

## **BUDGET MANAGEMENT 2018/19 – HALF YEAR PROGRESS REPORT**

REPORT OF: Head of Corporate Resources  
Contact Officer: Cathy Craigen, Chief Accountant  
Email: [Cathy.craigen@midsussex.gov.uk](mailto:Cathy.craigen@midsussex.gov.uk) Tel: 01444 477384  
Wards Affected: All  
Key Decision: No  
Report to: Cabinet  
12th November 2018

---

### **EXECUTIVE SUMMARY AND RECOMMENDATIONS**

#### **Purpose of Report**

1. This report reviews the progress on the Revenue Budget, Capital Programme and Treasury Management for 2018/19.

#### **Summary**

2. The forecast revenue outturn position for 2018/19 at the end of September is showing a projected net overspend of £1,000 against the original estimate, which relates mainly to forecast income shortfalls in Garden waste, Building control and Outdoor facilities partly offset by unbudgeted investment income,.

#### **Recommendations**

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

- (i) that £9,188 grant income relating to Transition to Universal Credits and for Removal of Temporary Accommodation from Universal credits be transferred to Specific Reserve as detailed in paragraph 22;
- (ii) that £8,244 grant income relating to Assisted Digital Support and Personal Budgeting support for Universal credits and final Universal credits Local Authority Universal support payment for 2017/18 be transferred to Specific Reserve as detailed in paragraph 23;
- (iii) that £12,211 grant income relating to Universal credits: Management, Support for Housing Expertise, Housing Benefit Natural Migration and Housing Benefit Debt Migration be transferred to Specific Reserve as detailed in paragraph 24;
- (iv) that £117,268 be transferred to Specific Reserve as detailed in paragraphs 25;
- (v) the variations to the Capital Programme contained in paragraph 39 in accordance with the Council's Financial Procedure rule B4.

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

- (vi) the remainder of the report;

## REVENUE SPENDING

### Position to the end of September 2018

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 2018/19, 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.

<b>INCOME</b>	2018/19 Actual to September £'000	Profiled 2018/19 Budget £'000	2018/19 Original Budget £'000	Pressure/ (Saving) To end September £'000	Pressure/ (Saving) To end July £'000	Projected Year-end Variance £'000
Car Park Charges	(1045)	(1024)	(2,072)	(21)	6	(36)
Development Management Fees	(686)	(727)	(1,454)	41	(19)	0
Building Control Fees	(265)	(332)	(578)	67	40	67
Land Charges	(89)	(82)	(153)	(7)	(1)	0
Licensing Act Fees	(39)	(21)	(138)	(18)	(11)	(5)
Hackney Carriage Fees	(51)	(64)	(129)	13	8	0
Outdoor Facilities Income	(147)	(240)	(295)	93	23	46
Garden Waste	(659)	(699)	(1,281)	40	12	46
Leisure Contract Income	(0)	(673)	(1,346)	673	449	(35)
Industrial Estates Rents	(407)	(407)	(647)	0	1	0
Town Centre Rents	(1,515)	(1,540)	(2,491)	25	12	0
Depots Rents	(42)	(38)	(72)	(4)	(4)	4
General/Miscellaneous Property	(170)	(171)	(233)	1	5	0
<b>Total Income</b>	<b>(5,115)</b>	<b>(6,018)</b>	<b>(10,889)</b>	<b>903</b>	<b>521</b>	<b>87</b>
<b>EXPENDITURE</b>						
Staffing costs	5,917	5,693	11,386	224	186	(131)

6. Car parking income is above budget by £21,000 in the first six months operation of the service. This is detailed in Table 2 below. This includes variations in respect of lower than budgeted Season Tickets £15,000, which is due to the profiling of income which can fluctuate, and additional Pay and Display (£36,000). The forecast has been amended to reflect the upturn in Pay and Display income to date and this is reflected in Appendix A of this report.

	<i>Actual April to Sept</i>	<i>Outturn 2017/18</i>	<i>Forecast 2018/19</i>
	<i>(Over)/ under target £'000</i>	<i>(Over)/ under target £'000</i>	<i>(Over)/ under target £'000</i>
Pay & Display tickets	(36)	12	(36)
Season Tickets	15	(13)	0
Total additional income	(21)	(1)	(36)

7. Development management income is £41,000 below target for April to September. This is due to there being fewer speculative housing applications following the adoption of the District Plan. The shortfall is likely to be mitigated by year end on receipt of Northern Arc Planning applications. Therefore, no change to the full year forecast is anticipated at this stage.
8. At the end of September, Building Control Income is under target by £67,000. The Head of Service for Building Control has confirmed that now that the Building Control Service is fully staffed, targets are expected to be reached for the remainder of the year, but this is unlikely to recover the shortfall to date. Therefore, the forecast has been amended to reflect the shortfall to date, an additional £27,000 since previously reporting, which is identified in Appendix A of this report.
9. At the end of September Land Charges income is above budget by £7,000. However, no variation to the full year projection is anticipated at this stage.
10. Licencing income is £18,000 above target for April to September. This is mainly due to the profiling of income, which can fluctuate. The forecast was previously amended to reflect additional income of £5,000 received at outturn 2017/18 compared to 2018/19 budget, and this forecast remains unchanged.
11. Hackney Carriage Fees are below target by £13,000 for the first six months of this financial year. This is mainly due to the profiling of income, which can fluctuate.

12. Outdoor facilities income is £93,000 below budget after the first six months of the year. This is partly due to a change in the timing of invoicing for Playgroup income for which revised profiles are being calculated, but this is not expected to affect the total income due for the year. In addition, pressures of £12,000 were previously reported in respect of an ongoing shortfall in income identified at Outturn 2017/18. A further £34,000 shortfall is now forecast due to the closure of the Playgroup at Barn Cottage (£22,000) and also due to refunds issued to sports clubs as a result of poor weather earlier in the year, meaning that some pitches were not playable (£12,000). This is identified in Appendix A of this report. Outdoor Services has recently transferred into the Commercial Services & Contracts division. This will provide an opportunity to explore improved marketing and management of the Council's pavilions.
13. Based on the current budget profile, Garden Waste income is £40,000 below target at the end of September. Garden Waste growth was budgeted to achieve an additional 1,800 customers in 2018/19 to bring the Customer base to 20,000. However, an incredibly dry summer has had an adverse impact on growth despite a concerted communications and promotion campaign. The waste team have established that we currently have approximately 19,000 customers and will continue to secure new subscriptions through the autumn, but estimate that it will be very challenging to achieve the 20,000 target by year end. A revised forecast of 19,300 customers was previously forecast by year-end, resulting in a shortfall of £46,000. No change to the forecast is anticipated at this stage.
14. The value of the Leisure Contract is subject to annual review. A number of contract variations were due to take effect, delaying confirmation of the 2018/19 contract price which is then subject to quarterly billing. These issues have recently been resolved and an invoice can now be issued for the Quarters 1 and 2.
15. Industrial Estates rent are on target to the end of September. No change to the full year projection anticipated at this stage.
16. Town Centre rent is £25,000 below the target at the end of September. This is due to a delay in supplementary rent being received. No change to the full year projection is anticipated at this stage.
17. Depot rent is £4,000 above the target to the end of September. No change to the full year projection anticipated at this stage.
18. General/miscellaneous property income is £1,000 below the target at the end of September. No change to the full year projection is anticipated at this stage.
19. The salaries expenditure to the end of September is showing a pressure of £224,000 against the profiled budget, which is mainly due to the Revenues and Benefits restructure that has resulted in unbudgeted agency staff costs and Redundancy costs. However, these costs will be managed by vacant posts and also met from the Redundancy Reserve thus mitigating the pressure by year end. In response to the new requirements of the Homelessness Reduction Act, additional staff have been taken on to address these new responsibilities. The additional staff will be funded from Government funding which has been provided for this purpose. Despite the year-to-date pressure detailed above, we are forecasting a year-end saving of £131,000 due to salary savings across a number of Business Units as detailed in Appendix A of this report and previous Budget Management reports this year. This position will continue to be monitored closely as we progress through 2018/19.
20. In summary, based on current information available and as outlined in Appendix A, the current forecast year-end position (at the end of September 2018), is an overspend of £1,000.

## **Miscellaneous**

21. The total remaining in Balance Unallocated is unchanged at £27,000 as there has been no utilisation to date.
22. In May, we also received a grant payment of £9,188 from the Department for Work and Pensions, in respect of New Burdens relating to Transition to Universal Credits (£8,853) and for Removal of Temporary Accommodation from Universal credits (£335). Members are requested to approve the transfer of this sum to specific reserves to meet this additional cost.
23. In July, we also received a grant payment of £8,244 from the Department for Work and Pensions, in respect of New Burdens relating to Assisted Digital Support and Personal Budgeting support for Universal credits(50% payment) (£6,584), and final Universal credits Local Authority Universal support payment for 2017/18 (£1,660). Members are requested to approve the transfer of this sum to specific reserves to meet this additional cost.
24. In August we also received a grant payment of £12,211 from the Department for Work and Pensions, in respect of New Burdens relating to Universal credits: Management (£9,448); Support for Housing Expertise (£376), Housing Benefit Natural Migration (£1,640) and Housing Benefit Debt Migration (746). Members are requested to approve the transfer of this sum to specific reserves to meet this additional cost.
25. The following reserves held within the Revenues and Benefits are no longer required: £70,000 NDR pre95 credits; £22,550 Administration Subsidy; £24,718 Census Consultancy. It is therefore requested that these funds be reallocated to a reserve to fund additional costs emerging associated with the Census partnership disaggregation.
26. On 5<sup>th</sup> November the Council simultaneously exchanged and completed on a commercial property in Burgess Hill, with an annual rental of £325,000. This will be built in to the budget for 2019/20 and has a part year effect in the current year of £135,000 income. This has been included within the income and has the effect of helping rebalance the forecast outturn towards equilibrium. Changes to the Capital Programme will be reflected in the next Budget Management Report to Cabinet which will report the April to December position.

## **CAPITAL SPENDING**

### **Position to the end of September 2018**

27. The Capital Programme for 2018/19, now stands at £5,106,000. This includes slippage from the 2017/18 Capital Programme and current year capital project variations, as reported to Cabinet 9 July 2018 and 24 September. The actual and commitments to the end of September 2018 total £2,527,927.

### **Variances to the 2018/19 Capital Programme**

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

**Table 3: Expenditure Variations on the 2018/19 Capital Projects**

	<i>Variances</i> £'000 (overspend)	<i>Variances</i> £'000 (underspends)	<i>Notes</i>
Windows 10 Update		(190)	1
Disabled Facility Grants		(614)	2
Finches Field Community Pavilion and Car Park		(280)	3
Drainage works		(116)	4
Council Chamber Modernisation		(300)	5
Mount Noddy Pavilion - Extension and Alterations		(335)	6
Oaklands Replacement heating distribution system		(156)	7
Worlds End Recreation Ground		(290)	8
Worlds End Recreation Ground play improvements		179	9
<b>Total</b>	<b>0</b>	<b>(2,202)</b>	

Notes:

*ICT*

(1) Initial discovery work to take place in October. It is anticipated that part of this budget will need to slip to 2019/20. Refer paragraph 36.

*Environmental Health*

(2) Demand-led Housing adaptations service for which a further £630,905 has been committed as at end of September. No forecast variation is anticipated at this stage.

*Corporate Estates & Facilities*

(3) Works are in progress. Payment expected to be complete by the end of 2018/19.

(4) Drainage works – There are a number of schemes which are funded from this budget and which are at various stages of progress. It is anticipated that part of this budget will need to slip to 2019/20 but the exact figure is not known at this stage.

(5) Council Chamber Modernisation Works – Preliminary design being undertaken, including consultation with Councillors and Management Team.

(6) Mount Noddy Pavilion - Extension and Alterations – A combination of value engineering and additional funding have enabled this project to proceed. Works are due to start at the end of October with a planned completion date of February 2019.

(7) Oaklands Replacement heating distribution system – Awaiting initial report from Consultants on feasibility of works and specification.

(8) Worlds End Recreation Ground – Refer paragraph 30 below.

(9) Worlds End Recreation Ground play improvements – refer paragraph 30.

## Proposed Variations to the Capital Programme

29. A new project has come forward to migrate the information at work EDRMS system / database to MSDC's Academy vFarm from its current location at Horsham District Council costing £24,650, which will be funded from the NDR pre95 Specific Reserve. (Refer paragraph 25). Details of this project are set out in the Project Justification attached in Appendix B of this report. The Capital Programme for 2018/19 has been increased to reflect this.
30. The current Capital Programme includes a project for refurbishing the playground at World's End Recreation Ground totalling £290,000. This project can now be broken down into four separate schemes as follows:

i) World's End Rec -Play Improvements	£199,000;
ii) World's End Rec –Football Pitches	£15,000;
iii) World's End Rec – BHTC projects to street scene	£16,000;
iv) Changing Place Toilet Facility at Jane's Lane Pavilion, BH	£60,000.

In addition, at Cabinet 24 September 18, Members approved an additional £20,720 for the Changing Place Toilet Facility at Jane's Lane Pavilion, Burgess Hill, which is required to enable the construction of the changing facility, and will be funded from S106s. The new total for this scheme now stands at £80,740. The Capital Programme has therefore been adjusted to show these four schemes separately within the overall programme.

31. The Cabinet Member for Economic Growth approved the contract for the refurbishment works and alteration works on Court Bushes Pavilion totalling £367,000 (to the nearest £'000) under Delegated Member authority as reported and detailed further in MIS38a on 21 September 2018. This will be funded from an insurance claim. The Capital Programme has been updated accordingly.
32. A new project has come forward for the provision of a Padel Tennis Court at the Triangle leisure Centre, Burgess Hill costing £110,000, which will be funded from S106s. Details of this project are set out in the Project Justification attached in Appendix B of this report. The Capital Programme for 2018/19 has been increased to reflect this.
33. The Cabinet Member for Service Delivery authorised the release of S106 Formal Sport contributions in order to fund the upgrade of St John's Skate Park, totalling £15,200 under Delegated Member authority as reported and detailed further in in MIS29 on 18 July 2018. The Capital Programme has been updated accordingly.
34. Since the Corporate Plan and Budget 2018/19 report was approved at Council on 28 February'18, there have been some changes to the Major Capital Renewals for 2018/19. One project will not be progressed at present, being the replacement of the fire and intruder alarm at Clair Hall (£15,000).
35. However, it is proposed to utilise the savings detailed above to fund additional works totalling £15,000, which are required on the existing project to refurbish Poynings Pavilion, bringing the revised project total to £35,000. The Capital Programme has been amended accordingly.
36. The current Capital Programme includes a project for a Windows 10 update totalling £208,000. However, since this project started in October 18, it is anticipated that this work will not be completed until next financial year. Therefore, £78,000 now needs to be slipped to 19/20 and the revised project total for 18/19 now stands at £130,000.
37. Since the Corporate Plan and Budget 2018/19 report was approved at Council on 28 February 18, it has now been confirmed that the Virtual Infrastructure Upgrade ICT project totalling £20,000 will not be progressed. Many services are looking into hosted Software as a Service for their work requirements as part of the Digital Programme. This will reduce and probably change our requirements so an investigation and upgrade is not necessary at this time but will need to be looked at again when the Digital Programme is more established. The Capital Programme has been reduced to reflect this.

38. The Martlets Hall is empty, having been surrendered by Places for People Leisure, and the adjacent Library will shortly relocate to temporary premises. This building needs to be demolished to facilitate the regeneration of Burgess Hill town centre. It is proposed that the Capital Programme is amended to include a project to demolish the empty building and lay a temporary car park on the site in order to bring forward these works. The project cost is approximately £180,000. When the legal agreement for the redevelopment of the Martlets Shopping Centre becomes unconditional, New River Retail will refund the demolition cost as per the head lease.
39. Proposed capital variations are summarised in table 4 below:

	<i>Apr to Sept</i>	<i>Ref</i>
	<i>£'000</i>	
Information at work EDRMS system migration to MSDC servers	25	<i>Para 29</i>
Worlds End Recreation Ground refurbishment	(290)	<i>Para 30</i>
Worlds End Recreation Ground Play Improvements	199	<i>Para 30</i>
Worlds End Recreation Ground Football Pitches	15	<i>Para 30</i>
Worlds End Recreation Ground BHTC projects -streetscene	16	<i>Para 30</i>
Changing Place Toilet Facility at Jane's Lane Pavilion, BH	81	<i>Para 30</i>
Refurbishment works at Court Bushes Pavilion	367	<i>Para 31</i>
Provision of Padel Tennis Court	110	<i>Para 32</i>
Upgrade of St John's Skate Park	15	<i>Para 33</i>
Clair Hall – replace fire and intruder alarm system	(15)	<i>Para 34</i>
Refurbishment of Poynings Pavilion	15	<i>Para 35</i>
Windows 10 Update	(78)	<i>Para 36</i>
Virtual Infrastructure Upgrade ICT	(20)	<i>Para 37</i>
Martlets Hall Demolition and Car Park extension	180	<i>Para 38</i>
	<hr/>	
Total	620	
	<hr/> <hr/>	

40. Taking into account all of the changes detailed above, the overall effect is an increase to the current capital programme for 2018/19 of £620,000, and an increase the capital programme 19/20 by £78,000. Therefore, the revised programme total for 2018/19 now stands at £5,726,000.

#### **Capital receipts and contributions received to the end of September 2018**

41. S106s and grant contributions of £2,313,233 and Capital Receipts for sale of land totalling £85,500 have been received in the period April to September 2018.

#### **S106 contributions committed/utilised to the end of September 2018**

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



**Table 5 S106 utilisation 2018/19**

	<i>Apr to Sept</i> £'000	<i>Note</i>
Haywards Heath Town Council	5	1
Crawley Down Community Centre Association (Haven Centre)	24	2
Hassocks Parish Council	75	3
Lindfield Cricket Club	55	4
Haywards Heath Town Council	12	5
Lindfield Rural Parish Council	2	6
West Sussex County Council	33	7
East Grinstead Town Council	50	8
<b>Total</b>	<b>256</b>	

**Notes**

- 1 Utilisation of Local Community Infrastructure contribution (PL13-001412) S106 monies to carry out works at the Muster Green War Memorial, as agreed by the Cabinet Member for Planning on 28 March 2018 MIS 14 4 April 2018.
- 2 Utilisation of Community Building contributions (P35/759 £5,828, P35/679 £6,109 & PL12-000367 £12,442) S106 monies for CCTV and hall refurbishments, as agreed by the Cabinet Grants Panel on 19 June 2018 MIS 25 20 June 2018.
- 3 Utilisation of Formal Sport contributions (P35/503 £185, P35/638b £7,971 & P35/609b £62,734) and Playspace contribution (P35/750 £4,110) S106 monies to replace and upgrade the skate park in Adastra Park, as agreed by the Cabinet Grants Panel on 19 June 2018 MIS 25 20 June 2018.
- 4 Utilisation of Formal Sport contribution (P35/662 £55,000) S106 monies for a Pavilion extension, as agreed by the Cabinet Grants Panel on 19 June 2018 MIS 25 20 June 2018.
- 5 Utilisation of Local Community Infrastructure contributions (PL13-001412 £11,203 & P35/641 £696) S106 monies for a hard-standing area, bench and memorial stone at Muster Green War memorial, as agreed by the Cabinet Member for Planning on 17 July 2018 MIS 29 18 July 2018.
- 6 Utilisation of Local Community Infrastructure contribution (PL3-000199 £2,339.30) S106 monies for a portable Speed Indicator Device, as agreed by the Cabinet Member for Planning on 9 August 2018 MIS 33 15 August 2018.
- 7 Utilisation of Sustainable Transport contribution (PL12-000981 £32,838.68) S106 monies for the Ardingly Traffic Management Scheme, as agreed by the Cabinet Member for Planning on 18 September 2018 MIS 38 19 September 2018.
- 8 Utilisation of Community Buildings contributions (PL12-001864 £46,963, P35/617 £0.43, & P35/620a £3,035.57) S106 monies to upgrade East Court Public toilets, as agreed by the Cabinet Member for Planning on 25 September 2018 MIS 39 26 September 2018.

**TREASURY MANAGEMENT INTEREST**

43. Treasury Management interest for the financial year 2018/19 was projected in the Budget Report to be £262,693 at an average rate of 0.95%. The Budget Report is prepared well before many of the cash flow items are known.
44. As at the end of September 2018, actual Treasury Management interest earnings were £192,503 at an average rate of 0.949%. The estimated year-end projection for Treasury Management to be earned in the year is £358,868 being £96,000 over target. This is mainly due to the higher interest rates that have been achieved on short term investments together with an increase in the number of short term investments, following a reduction in the funds required for proposed capital spending. 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. We previously reported a net income of £64,563 as at the end of June 2018. Dividends received for the second quarter ending 30 September are £71,644 less management expenses of £9,308, giving a net income to the Council of £62,336. Therefore, in total, we have received a net income of £126,899 in the first two quarters of the year. £240,000 is budgeted to finance the Revenue Budget in the current year. However, based on the first two dividends, this is likely to be exceeded by year-end. This will continue to be monitored and further updates will be reported in future Budget Management Reports.

### **POLICY CONTEXT**

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. 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 2018/19.

### **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.

### **Background Papers**

Revenue Budget 2018/19

## Appendix A

### Forecast Budget Variations for 2018/19 at the end of September 2018

	<i>Pressures in 2018/19</i>	<i>Notes</i>
	£'000	
April to July pressures Cabinet 24 July 2018	306	
Corporate Finance - Third party and employers liability insurance	15	1
Improvements to East Wing kitchen	15	2
Drainage Consultants	20	3
Building Control Income	27	4
Outdoor Facilities Income	34	5
Corporate Training	21	6
	<hr/>	
	438	
	<hr/> <hr/>	

#### Notes:

- (1) Cost of insurance higher than budgeted.
- (2) Works required to update and improve the kitchen facilities in the East Wing.
- (3) Consultant required as a result of increased planning consultation work.
- (4) See para.8 of this report.
- (5) See para.12 of this report.
- (6) Increased use of training has resulted in the need to increase the budget for 18/19.

## Appendix A

### Forecast Budget Variations for 2018/19 at the end of September 2018

	<i>(Savings)</i> <i>in 2018/19</i>	<i>Notes</i>
	<i>£'000</i>	
April to May savings Cabinet 24 September 2018	(229)	
Land Charges - Scanning	(9)	7
Development Management Adverts	(6)	8
Development Management Postage	(8)	9
Cleansing Services minor variations	(5)	10
Landscapes and Leisure Salaries	(11)	11
Pay and Display income	(36)	12
Investment Income	(135)	13
Electoral Registration - Printing and postage	(27)	14
Part reversal Leisure Contract Variation – Martlets closure contract fee	34	15
Leisure Contract Variation – Return on investment Leisure pool works	(5)	16
	<u>(437)</u>	

#### Notes:

- (7) Saving due to a steady reduction in the submission of paper planning applications resulting in a reduction of documentation needing to be scanned.
- (8) Saving resulting from reduced public notice adverts following discontinuation of South Downs National Park.
- (9) Postage saving due to digitalisation of service and discontinuation of service to South Downs National Park.
- (10) Saving resulting from a number of minor variations below £10K.
- (11) Staff saving due to a vacant post.
- (12) See para. 6 of this report.
- (13) Refer paragraph 26.
- (14) Second reminders not sent out resulting in a saving on printing and postage.
- (15) Part reversal of previously reported Martlets Hall closure saving in recognition of the early termination of notice period.
- (16) Part year effect of annual return on investment for Leisure Pool works.

## PROJECT JUSTIFICATION DETAILS

## Information @ Work EDRMS system migration to MSDC servers

**Purpose of project :**

To migrate the Information@Work EDRMS system / database to MSDC's Academy vFarm, from its current location – Horsham Parkside.

As this infrastructure is part of Horsham DC's network, MSDC must migrate this system back on-site to the Oaklands campus ICT infrastructure and onto existing revs and bens server farm, as the CenSus network upon which this system is hosted at HDC Parkside is scheduled for decommissioning, leaving MSDC's Revenues and benefits BAU operations at risk of disruption if migration is not undertaken.

**Total Amount : £24,650 + VAT**

*Capitalised Salaries included in the project total: None*

*Other sources of funding: None*

*Revenue Implications: None (potential negative implications if project not completed)*

**Value For Money Assessment:**

*Current practice / doing nothing:*

If current practice were to be perpetuated, HDC ICT would be able to withdraw support of the underlying infrastructure of the system, leaving it vulnerable if issues were encountered.

If HDC decided to dismantle the CenSus infrastructure upon which the system operates, MSDC would not be able to process new and existing Revenues and Benefits work.

The underlying servers upon which the system operates are obsolete and their operating systems will no longer be supported as of January 2020, so a server migration will be needed eventually, even if we do nothing.

HDC suffered a data breach recently, rendering our systems inoperable for 4 full days. If the systems were left in place, this would continue to expose our customers' data to these kinds of risks and impact on the service we offer to our customers.

*Other alternative approaches:*

Purchase new EDRMS system and install from scratch – this is prohibitively expensive, would not be implemented so quickly and may even require procurement and gives us no advantage over the current system. It would also require costly and time-consuming staff training.

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

**Head of Service :** Peter Stuart

**Project Manager:** Simon Jones

**Cabinet Members :** Judy Llwellyn-Burke

<b>Information @ Work EDRMS system migration to MSDC servers</b>
--

**Ward Members :** Not applicable

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

It will increase efficiency, as we are planning during the migration to introduce the enterprise client, which will allow us to use a web based client instead of having software installed on staff's machines. This will bring us one step closer to a 'cloud' based solution, and reduce reliance on ICT for software distribution and patching.

It will contribute to creating effective and responsive services, as bringing the systems back in-house should produce performance gains when moving to our dedicated revs and bens hardware, and mitigate the risks to our data of leaving the systems on HDC controlled infrastructure, which could be decommissioned at any time, without notice.

**Summary of discussions with Cabinet Member:**

Discussions have taken place in view of ongoing issues too big a risk to this key front line service to keep the hosting at Horsham – it is imperative that we host at Haywards Heath. The Cabinet Member has been consulted and is supportive of this project.

**Risk Analysis :**

The main risks for this project are:

- 1) Business as usual operations could be disrupted if migration not correctly implemented
  - Likelihood = Low
  - Mitigation: We have requested project management services from Northgate to ensure that proper contingency planning is in place on both sides, as this migration draws in a high number of complex systems and integrations.
  
- 2) The integrity of the data being stored in the EDRMS system could be compromised if care is not taken during the migration.
  - Likelihood = Low
  - Mitigation: Full UAT and reconciliations will be performed upon the migrated systems to ensure data integrity is not compromised.
  
- 3) Migration operations could be hampered by communications and network issues between HDC ICT and MSDC ICT support teams and networks
  - Likelihood = Medium
  - Mitigation: When putting together the project plan, we will adopt a communications strategy that mitigates this risk by ensuring all parties are consulted appropriately. We will also add extra time into the project plan to account for anticipated network communication difficulties.

## PROJECT JUSTIFICATION DETAILS

**Provision of a Padel Tennis Court at The Triangle Leisure Centre  
Burgess Hill**

**Purpose of project :**

There is a paved area to the rear of the Triangle Leisure Centre between the Café and Artificial Turf Pitch which previously housed 6 trees and a number of picnic benches. The trees roots were regularly lifting the paved area making it uneven. As a result it required regular attention and expenditure.

The trees have since been removed and the area (which is approximately 26m x 15m) now needs to be improved and put to better use. A Padel Tennis court is 20m x 10m which fits perfectly into the available area. There is already a substantial seating area to the rear of the Centre which is of more than sufficient size to provide for customers wishing to enjoy their food and drink outdoors.

The area would therefore be better utilised by accommodating a new sport/activity area which would be of greater value to members and customers than remaining as outdoor seating. Padel Tennis is very popular in Spain, Portugal and South America and is now becoming popular in the UK, including at a number of David Lloyd Sports Clubs in and around London.

There are a number of existing table tennis, badminton, tennis, squash and racketball players utilising the Council's Leisure Centres who have played the sport abroad and are keen to see it introduced in Mid Sussex. Local schools presently using the centre's tennis, squash and racketball courts are also very keen for this new activity to be available to their students.

The game itself is a combination of tennis and squash played in an oblong glass and weldmesh court with an artificial grass surface. It isn't as difficult to master as tennis and is not as physically demanding as squash. It is a 'doubles' game played by people of all ages. This combination of factors makes it a fun and sociable activity.

The court can also be used for other sports and activities such as short tennis, volleyball, football, netball and cardio tennis etc. The court will be floodlit and have a roof thus allowing the facility to be used throughout the year, during hours of darkness and periods of inclement weather.

The Centre's existing facilities are already tremendously well used and work is due to commence in the near future on the building of a significant number of houses in the local area thus further increasing the local population and demand at the Centre.

Therefore the introduction of a new multi-purpose activity space will help contribute towards meeting existing and future demand and address capacity issues.

There will be an increase in the number of sports available on site, it will deliver a further improvement to the Centre's facilities, generate an increase in income to the contract and encourage healthy lifestyles.

Use of the facility will be made available free of charge to all members whose membership includes access to the existing range of racket sports available; and will be available on a pay-to-play basis for non-members.

**Total Amount : £110,000**

Capitalised Salaries included in the project total: **Nil**

**Sources of funding:**

Section 106 £110,000 Provision of the facility.

Revenue Implications: **Nil**

Places Leisure will be responsible for all ongoing revenue /operational costs covering repair/maintenance/replacement costs related to the facility and the costs associated with the promotion/ development of the sport and provision of coaching staff.

**Section 106 – Burgess Hill Formal Sport**

<b>Application Name</b>	<b>Obligation Name</b>	<b>Amount £</b>
Land at 45 7 47 Church Walk	P35/373	569
Land at Folders Farm	P35/543	15,760
Land at 94 Mill Road	P35/555a	23
Land at 91 Dunstall Avenue	P35/578	3,046
Land at 36-38 Folders Lane	P35/618b	7,556
Land at 241 Junction Road	P35/619b	179
Land at Spinningdale, Starlings & Merrifield	P35/625b	7,064
Land at rear of Forest View Care Home	P35/703	3,860
Land on the Eastern Side of Manor Road	P35/716	71,943
<b>Total</b>		<b>110,000</b>

**Value For Money Assessment:**

The area where the facility is planned to be located is presently unsightly and underused, requires investment and offers an opportunity to be better utilised. The options are to re-pave the whole area to accommodate seating or to provide an additional multi sports / activity area.

There is a large area already available for picnic benches and the area available isn't large enough to accommodate alternative sports such as netball or tennis which are already provided for nearby on the site. The proposed facility/ activity is not provided anywhere else in the area with the nearest being located in Rye or London.

It can also be used for a number of other sports/activities such as fitness classes, cardio fitness, tennis, football, volleyball, dodgeball etc. The provision of floodlighting and a roof mean that the court will be able to be used 7 days per week throughout the Centre's opening times.

Places Leisure are keen to introduce and develop the sport for existing and new users with interest already being shown coming from as far afield as Brighton, Worthing and Crawley.

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

**Head of Service :** Judy Holmes

**Project/Budget Managers:** Glen Wilkinson

**Cabinet Members :** Cllr Gary Marsh

**Ward Members :** Cllr Andrew Barrett-Miles  
Cllr Jacqui Landriani



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

(use Corporate plan reference numbers for example and confirm that it is in the relevant service plan.)

- Effective and responsive services- Providing an improved customer experience, delivering enhanced/ new attractions at the Triangle Leisure Centre and inspiring residents to be more active
- Financial independence- making the best use of our assets, maintaining/ increasing membership/ user numbers, securing the financial viability of the Leisure Management Contract

**Summary of discussions with Cabinet Member :**

The project has been discussed and agreed with the Cabinet Member Cllr Gary Marsh and with senior management from both MSDC and Places Leisure at a Quarterly Contract Meeting held on 29th May 2018. A detailed breakdown of the project and its cost has been shared with Cllr Marsh and he wishes the scheme to be submitted.

**Previous Consideration at Scrutiny Committee**

N/A

**Risk Analysis :**

**Project Build Runs Over Time**

The base is of a simple construction and the court and roof are prefabricated off site and brought on site for quick and simple installation.

Construction of the facility only takes between 6- 8 weeks.

If the project took longer than planned for any reason it would not have any detrimental effect to the wider site or contract.

**Project Runs Over Budget**

The facility will be put out to tender and the cost has confirmed as fixed by the companies involved so there should be no budget over run.

However there is a 10% contingency figure built into the budget for any minor unforeseen issues.

**Works Disrupt the Operation of the Centre**

The location of the works (outside, and to the rear of the Centre) means that any disruption will be minimal.

**Padel Tennis not as Popular as Expected**

There is already a significant amount of support for and interest in the facility from existing members of both The Triangle and Dolphin, local schools, squash and tennis club members and from non-members across Sussex and beyond.

A qualified coach will be working on teaching as many people as possible to play the sport and leagues / competitions will be established.

The facility will be well publicised in the lead up to its installation, and can be used for a number of other sports and exercise classes.

As the facility is floodlit and has a roof protecting participants from wet weather the facility will be usable at times that the existing tennis / netball courts won't be.

It is therefore considered highly unlikely that it will be underutilised.

**Likelihood / Severity**

All of the above risks are assessed as being of Low Likelihood and Low Severity therefore offering very little risk.

## Martlets Hall demolition and car park extension

### Purpose of project :

The Martlets Hall is empty, having been surrendered by Places for People Leisure, and the adjacent Library will shortly relocate to temporary premises. This building needs to be demolished to facilitate the regeneration of Burgess Hill town centre.

It is proposed that the Capital Programme is amended to include a project to demolish the empty building and lay a temporary car park on the site in order to bring forward these works. There are a number of advantages to this approach:

- Martlets Hall is empty and is now attracting empty property rates, which would be negated by this proposal, so there is an economic case to demolish the building and the soon to be empty library.
- These demolition and enabling works are necessary to facilitate the wider regeneration of the town centre and can be delivered, through this proposal, earlier than otherwise possible
- Providing temporary car parking will ensure there is sufficient parking for shoppers and visitors to the town centre during the redevelopment phases.

The car park would be operated in a similar manner to the other car parks in the district with appropriate lining, signage and ticket machines installed.

The project cost is approximately £180,000. When the legal agreement for the redevelopment of the Martlets Shopping Centre becomes unconditional, New River Retail will refund the demolition cost as per the head lease agreement.

The project can be timetabled for execution in early 2019 with preliminary works taking place over the Christmas and New Year holidays.

### **Total Amount : £180,000**

*Capitalised Salaries included in the project total: None*

*Other sources of funding:* When the legal agreement for the redevelopment of the Martlets Shopping Centre becomes unconditional, New River Retail will refund the demolition cost as per the head lease agreement.

*Revenue Implications:* Empty property rates of some £25k pa will be avoided and the car park is expected to bring income of some £25k pa, based on there being approximately 100 spaces.

### **Value For Money Assessment:**

To leave the empty building standing will leave the Council liable for empty property rates as well as standing charges for services. These are avoided through this proposal. Operating a temporary car park on the site should generate an income as above. The building is no longer capable of reoccupation, having been partially stripped internally following its closure.

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

**Head of Service :** Peter Stuart

**Project Manager:** Thuso Selelo

**Cabinet Members :** Cllr Jonathan Ash Edwards

## **Martlets Hall demolition and car park extension**

**Ward Members** Cllrs Anne Jones and Richard Cherry

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

This project assists with the Burgess Hill Town Centre Regeneration which is itself in order to achieve Sustainable Economic Growth

**Summary of discussions with Cabinet Member:.**

The Cabinet Member has been consulted and is very supportive of this project.

**Previous Consideration at Scrutiny Committee:**

No

**Risk Analysis :**

This project is considered to be of low risk given that the demolition and laying of a car park will be performed by professional contractors.