

## **BUDGET MANAGEMENT 2022/23 – PROGRESS REPORT APRIL TO MAY 2022**

REPORT OF: Interim Head of Corporate Resources  
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Wards Affected: All  
Key Decision: No  
Report to: Cabinet  
18th July 2022

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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 2022/23.

#### **Summary**

2. The forecast revenue outturn position for 2022/23 at the end of May is showing a projected net underspend of £81,000 against the original budget. This mainly relates to net on-going savings across the Council, previously reported in the later part of 2021/22 but which were identified too late to be included in the budget setting process for 2022/23. These mainly relate to income recovery in a number of areas and additional rental income partly offset by some on-going salary pressures and a few income pressures in other areas of the Council. Appendix A of this report provides further detail.
3. Although this is a positive start to the year, Members should be aware that the impact of both rising energy costs and inflation are likely to present challenges for the Council in 2022/23. Whilst modest inflationary increases were budgeted in the Corporate Plan and Budget report approved at Council in March 2022, prices have risen sharply since the start of the year with the Consumer Price Index (CPI) rising to 9.1% by the end of May. As a result, it is likely that further inflationary pressures will need to be reported later in the year once these costs have been quantified. On a positive note, the Council's Treasury Management income will benefit from rising interest rates increasing our General Reserves as detailed later in this report. Also, looking forward to future years, in his speech to the Local Government Association (LGA) conference on 28 June 2022, Michael Gove confirmed that, from next year, he will be introducing a 2 -year financial settlement to give Local Authorities greater financial certainty and confidence, and that he will launch a consultation on this shortly.
4. In the meantime, Members can be assured that officers will be closely monitoring the overall position for the Council as the year progresses and working to mitigate any potential overspend in 2022/23.

#### **Recommendations**

5. **To recommend to Council for approval:**
  - (i) **that £7,293 grant income in respect of a payment for Rough Sleepers be transferred to Specific Reserve as detailed in paragraph 27;**
  - (ii) **that £20,761 grant income relating to Implementing Welfare Reform be transferred to Specific Reserve as detailed in paragraph 28;**

- (iii) that £23,237 grant income for new burdens relating to Verify Earnings & Pensions be transferred to Specific Reserve as detailed in paragraph 29;
- (iv) that £33,660 grant income relating to Domestic Abuse Safe Accommodation funding be transferred to Specific Reserves as detailed in paragraphs 30;
- (v) that £50,000 grant income relating to delivery of the Local Land Charges Programme timetable for the transition of LLC1 be transferred to General Reserve as detailed in paragraphs 31;
- (vi) the variations to the Capital Programme contained in paragraph 43 in accordance with the Council's Financial Procedure rule B3.

To note:

- (vii) the remainder of the report.
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## **REVENUE SPENDING**

### **Position to the end of May 2022**

6. This is the first 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 two months of 2022/23 and thereby establish a position over the summer.

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

7. 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 May 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 May 2022</b>						
<b>INCOME</b>	2022/23 Actual to May £'000	Profiled 2022/23 Budget £'000	2022/23 Original Budget £'000	Pressure/ (Saving) To end May £'000	Projected Year-end Variance £'000	To Note: 2022/23 Budget Unadjusted For Covid-19* £'000
Car Park Charges	(300)	(315)	(1,831)	15	0	(2,151)
Development Management Fees	(145)	(203)	(1,216)	58	0	(1,494)
Building Control Fees	(81)	(95)	(447)	14	0	(447)
Land Charges	(30)	(22)	(107)	(8)	0	(107)
Licensing Act Fees	(20)	(8)	(146)	(12)	(15)	(146)
Hackney Carriage Fees	(14)	(23)	(139)	9	25	(139)
Outdoor Facilities Income	(29)	(55)	(276)	26	(57)	(276)
Garden Waste	(165)	(185)	(1,548)	20	0	(1,548)
Leisure Contract Income	0	(100)	(600)	100	0	(1,444)
Industrial Estates Rents	(328)	(270)	(1,340)	(58)	(59)	(1,340)
Town Centre Rents	(348)	(440)	(2,231)	92	66	(2,231)
Depot Rent	(21)	(20)	(81)	(1)	(6)	(81)
General/Miscellaneous Property	(82)	(75)	(309)	(7)	(30)	(309)
<b>Total Income</b>	<b>(1,563)</b>	<b>(1,811)</b>	<b>(10,271)</b>	<b>248</b>	<b>(76)</b>	<b>(11,713)</b>
<b>EXPENDITURE</b>						
Salaries	2,353	2,273	13,636	80	68	13,636

\*For information only - It shows the 22/23 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).

8. Car parking income is below budget by £15,000 in the first two months of the financial year. This is detailed in Table 2 below. This is made up of lower than budgeted Season Ticket income, £23,000 and better than budgeted Pay and Display £8,000.
9. 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 2021/22 the shortfall was a 38% loss on the pre covid position. However, income for this year to May 22 is recording a £23,000 shortfall. Therefore, it is too early to identify a recovery of income on the pre-covid position, and this will be kept under review throughout the year.
10. 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. Some recovery was forecast in the 2022/23 budget process of £350,000, leaving a forecast shortfall on the pre covid budget of £233,000. The first two months have recorded a further recovery of £8,000. This will be kept under review throughout the year and any further recovery reported as it occurs.

	2022/23 Actual to May (Over)under target £'000	2022/23 Original Budget £'000	2020/21 Unadjusted For Covid-19 £'000	Outturn 2021/22 (Over)under target £'000	Forecast 2022/23 (Over)under target £'000
Pay and Display	(8)	(1,725)	(1,958)	<b>172</b>	<b>0</b>
Season Tickets	23	(106)	(193)	<b>(12)</b>	<b>0</b>
<b>Total</b>	<b>15</b>	<b>(1,831)</b>	<b>(2,151)</b>	<b>160</b>	<b>0</b>

11. At the end of May planning application fee income is below target by £58,000. 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 levels pre-pandemic levels are not anticipated for this financial year. Minor recovery of £7,000 was allowed for as part of 2022/23 Corporate Plan and Budget.
12. At the end of May, Building Control Income is under target by £14,000. This is mainly due to the profiling of income, which can fluctuate. Therefore, no full year variation is anticipated at this stage.
13. At the end of May Land Charges income is over target by £8,000. However, search levels are expected to slow down this year. Therefore, no variation to the full year projection is anticipated at this stage.
14. Licencing income is £12,000 above target for April to May. The forecast has been amended to reflect additional income achieved by 2021/22 outturn of £15,000 and therefore too late for inclusion in the budget as shown in Appendix A.
15. Hackney Carriage Fees are below target by £9,000 for the first two months of this financial year. The forecast has been amended to reflect the ongoing shortfall in income identified by 2021/22 outturn of £25,000 and therefore too late for inclusion in the budget, as shown in Appendix A.
16. Outdoor facilities income is £26,000 below budget after the first two months of the year. This is mainly due to the profiling of income, which can fluctuate. The full year forecast has been amended to reflect ongoing additional income identified by outturn 2021/22 of £57,000 and therefore too late for inclusion in the 2022/23 budget, as shown in Appendix A.
17. Based on the current budget profile, Garden Waste income is £20,000 below target at the end of May. The budget allows for further expansion of the service to 23,000 customers by the end of the year. Any shortfall to date is therefore expected to recover as the year progresses and no variation is forecast at this stage.

18. The target for Management Fee income from the leisure centre contractor was removed for the 2021/22 budget, a loss of £1,444,000. This was subject to ongoing negotiations due to the forecast operational losses, resulting from the ongoing effects of the pandemic. Forecast recovery of £600,000 was included in the Corporate plan and Budget 2022/23 and in addition, the Management Fee will also be adjusted to include 75% of any further contractor surplus above the £600,000, to be identified through ongoing open book reconciliations. No further variation to the £600,000 budget is forecast at this stage in the year.
19. The actual to May for the four income areas below in paras 20 to 23 relates to income where an invoice has been raised rather than actual income received.
20. Industrial Estates rent is showing as £58,000 above target at the end of May. This is due to some rent reviews being undertaken and invoices raised for the backdated rent arrears. The full year projection is expected to be £59,000 above target as shown in Appendix A.
21. Town Centre rent is £92,000 below target at the end of May. This shortfall is mainly due to a refund of the Market Place Supplementary Car Park income from 2020-21 offset by additional supplementary rent for Market Place Shopping Centre relating to 2020-21. The full year projection is anticipated to be a £66,000 pressure at this stage, as shown in Appendix A.
22. Depot rent is showing as £1,000 above budget for April to May. This is due to a rent increase last year which has not yet been reflected in the budget. A £6,000 saving against the full year projection is anticipated at this stage as shown in Appendix A.
23. General/miscellaneous property income is showing an £7,000 surplus at the end of May due to ongoing estate management of ground rents and renewal of licences. A £30,000 surplus against full year projection is anticipated at this stage as shown in Appendix A.
24. The salaries expenditure to the end of May is a small pressure of £80,000 against the profiled budget, which mainly relates to the cost of agency staff across a number of the Council's services. However, those relating to Housing and Revenue and Benefits will be met from external grant or Reserves at year end. In addition, the pressure partly relates to redundancy costs incurred which will also be mitigated when met from earmarked reserves as part of the year-end adjustments for 2022/23. In comparison, the forecast year-end variance currently stands at a reduced pressure of £68,000. Appendix A of this report provides further detail on the forecast variance. This position will continue to be monitored closely as we progress through the year.
25. In summary, based on current information available and as outlined in Appendix A, the current forecast year-end position (at the end of May 2022), is an underspend of £81,000.

### **Miscellaneous**

26. The total remaining in Balance Unallocated is unchanged at £20,000 as there has been no utilisation to date.

27. In May, the Council received £7,293 from DLUHC in respect of a payment for Rough Sleepers grant. The purpose of this Section 31 grant is to provide additional services for rough sleepers. Members are requested to approve that this sum be earmarked in Specific Reserve for additional Homelessness costs incurred by Housing Services.
28. In April, we received a grant payment of £20,761 from the DWP in respect of Implementing Welfare Reform. Members are requested to approve the transfer of this sum to the Revenues and Benefits New burdens specific reserves to meet this additional cost.
29. In May, grant totalling £23,237 was received from the DWP to meet the costs of new burdens relating to Verify Earnings & Pensions grant. Members are requested to approve the transfer of this sum to the Revenues and Benefits New Burdens specific reserves to meet this additional cost.
30. In April, the Council received £33,660 from DLUHC in respect of Domestic Abuse Safe Accommodation Funding to provide specialist support within sufficient safe accommodation to ensure those fleeing domestic abuse, have somewhere safe to go. Members are therefore requested to approve the transfer of this sum to specific reserves to meet this additional cost.
31. On 8 April 2022 we received an additional £50,000 from the Land Registry for delivery of the Local Land Charges Programme timetable for the transition of LLC1. Members are requested to approve the transfer of this to General Reserve.

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

### **Position to the end of May 2022**

32. The Capital Programme and Revenue Projects for 2022/23, as approved at Council on the 2 March 2022, amounted to £4,128,000. This was increased by £1,138,000 to £5,266,000 as detailed in the Capital Programme Update report to Cabinet 21 March 2022, and then by a further £2m as set out in the Capital Programme and Revenue Projects Update Report to Cabinet 6 June 2022 resulting in a revised programme total of £7,266,000. Following the 2021/22 Outturn, this has also been increased by £5,215,000 to include the slippage of some 2021/22 projects. Therefore, the revised Capital Programme and Revenue Projects now totals £12,481,000.
33. Further details relating to these changes are contained in the Outturn 2021/22 report to Cabinet on 6 June 2022. The actual and commitments to the end of May 2022 total £1,518,698.

### **Variances to the 2022/23 Capital Programme and Revenue Projects**

34. At this early stage in the year all projects are progressing as expected, other than those identified in Table 3 under "Proposed variations to the Capital Programme" below.

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

35. The current programme includes slippage from 2021/22 of £400,000 for the Research and Innovation Fibre Ring project which is fully funded by Brighton and Hove City Council. The costs are £300,000 less than expected as we pursued PIA (Physical Infrastructure Access) to deliver some of the network. This uses existing duct where it is suitable and available. The programme has been amended accordingly.
36. Since the Corporate Plan and Budget 2021/22 report was approved at Council on 2 March 2022, we have received notification of increased funding for Disabled Facility Grants in 2022/23, through the Better Care Fund which is passported onto MSDC from West Sussex County Council. The allocation this year is £1,102,000 (to the nearest £'000). This allows additional funding of £202,000 compared to the original budget of £900,000. However, the revised budget for 2022/23 also includes last year's unutilised allocation of £541,000 that was built into the 2022/23 budget following Outturn 2021/22, so the Disabled Facilities Budget total now stands at £1,643,000, of which approximately £539,000 has been committed to date.
37. Bolney Recreation Ground (Batchelor's Field) Playground Improvements project in 2021/22 was £30,000 overspent which was reported in the Financial Outturn 2021/22 Report to Cabinet 6 June 2022. During 2021/22, the budget of £32,000 for this project was slipped to 2022/23 because works were due to be completed in Spring 2022/23. However, subsequently ground conditions allowed this work to be completed by the end of last financial year. As a result of the early delivery of the project in 2021/22, the 2022/23 budget totalling £32,000 has now been adjusted to £2,000 to account for spend in the previous year. The programme has been amended accordingly.
38. The current programme includes £94,000 for the About the Place Public Art Revenue Project. However, a further £20,000 is now required; of which £14,000 is in respect of the two additional waymarkers to be funded by the LCWIP funding in the WSCC Pool Business Rates Bicycle Funding specific reserve. The remaining £6,304 is for a mural at the Bluebell Railway to be funded by S106 contribution from 78 London Road, East Grinstead (DM/21/2992 – PL13-003790). The project total has therefore been increased to £114,000.
39. Cabinet approved the use of S106 contributions totalling £38,000 for Electric Vehicle fast charging points to be installed at their meeting 29 April 2019. This project is now due to be completed in 2022/23. The current programme has been updated accordingly.
40. At Cabinet 6 June 2022 Members received the report on Burgess Hill Martlets Shopping Centre Proposed Interim Uses recommending the creation of an earmarked reserve of £100,000 from the Council's General Reserve to provide a budget to facilitate the creation of a temporary urban park on the site. This report also requested that stakeholders be actively encouraged to contribute to or support bidding to other funding sources to deliver the works planned. The current programme has been amended to include this new revenue project to be funded from Reserves as outlined above.

41. £13,000 was received in 2021/22 from Age UK, as a dilapidation payment for Cherry Tree (St Albans Hall) Fairfield Road, Burgess Hill. At Outturn this was moved to a Specific Reserve to enable the replacement of the boiler and other repairs to be carried out in 2022/23. This Revenue Project has now been added to the current programme.
42. At its meeting on 21 March 2022, Cabinet agreed the Centre for Outdoor Sport project Feasibility Study and Master Plan, authorised the commencement of the next phase, comprising the procurement of consultants to deliver Stages 2, 3 and 4 of the project, and agreed that a funding bid should be prepared to secure allocated s106 funds to finance this work. The total estimated cost for the next phases of work is £545,000 of which £245,000 is already included in the current programme of Revenue and Capital Projects. It is therefore necessary to allocate a further sum of £300,000, using s106 funding already collected for this project, as detailed in the Project Justification at Appendix B.
43. Proposed capital variations are summarised in table 3 below:

<b>Table 3: Capital Programme and Revenue Project Variations April to end May 2022</b>		
	<i>Apr to May</i>	<i>Ref</i>
	<i>£'000</i>	
<u>Capital Projects</u>		
Research and Innovation Fibre Ring (RIFR)	(300)	<i>Para 35</i>
Disabled Facilities Grants.	202	<i>Para 36</i>
Bolney Recreation Ground Playground Improvements	(30)	<i>Para 37</i>
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Total Capital Projects Variations	(128)	
	<hr/> <hr/>	
<u>Revenue Projects</u>		
About the Place Public Art Project	20	<i>Para 38</i>
Electric Vehicle fast charging points	38	<i>Para 39</i>
Martlets Temporary Urban Park	100	<i>Para 40</i>
Cherry Tree (St Albans Hall) repairs	13	<i>Para 41</i>
Centre for Outdoor Sport (CfOS)	300	<i>Appendix B / Para 42</i>
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Total Revenue Projects Variations	471	
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44. Taking into account the changes detailed above, the overall effect is an increase to the current programme of Capital and Revenue Projects for 2022/23 by £343,000. Therefore, the revised programme total for 2022/23 now stands at £12,824,000.

### **S106 contributions committed/utilised to the end of May 2022**

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

<b>Table 5 S106 utilisation 2022/23</b>		
	<i>Apr to May</i>	<i>Note</i>
	<i>£'000</i>	
Ardingly Parish Council	23	1
	<hr/>	
Total	23	
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#### Notes

- 1 Utilisation of Formal Sport contribution (PL12-000981 £22,621.00) S106 monies for tennis court improvements at Ardingly Recreation Ground, as agreed by the Deputy Leader on 18 May 2022 MIS 20 18 May 2022.

### **TREASURY MANAGEMENT INTEREST**

46. Treasury Management interest for this financial year was projected in the Budget Report to be £223,918 at an average rate of 0.5%. The Budget Report is prepared well before many of the cash flow items are known.
47. The interest receivable forecast currently exceeds the budget due to the improved interest rates available. Although the calculated average rate shows as 0.7%, a number of maturities are imminent, allowing us to secure better rates. This has been accounted for in the forecast. Therefore, the estimated year-end projection for Treasury Management to be earned in the year is £762,673 being £538,755 over target. This position will continue to be monitored closely as we progress through the year.

### **POLICY CONTEXT**

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

### **FINANCIAL IMPLICATIONS**

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

### **RISK MANAGEMENT IMPLICATIONS**

50. There are no risk management implications.

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

51. There are none.

### **OTHER MATERIAL IMPLICATIONS**

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

### **SUSTAINABILITY IMPLICATIONS**

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

### **Background Papers**

Revenue Budget 2022/23

## Appendix A

### Forecast Budget Variations for 2022/23 at the end of May 2022

	<b>Pressures in 2022/23</b>	<i>Notes</i>
	<i>£'000</i>	
On-going pressure from 2021/22 – Hackney Carriage Income	25	1
On-going Pressure from 2021/22 – Revenues and Benefits Card charges	14	1
Ongoing pressure from 2021/22 – Cashless parking transaction processing	27	1
Ongoing pressure from 2021/22 – Corporate Estates & Facilities Salaries	33	1
Ongoing pressure from 2021/22 – from the utilisation of interim management	104	1
Market Place Burgess Hill Supplementary rent & car park income	66	2
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	269	
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Notes:

- (1) On-going Pressures identified in budget management 2021/22 but too late for inclusion in the 2022/23 budget.
- (2) Net refund of income to tenant due to Variable Head Lease calculation for 2020/21 for Market Place Shopping Centre supplementary rent and car park income.

	<b>Savings in 2022/23</b>	<i>Notes</i>
	<i>£'000</i>	
On-going saving from 2021/22 – Licencing Income	(15)	3
On-going saving from 2021/22 – Environmental Health Staff	(27)	3
On-going saving from 2021/22 – NNDR	(27)	3
On-going saving from 2021/22 – Pay award 2021/22 1.75%	(42)	3
On-going saving from 2021/22 – Rateable Value finder consultancy	(27)	3
On-going saving from 2021/22 – Housing support	(20)	3
On-going saving from 2021/22 – Car Park repairs	(21)	3
On-going saving from 2021/22 – Additional Playgroup Income	(47)	3
On-going saving from 2021/22 – Outdoor Facilities Ground Rent	(10)	3
On-going saving from 2021/22 – Bulky waste Income	(19)	3
On-going saving from 2021/22 – Depots rent	(6)	3
On-going saving from 2021/22 – Operational Properties rents & licences	(30)	3
On-going saving from 2021/22 – Industrial Estates rents	(42)	3
Industrial Estates Rents	(17)	4
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	(350)	
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Notes:

- (3) On-going savings identified in budget management 2021/22 but too late for inclusion in the 2022/23 budget.
- (4) Backdated rent received as a result of Industrial Estates' rent reviews.

## Revenue Project Justification Details

### Burgess Hill Centre for Outdoor Sports- Phase 2

**Purpose of project:**

The purpose of this project is to provide an appropriate quantity of publicly owned, high quality formal sports provision to mitigate the impact of the Northern Arc development, as set out within the adopted District Plan policy DP9.

This will contribute towards the Council's vision to maximize opportunities for sport and physical activity for all across the district, to foster sporting excellence, and to deliver community cohesion and a healthy environment.

In June 2021, the Council commissioned The Sports Consultancy to produce a Feasibility Study, to "Royal Institute of British Architects Plan of Work" (RIBA) Stage 1.

As part of the study, a detailed review of the procurement approaches that could be adopted for the delivery of the project was carried out, which concluded that the most appropriate approach for professional team procurement was a single source framework, such as the PAGABO National Framework for Professional Services in Construction and Premises.

In line with these recommendations, the procurement of professional services has been undertaken via the PAGABO Framework Contract, with Faithful+Gould as the lead consultant.

**Costs:**

This Phase of the project will involve the following key stages, for which the following costs have been submitted by F+G:

Item	Estimated cost
Feasibility VAT advice	£3,000
RIBA Stage 2- Concept Design	£124,000
RIBA Stage 3- Spatial Coordination	£181,000
RIBA Stage 4a- Tender	£153,000
RIBA Stage 4 b- Technical Design	£84,000
<b>Total- Stages 2-4</b>	<b>£545,000</b>

In addition to the £245,000 in the current Programme of Revenue and Capital Projects to be funded from Formal Sport Northern Arc (Community Sport Delivery Contribution, it will now be necessary, to increase the project total by £300,000 also funded from the same s106 already collected for this project as detailed below.

Category	Development	Funding Available
Formal Sport	PL13-002583 Northern Arc (Community Sport Delivery Contribution)	£545,000

Capitalised Salaries included in the project total : N/A

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

**Revenue implications:**

A commuted sum of approximately £1.1m (index linked) is to be paid to the Council upon transfer of the Centre for Outdoor Sports land by Homes England. This is intended to cover the estimated maintenance costs of approximately £60k per annum for a period of 30 years.

**Value for money assessment:**

The Council is required to use the land and s106 contributions to deliver this project. It is envisaged that the construction will be funded through a combination of s106 contributions and external funding.

**Business Unit/Service:** Commercial Services & Contracts

**Head of Service:** Judy Holmes

**Divisional Leader:** Rob Anderton

**Business Unit Leader:** Jo Reid

**Project Manager:** External

**Cabinet Member:** Cllr John Belsey

**Ward Members:** Cllr Alison Bennett, Cllr Rodney Jackson, Cllr Colin Trumble

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

The Council's Corporate Plan 2022-23 sets out specific plans for “*further work to take place, in consultation with key stakeholders, on the design and implementation of the New Burgess Hill Centre for Outdoor Sports, in readiness for construction to start early in 2023*”.

**Summary of discussions with Cabinet Member:**

The Cabinet Member is supportive of the scheme.

**Risk Analysis:**

A detailed risk register is to be developed, maintained, and updated as the project progresses. This will be reviewed by both the Project Team and Project Board.

Initial risks and issues, their status and a brief narrative have been provided overleaf.

Risk headline	RAG status	Narrative
Staff capacity	<b>GREEN</b>	This is a large, complex and specialist project and will require the input of several different services. Propose to mitigate by outsourcing delivery to a specialist consultant.
Budget	<b>AMBER</b>	There is approximately £5m of s106 funding allocated to the construction of the facility, and a commuted maintenance sum of £1.1m.  Additional external funding will be required to fully implement the project.  The Phase 1 Feasibility Study set out a high-level cost estimate of the project and potential funding sources; and also identified likely ongoing maintenance/ management costs.  These cost assumptions will need to be refined and reviewed on an ongoing basis throughout project development.
Economic downturn as a result of Brexit/	<b>AMBER</b>	The construction industry remains volatile and there is the potential for capital costs to increase. The market is

Covid/ Inflation/ Ukraine		currently very unpredictable and may result in difficulties obtaining resources and materials.
Northern Arc Masterplan Phasing	<b>AMBER</b>	The delivery of the CfOS land and associated funding is linked to the phasing of the residential parcels of the Northern Arc development. This means key delivery dates are potentially subject to change.
Timing and Interdependencies	<b>AMBER</b>	Some services are proposed to pass through the site. Careful co-ordination of services is required to ensure alignment of requirements for early phases of the Northern Arc and the CfOS emerging designs to reduce clashes and abortive work.

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