserves as detailed in paragraph 29;**
  - (ii) **that £445 grant income relating to New Burdens funding for Council Tax data submissions be transferred to Specific Reserve as detailed in paragraph 30;**
  - (iii) **that £14,000 be reallocated to the Planning Performance Agreement Specific as detailed in paragraph 31;**
  - (iv) **that £100,000 be transferred to the Gatwick DCO Specific Reserve as detailed in paragraph 32;**
  - (v) **the variations to the Capital Programme contained in paragraph 39 in accordance with the Council's Financial Procedure rule B3.**

#### **To note:**

- (vi) **the remainder of the report.**

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## **REVENUE SPENDING**

### **Position to the end of July 2021**

5. 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 2021/22 and to give an indication of the likely position at the end of the year.

### **Expenditure and Income to date**

6. 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.

<b>Table 1: Key income/expenditure to the end of July 2021</b>							
<b>INCOME</b>	2021/22 Actual to July £'000	Profiled 2021/22 Budget £'000	2021/22 Original Budget £'000	Pressure/ (Saving) To end July £'000	Pressure/ (Saving) To end May £'000	Projected Year-end Variance £'000	*To Note: 2021/22 Budget Unadjusted For Covid-19 £'000
Car Park Charges	(471)	(495)	(1,481)	24	50	48	(2,151)
Development Management Fees	(486)	(403)	(1,209)	(83)	(5)	0	(1,494)
Building Control Fees	(174)	(180)	(446)	6	(9)	0	(446)
Land Charges	(64)	(57)	(153)	(7)	(1)	0	(153)
Licensing Act Fees	(30)	(15)	(145)	(15)	(6)	0	(145)
Hackney Carriage Fees	(32)	(46)	(139)	14	17	0	(139)
Outdoor Facilities Income	(150)	(101)	(279)	(49)	(5)	0	(279)
Garden Waste	(538)	(509)	(1,638)	(29)	15	0	(1,638)
Leisure Contract Income	0	0	0	0	0	0	(1,444)
Industrial Estates Rents	(546)	(555)	(1,340)	9	(1)	0	(1,340)
Town Centre Rents	(738)	(897)	(2,063)	159	67	109	(2,063)
Depot Rent	(48)	(39)	(77)	(9)	(5)	0	(77)
General/Miscellaneous Property	(132)	(153)	(293)	21	(3)	0	(293)
<b>Total Income</b>	<b>(3,409)</b>	<b>(3,450)</b>	<b>(9,263)</b>	<b>41</b>	<b>114</b>	<b>157</b>	<b>(11,662)</b>
<b>EXPENDITURE</b>							
Salaries	4,426	4,286	12,857	140	60	234	12,857

\*For information only - It shows the 21/22 budgets without the income reductions built in. (i.e. Before budgets were reduced to take account of the income decreases where demand has been affected by the pandemic).

7. Car parking income is below budget by £24,000 in the first four months of the financial year. This is detailed in Table 2 below. This is made up of lower than budgeted Season Ticket income, £18,000 and Pay and Display £6,000.
8. A pressure for Season ticket income was included in 2021/22 budget of £87,000 representing an expected 45% continued annual loss in income resulting from the pandemic, and season ticket holders not renewing. By outturn 2020/21 the shortfall was an 85% loss. The forecast was therefore revised in the last report to reflect a 70% loss for this year, a further £48,000 shortfall, with some recovery anticipated as travel picks up, but this is not expected to return to pre pandemic levels. No further change to this forecast is anticipated at this stage.

9. For Pay and Display, there was a pressure of £583,000 included in 2021/22 budget, which represented a 30% annual shortfall on 2020/21 pre pandemic budget. Although the first four months have recorded a further shortfall, it is expected that this be recovered over the remainder of the year as restrictions are lifted and therefore no further change to the budgeted 30% shortfall for the year is expected at this stage. These forecasts will be kept under review for the remainder of the year.

	2021/22 Actual to July (Over)under target £'000	2021/22 Original Budget £'000	2021/22 Unadjusted For Covid-19 £'000	Outturn 2020/21 (Over)under target £'000	Forecast 2021/22 (Over)under target £'000
Pay and Display	6	(1,375)	(1,958)	<b>1,065</b>	<b>0</b>
Season Tickets	18	(106)	(193)	<b>163</b>	<b>48</b>
<b>Total</b>	<b>24</b>	<b>(1,481)</b>	<b>(2,151)</b>	<b>1,228</b>	<b>48</b>

10. At the end of July planning application fee income is above target by £83,000. A pressure of £285,000 was included in 2021/22 budget, representing an anticipated 20% continued loss of Planning Fee income as a result of the pandemic, where a reduction in larger applications resulted following the uncertainty and loss of confidence in the Economy. This uncertainty is expected to continue for the foreseeable future and recovery of income to pre-pandemic levels are not anticipated for this financial year. Although the most recent month of July appears to show recovery, this is due to three major applications received and is not thought to be indicating an ongoing trend at this point. However, this will be kept under review for the remainder of the year.
11. At the end of July, Building Control Income is under target by £6,000. This is mainly due to the profiling of income, which can fluctuate. Therefore, no full year variation is anticipated at this stage.
12. At the end of July Land Charges income is over target by £7,000. However, as the Stamp Duty holiday reduced at the end of June and the Corona Virus Job Retention scheme contributions also decrease it is expected that the housing market will slow down. Therefore, no variation to the full year projection is anticipated at this stage.
13. Licencing income is £15,000 above target for April to July. This is mainly due to the profiling of income, which can fluctuate. Therefore, the forecast remains unchanged.
14. Hackney Carriage Fees are below target by £14,000 for the first four months of this financial year. This is mainly due to the profiling of income, which can fluctuate.

15. Outdoor facilities income is £49,000 above budget after the first four months of the year. This is partly due to income being profiled for when cash is collected, but this can vary from the income due for specific periods. No full year variation is anticipated at this stage.
16. Based on the current budget profile, Garden Waste income is £29,000 above target at the end of July. The budget allows for further expansion of the service to 23,000 customers by the end of the year. The variation to date is mainly due to the profiling of income, which can fluctuate and no variation is forecast at this stage.
17. The target for Management Fee income from the leisure centre contractor was removed for 2021/22 budget. This is subject to ongoing negotiations due to the forecast operational losses, which will include the loss of the management fee income for the remainder of the financial year and possibly for future years.
18. The actual to July for the four income areas below in paras 19 to 22 relates to income where an invoice has been raised rather than actual income received. There may be a downturn in income received for these income streams because of the impact of Covid 19 which will be reported as necessary as the year progresses.
19. Industrial Estates rent is showing as £9,000 below target at the end of July. The full year projection is expected to be unchanged.
20. Town Centre rent is £159,000 below the target at the end of July. This shortfall is mainly due to the Covid-19 rent concessions and write offs for the Orchards Shopping Centre. Many of these relate to invoices raised in 2020/21 but the write offs and credit notes have been agreed and processed in this financial year. £109,000 has been reported at this stage as detailed in Appendix A of this report.
21. Depot rent is showing as £9,000 above budget for April to July. This is due to a balance of rent payment relating to the last financial year. No change to the full year projection is anticipated at this stage.
22. General/miscellaneous property income is showing as £21,000 under target at the end of July, mainly due to an £18,000 overpayment of supplementary rent for 27-43 Church Road, Burgess Hill, relating to a prior year, being refunded to the tenant. This should be offset by some unbudgeted rent for the Redwood Centre and therefore no change to the full year projection is anticipated at this stage.
23. The salaries expenditure to the end of July is a pressure of £140,000 against the profiled budget. However, the forecast year-end variance currently stands at a pressure of £234,000, which is partly due to the previously reported £141,000 estimated pressure for a 1.5% pay award for 2021/22 following the National Employer's pay offer to the NJC unions. This was not included in the 2021/22 budget and is subject to change as it has not been formally agreed to date. This variance also relates to the cost of unbudgeted agency staff which is partly offset by vacancy savings in a number of business units. Appendix A of this report and previous reports provides further detail on the forecast variance. This position will continue to be monitored closely as we progress through the year.
24. In summary, based on current information available and as outlined in Appendix A, the current forecast year-end position (at the end of July 2021), is an overspend of £559,000 before the use of the Leisure Covid Support Specific Reserve.

## **Income Compensation Scheme**

25. Members will know that the Scheme was very helpful in 2020/21 in mitigating the worst of the income losses. The assurance process across the sector is still underway, with the result that grant claims for that year have not yet been finalised, and the final payments have yet to be made.
26. The follow-on effect is that the scheme for 2021/22 which applies only to the first three months of the year has yet to be set out at the time of writing (25th August) and it is therefore not possible to estimate with any accuracy the compensation that will be paid in the current year.
27. We do anticipate though that a successful claim can be made which will reduce the projected overspend and the associated call on the general reserve.

## **Miscellaneous**

28. The total remaining in Balance Unallocated is unchanged at £20,000 as there has been no utilisation to date.
29. In May, £50,000 'One Estate' Funding Grant was received from Brighton & Hove City Council to contribute to the Burgess Hill Station project. Members are requested to approve the transfer of this sum to Specific Reserves for this purpose.
30. In July the Council received £445 from Office of National Statistics (ONS) in respect of a payment for New Burdens funding in relation to Council Tax data submissions to the ONS. Members are requested to approve the transfer of this sum to the Revenues and Benefits New Burdens specific reserves to meet these additional costs.
31. In February 2020, the sum of £14,000 was received from Rampion Extension Development Limited and at Outturn 2020/21, this was reported to be transferred to the Burgess Hill Growth reserve in error. Members are now requested to reallocate this sum to the Planning Performance Agreement reserve, to fund additional staffing in respect of the delivery of a strategic housing site.
32. In 2020/21 the balance on the Specialist Advice Studies- Gatwick Specific Reserve was transferred to General Reserve as the balance on this reserve was not needed at that time. However, there will now be expenditure over the next year on the Gatwick DCO and so Members are requested to transfer £100,000 from General Reserve into a Gatwick DCO Specific Reserve to fund these anticipated costs.

## **CAPITAL SPENDING ON CAPITAL PROGRAMME AND REVENUE PROJECTS**

### **Position to the end of July 2021**

33. The Capital Programme and Revenue Projects for 2021/22 now stands at £13,137,000. This includes slippage from the 2020/21 Programme of Capital and Revenue Projects and current year project variations, as reported to Cabinet 26 July 2021. The actual and commitments to the end of July 2021 total £4,182,129.

### **Variances to the 2021/22 Capital Programme and Revenue Projects**

34. 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.

**Table 3: Expenditure Variations on the 2021/22 Capital Programme and Revenue Projects**

	<i>Variances</i> £'000 (overspend)	<i>Variances</i> £'000 (underspends)	<i>Notes</i>
Burgess Hill Place and Connectivity Programme		(1,457)	1
Goddards Green Sewage Treatment works	2,237		2
Rural Connectivity Programme		(3,075)	3
Research and Innovation Fibre Ring (RIFR)		(602)	4
Telephony System Replacement (RP)		(196)	5
Affordable Housing		(1,000)	6
Temporary Accommodation		(2,800)	7
Disabled Facility Grants		(1,062)	8
Centre for Outdoor Sport (Master Planning) (RP)		(245)	9
<b>Total</b>	<b>2,237</b>	<b>(10,437)</b>	

Notes:

*Planning Policy*

- (1) Burgess Hill Place and Connectivity Programme - Works underway. All spend is funded by grant claimed through WSCC from the funding providers (Coast to Capital LEP), and from approved s106s. A further increase to the project total is included in this report. No forecast variation is anticipated at by year end.
- (2) Goddards green Sewage Treatment Works - Works completed on this project in 2021/22 are now funded from claims we are managing that relate to Housing Infrastructure funds (HIF). The final claim under HIF will be £1,998,208 and will be made by 20 September. We are on track to be able to claim this money.

*Digital & Technology*

- (3) Rural Connectivity Programme - Works underway. All spend is funded by the Coast to Capital LEP). No forecast variation is anticipated at by year end.
- (4) Research and Innovation Fibre Ring (RIFR) - Works underway. All spend is funded by the Brighton & Hove City Council (BHCC). No forecast variation is anticipated at by year end.
- (5) Telephony System Replacement (Revenue Project)- This project needed reshaping in response to other priority works, so whilst a portion of it may be allocated to some associated work this year, a large remainder will need to move into 22/23 to support these reshaped works as a council priority project.

*Housing*

- (6) Affordable Housing – Blackwell Farm Road not completing until 2021/22 so budget slipped from 20/21. No forecast variation is anticipated at by year end.
- (7) Temporary Accommodation -Spend is dependent on capital receipts being available. No forecast variation is anticipated at this stage.

*Environmental Health*

- (8) Demand-led Housing adaptations service for which a further £291,021 has been committed as at end of July. No forecast variation is anticipated at this stage.

#### *Landscapes and Leisure*

(9) Centre for Outdoor Sport (Master Planning) (Revenue Project)- Slippage from 2020/21 - This project has been delayed due to Covid and not expecting to commission consultant to do the design work until the end of 21/22. No forecast variation is anticipated at by year end.

### **Proposed Variations to the Capital Programme and Revenue Projects**

35. The Council needs to replace the sewage pump at East Court Pavilion, East Grinstead. The existing pump has failed and there is risk of pollution, so to comply with current standards a new twin pump system needs to be installed. The project will cost £85,000 and will need to be funded from General Reserve. Further details are shown in the Capital Justification in Appendix B of this report. The programme has been amended accordingly.
36. The current programme includes £2,092,000 for the Burgess Hill Place and Connectivity Programme. As previously reported, the whole project, totalling £6,839m, will span a five -year period. As work progresses, the latest phasing of the works means that the anticipated 2021/22 spend on the project now stands at £2,675,000. Therefore, the amount included in the Capital Programme for this year needs to be increased by £583,000. This will be financed from S106s that have been approved to be released for this project. This is further detailed in MIS 29 on 21 July 2021 in which the Cabinet Member for Housing and Planning authorised the release of £67,076.35, (previously authorised for release to West Sussex County Council), to Mid Sussex District Council from Total Access Demand (TAD) contributions arising from developments at Land at 86 Junction Road, Land at Kings Head Public House, Land at Summerfold House, Land at 67 Victoria Road, Land at 107 Fairfield Road and Land at 71 Victoria Road to facilitate the delivery of agreed projects within the Burgess Hill Place and Connectivity Programme. The remaining £515,540 s106 funding was approved at Cabinet Grants Panel on 23 August 2021. The 2021/22 project total has therefore now been amended to reflect the change in the 2021/22 phasing of the total project
37. The current condition of the pavilion at Cuckfield Recreation Ground is very poor throughout and requires updating and improvement. Externally, the southern façade has been a target of vandalism due to its covering of rough sawn timber. It is proposed to remove this and replace with timber feather boarding to match the other elevation and to insert a barrier within the wall to increase security in an attempt to prevent access being gained. The project will cost £34,522 to be funded by Community Buildings S106 contributions totalling £27,202 and existing revenue maintenance budget for the remaining £7,320. Further details are shown in the Capital Justification in Appendix B of this report. The programme has been amended accordingly.
38. The current programme includes £202,000 for the Telephony System Replacement Revenue Project. However, this project needed reshaping in response to other priority works, so whilst a portion of it may be allocated to some associated work this year, £180,000 will need to be slipped into 2022/23 to support these reshaped works as a council priority project. Therefore, the programme has been re-phased to reflect this.
39. Proposed capital variations are summarised in table 4 below:



<b>Table 4: Capital Programme and Revenue Project Variations April to end July 2021</b>		
	<i>Apr to July</i>	<i>Ref</i>
	<i>£'000</i>	
<b>Capital Projects</b>		
East Court Pavilion Sewage pump	85	<i>Para 35</i>
Burgess Hill Place & Connectivity Programme	583	<i>Para 36</i>
Cuckfield Pavilion refurbishment	35	<i>Para 37</i>
Total Capital Projects Variations	<u>703</u>	
<b>Revenue Projects</b>		
Telephony System Replacement	<u>(180)</u>	<i>Para 38</i>
Total Revenue Projects Variations	<u>(180)</u>	

40. Taking into account the changes detailed above, the overall effect is an increase to the current programme of Capital and Revenue Projects for 2021/22 of £523,000, being an increase in Capital projects of £703,000 and a decrease in Revenue Projects totalling £180,000. There will also be a net increase in the 2022/23 programme by £180,000 due to the slippage outlined above. Therefore, the overall revised programme total for 2021/22 now stands at £13,660,000.

#### **Capital receipts and contributions received to the end of July 2021**

41. Capital Receipts, S106s and grant contributions of £1,310,882 have been received in the period April to July 2021.

#### **S106 contributions committed/utilised to the end of July 2021**

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

<b>Table 5 S106 utilisation 2021/22</b>		
	<i>Apr to July</i>	<i>Note</i>
	<i>£'000</i>	
Cuckfield Parish Council	7	1
Worth Parish Council	9	2
Scaynes Hill Millennium Village Centre	2	3
Ashenground Community Centre	6	4
Sussex Clubs for Young People Ltd	171	5
Mid Sussex District Scout Council	100	6
Total	<u>295</u>	

#### **Notes**

- 1 Utilisation of Local Community Infrastructure (LCI) contribution (P35/708 £6,843.45) S106 monies the first phase of planting in Cuckfield Parish Council's Community Garden (Angela Fox Nature Garden), as agreed by the Leader of the Council on 21 June 2021 MIS 25 23 June 2021.
- 2 Utilisation of S106 Play contributions (P35/323 £0.81, P35/475 £293.00 and P35/728 £8,226.19). S106 monies for the installation of an inclusive roundabout at the Bowers Place Playground in Crawley Down for Worth Parish Council, as agreed by the Cabinet Member for Environment and Service Delivery on 23 June 2021 MIS 25 23 June 2021.

- 3 Utilisation of Community Buildings contribution (PL12-001487 £2,000) S106 monies for the upgrade of the existing air ventilation system with a purification unit to improve the facilities and encourage more users to take part in social and community activities in the centre in a Covid secure environment. As agreed by the Cabinet Grants Panel on 28 June 2021 MIS 26 30 June 2021.
- 4 Utilisation of Community Buildings contribution (PL12-001082 £3,396, PL13-002860 £2,418) S106 monies for the installation of LED lighting to improve energy efficiency and reduce overhead costs, as agreed by the Cabinet Grants Panel on 28 June 2021 MIS 26 30 June 2021.
- 5 Utilisation of Community Buildings contribution (P35/641 £1,498.55, PL13-000162 £3,072, P35/594 £33,127.77, PL13-000539 £4,819, PL3-000199 £85,744.33, P35/757 £2,704.19, PL13-000616 £3,601.51, PL13-001412 £12,346 and P35/768 £24,246.65) S106 monies to extend and refurbish the pavilion at Barn Cottage Recreation Ground to make it suitable for a wider range of activities and community management, as agreed by the Cabinet Grants Panel on 28 June 2021 MIS 26 30 June 2021.
- 6 Utilisation of Community Buildings contribution (PL3-000199 £18,501.03, PL13-001178 £6,893.00, PL13-000841 £46.63, PL13-001876 £5,316.71, P35/768 £24,740.46 and PL3-001439 £44,502.17) S106 monies for the construction of a new community centre at Barn Cottage Recreation Ground for use by the Scouts and other groups, as agreed by the Cabinet Grants Panel on 28 June 2021 MIS 26 30 June 2021.

## TREASURY MANAGEMENT INTEREST

43. Treasury Management interest for this financial year was projected in the Budget Report to be £171,830 at an average rate of 0.4%. The Budget Report is prepared well before many of the cash flow items are known.
44. The interest receivable forecast continues to be below the budget due to the lower than anticipated interest rates available. As previously reported, this is partly caused by the large balances of grant funding held by Local Authorities, so that there is excess cash in the market. Whilst Mid Sussex's average balance is higher than forecast, a large proportion needs to be liquid to be distributed to local businesses and the money market funds rates are barely above zero. Therefore, a very cautious estimated year-end projection for Treasury Management to be earned in the year is £132,033 being £39,797 under target. This position will continue to be monitored closely as we progress through the year.

### *Local Authority Property Fund Dividends*

45. 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 £65,783 less management expenses of £9,398. Therefore, the net income to the Council is £56,385 as at the end of June 2021. £240,000 is budgeted to finance the Revenue Budget in the current year. Based on the first quarter dividend, this is likely to result in a shortfall of £14,460 by year-end, therefore any shortfall will need to be funded from General Reserve. However, this will continue to be monitored and further updates will be reported in future Budget Management Reports

## POLICY CONTEXT

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

## FINANCIAL IMPLICATIONS

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

### **RISK MANAGEMENT IMPLICATIONS**

48. There are no risk management implications.

### **EQUALITY AND CUSTOMER SERVICE IMPLICATIONS**

49. There are none.

### **OTHER MATERIAL IMPLICATIONS**

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

### **SUSTAINABILITY IMPLICATIONS**

51. There are no sustainability implications as a direct consequence of this report.

### **Background Papers**

Revenue Budget 2021/22

## Appendix A

### Forecast Budget Variations for 2021/22 at the end of July 2021

	<i>Pressures in 2021/22</i>	<i>Notes</i>
	<i>£'000</i>	
April to May pressures Cabinet 26 July 2021	514	
Orchards Shopping Centre rents (Covid)	109	1
Housing Salaries	26	2
Leisure centre re-opening costs (Reversal of forecast pressure)	(43)	3
Strategic Management salaries	146	4
Recycling Bins	14	5
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	766	
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Notes:

- (1) See paragraph 20.
- (2) Additional cost of employing temporary cover through an agency for the Business Unit Leader role within Housing.
- (3) Following ongoing negotiations with the Leisure contractor, additional costs of reopening the Leisure Centres at reduced capacity are expected in 2021/22, subject to monthly open book reconciliations. The forecast pressure for the year has reduced from £308k previously reported, to £265k, an improvement of £43k, due to actual reconciliation costs for recent months being lower than forecast.
- (4) Additional cost of employing an interim Head of Digital and Customer Services through an agency.
- (5) Additional cost of bin replacement due to the age of existing operational stock.

### Forecast Budget Variations for 2021/22 at the end of July 2021

	<i>Savings in 2021/22</i>	<i>Notes</i>
	<i>£'000</i>	
April to May savings Cabinet 26 July 2021	(46)	
Revenues and Benefits Salaries	(50)	6
Revenues and Benefits Enforcement Income	(43)	7
Environmental Health Salaries	(20)	8
Playground Cleansing	(48)	9
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	(207)	
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Notes:

- (6) Salary savings due to Vacant posts.
- (7) Additional court enforcement income generated through dealing with backlog of Council Tax collections accumulated during the pandemic.
- (8) Salary savings due to staff redeployment to additional grant funded work in respect of Covid.
- (9) A pressure was allowed for in 2021/22 budget for the further half year cost of additional Playground cleaning during the pandemic. Additional grant funding has since been made available from Covid 19 Contain Outbreak Management Funding(COMF), resulting in a saving against the budget..

## Capital Project justification

### East Court Pavilion – Sewage Pump

**Purpose of project :**

The existing single pump system has failed, and the pump housing is now acting like a septic tank. The condition of the pump housing is poor and there is the risk of pollution leaching out into the surrounding area. In order to comply with current standards, we need to install a twin pump system within a newly formed, below ground, enclosure. The outlet is to be connected to a nearby (100m) public sewer.

**Total Amount : £85,000**

The project includes the installation of a 3 phase twin grinder (SEG.40) foul water pumping station (PU1835TG Kingspan) approximately 1.8m x 3.5m. To include 4 float control system duty/standby discharging onto a 63mm MDPE rising main (to be moled) approximately 100m to mains foul sewer inspection chamber. The excavations will need to be in the region of 3m deep and as such we have included for closed panel security fencing to create a safe and secure working compound as the location is in a public space. It will also include for temporary remote CCTV security coverage throughout the duration of the works.

Capitalised Salaries included in the project total: N/A

Other sources of funding: (ie s106/): NA

Revenue Implications: If nothing is done to resolve this issue we could face a pollution event due to the failure of the existing pump and housing, this could have serious implications and possible intervention and fines from the Environment Agency.

**Value For Money Assessment:**

A do nothing approach could result in enforcement notices being issued by the Enforcement Agency and could damage the reputation of the Council due to the adverse publicity this may attract.

**Business Unit/Service :** Corporate Estates and Facilities Business Unit

**Head of Service :** Peter Stuart

**Project Manager:** Darren Prior

**Cabinet Members:** Cllr Llewellyn-Burke

**Ward Members :** East Grinstead – Ashplats – Cllr Liz Bennet and Cllr Margaret Belsey

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

Ensuring that sewage is dealt with appropriately at East Court Pavilion which forms part of Mid Sussex District Council's estate.

**Summary of discussions with Cabinet Member:** This project has been discussed and Cllr Llewellyn-Burke is supportive of the project

**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:

<b>Risk</b>	<b>Likelihood</b>	<b>Severity</b>	<b>Financial impact</b>
1.Incidents during construction	low	high	low
2. incident following construction	low	low	low

Mitigation actions: Security and CCTV coverage of the site, Qualified contractors, Risk Assessments, Method Statements.

## Capital Project justification

## Cuckfield Pavilion Refurbishment

**Purpose of project:**

The current condition of building is very poor throughout and requires updating and improvement. Externally, the southern façade has been a target of vandalism due to its covering of rough sawn timber. It is proposed to remove this and replace with timber feather boarding to match the other elevation and to insert a barrier within the wall to increase security in an attempt to prevent access being gained.

Estates and Facilities have worked closely with our Landscapes and Leisure Colleagues to agree the brief for this project.

**Costs:**

Total project cost: £34,522 including fees of £1,200.00

Other sources of funding: S106 of £27,202

Planned Maintenance Revenue of £7,320

**Revenue implications:**

This project is considered to represent an appropriate expenditure of Community Buildings s106 contributions from the agreements below:

Application name	S106 number	Amount
Land at Bylanes Close	P35/708	20,270
Land at Ardingly Road	P35/737	6,932
<b>Total</b>		<b>27,202</b>

\*contributions rounded to the nearest £

**Legal Implications:**

- Land at Bylanes Close secured financial contributions for the extension or improvement of existing community buildings or new facilities in the central planning area.
- Land at Ardingly Road secured financial contributions for the extension or improvement of existing community buildings or constructing new facilities in the Cuckfield/Haywards Heath area.

**Value for money assessment:**

Although well used, the pavilion is in need of updating and improvement with finishes generally over 30 years old. This work will reduce ongoing maintenance costs whilst increasing revenue from letting the kiosk. The formation of a kiosk will attract revenue estimated at £1,200 per annum.

**Business Unit/Service:** Corporate Estates and Facilities

**Head of Service:** HOS Peter Stuart

**Project Manager:** Tony Johnson

**Cabinet Member:** Judy Llewellyn-Burke

**Ward Members:** Cuckfield – Pete Bradbury, Robert Salisbury

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

This project delivers value for money whilst also creating an opportunity for the local economy through formation of a kiosk and improves a facility well used by the community.

**Summary of discussions with Cabinet Member:**

Discussions have taken place with the Cabinet Member Judy Llewellyn-Burke who is supportive of the project.

**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:

<b>Risk</b>	<b>Likelihood</b>	<b>Severity</b>	<b>Financial impact</b>
Further dilapidation of internal materials and fittings	high	medium	medium
If nothing is done, hirers will go elsewhere	high	medium	medium

Mitigation actions: Upgrade the facility to extend the life cycle of the building.