

# Finance and Property Portfolio - Summary

## Performance Summary

1. The Portfolio has the following performance highlight to report this quarter:

- The County Council has secured new accommodation for staff following the closure of Centenary House -Worthing. The new property, Durrington Bridge House, has been leased to provide services and accommodation that meets the needs of the council now and in the future.
- Key decisions on contracts over £0.5m to include an appraised option for partnership working continues to exceed its 20% target. 83% of eligible contracts identified in the second quarter considered partnership working within the business appraisal options process.
- We are on target to reduce the square meterage of the County Council estate from 179,000m<sup>2</sup> to the year-end target of 170,000m<sup>2</sup>. In September, the total operational property in use was 172,808m<sup>2</sup>.

## Our Council Performance Measures

Finance and Property	2021/22 Target	Performance Over The Last 3 Periods			DoT	Performance Analysis	Actions	Year End Forecast
16 New tenders over the value of £500,000 include 'social value' criteria as part of the evaluation, in line with the Council's social value framework Reporting Frequency: Quarterly	40.0%	Mar-21	Jun-21	Sep-21	↗	There were twelve eligible tenders over the value of £500,000 that required a Key Decision in the second quarter of 2021/22.  Of these twelve, seven (58%) contained a social value consideration weighting of 10% and a further two with a weighting of 5% which would equate to 75% of our tenders in this second quarter contained a social value consideration.  The second quarter saw a 8% increase in tenders with the 10% social value weighting compared to the first quarter.	Not applicable.	G
		20.0%	50.0%	58.0%				
49 Square metres of operational property (e.g. offices, libraries, fire stations etc) that are in use Reporting Frequency: Quarterly	170,000 m <sup>2</sup>	Mar-21	Jun-21	Sep-21	↗	The target to reduce the sqm of the County Council estate is well on track to achieve the 5% reduction by March 2022.	Not applicable.	G
		179,000 m <sup>2</sup>	179,000 m <sup>2</sup>	172,808 m <sup>2</sup>				
50 The aggregated unit cost of our services compared to our statistical neighbours Reporting Frequency: Annually	N/A			2019/20		Our net expenditure £ per head of population in 2019-20 was £1,293. This was the second most expensive within our CIPFA statistical neighbour group. Data for 2020/21 is not expected to be available until December 2021	Not applicable.	A
		New Measure - No Data	New Measure - No Data	2nd highest out of 15				
52 For key decisions on contracts over £500,000 include an appraised option for partnership working to assess opportunities for efficiency Reporting Frequency: Quarterly	20%		Jun-21	Sep-21	↗	There were twelve eligible contracts in the second quarter of 2021/22.  Of these, ten (83%) considered Partnership working within the business appraisal options process.  The second quarter saw a 28% increase in contracts that considered partnership working compared to the first quarter.	Not applicable.	G
		New Measure - No Data	55.0%	83.0%				

[Website link to Our Council Performance Measures here.](#)

## Finance Summary

### Portfolio In Year Pressures and Mitigations

Pressures	(£m)	Mitigations and Underspending	(£m)	Year end budget variation (£m)
Covid-19 pandemic forecast expenditure/ allocations to third parties ( <i>Covid-19 position is reported in Appendix 2</i> )	£0.812m	Assumed funding from Covid-19 grant ( <i>Covid-19 position is reported in Appendix 2</i> )	(£0.812m)	
Implementation costs of the delayed replacement of the Atrium property IT system	£0.100m			
<b>Finance and Property Portfolio - Total</b>	<b>£0.912m</b>		<b>(£0.812m)</b>	<b>£0.100m</b>

### Significant Financial Issues and Risks Arising

- There are no significant issues to raise within this section.

### Financial Narrative on the Portfolio's Position

- The Finance and Property portfolio continues to project a £0.100m overspend due to the replacement of the Atrium IT system which had originally expected to have been completed in 2020/21.

### Savings Delivery Update

- The portfolio has a number of 2021/22 savings included within the budget and two saving outstanding from the 2020/21 financial year. Details of these savings are included in the table below:

Saving Activity	2020/21 Savings £000	September 2021		Narrative	2022/23
Amazon business accounts	200	300	G	Saving to be met by via an alternative method. The full £0.3m saving is expected to be delivered through the Oxygen Early Payment Scheme, however due to timing delays, only £0.150m is realistically achievable in 2021/22 by this method. An in-year mitigation to cover the shortfall has been achieved.	G
Charging for frameworks	100				

Saving Activity	2021/22 Savings £000	September 2021		Narrative	2022/23
Asset & Estates holding of staffing changes	96	96	G	£0.030m is permanent and £0.066m is temporary for 2021/22 only.	B
Reduction in business rates payable on corporate estate	100	100	G		B
Facilities Management - associated services	40	40	G		B
Review of agency staff	7	7	B		B

**Savings Key:**

<b>R</b> Significant Risk	<b>A</b> At Risk	<b>G</b> On Track	<b>B</b> Delivered
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## Capital Programme

### Performance Summary - Capital

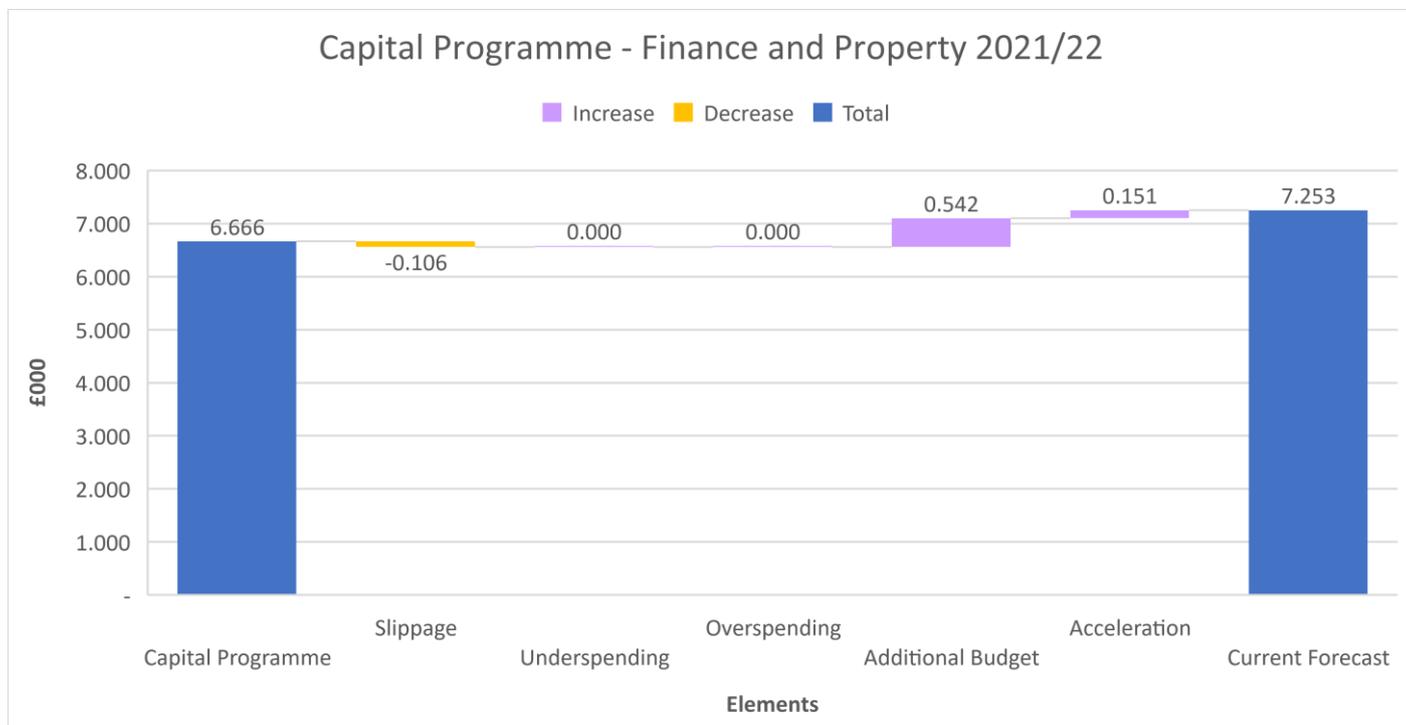
5. There are eight schemes within the portfolio; six of the schemes in delivery are rated green, indicating that the project is reporting to plan. Two are rated amber, indicating that there is an issue but that it could be dealt with by the project manager or project delivery team. An update on the progress of the schemes not rated green are detailed in the table below:

Scheme	RAG Status at 30th September	Reason	RAG Status at 13th October	Updated Position
Carbon Reduction	AMBER	Amber due to defects with Parkside Combined Heat and Power unit. Settlement with main contractor remains subject to agreement.	AMBER	Settlement with main contractor remains subject to agreement.
OPE/Growth Crawley Buildings Demolition	AMBER	Completion date slipped due to client requested shut down and additional asbestos removal.	GREEN	Demolition complete.

### Finance Summary - Capital

6. The capital programme; as approved by County Council in February 2021, agreed a programme totalling £8.837m for 2021/22. £2.171m of expenditure, originally profiled to spend in 2021/22, was accelerated into 2020/21, revising the capital programme to £6.666m.

7. Since this time, profiled spend has increased overall by £0.587m, to give a current year end projection for 2021/22 of £7.253m. Of this increase, -£0.106m relates to slippage, £0.151m relates to accelerated projects where funding has been brought forward from future years and £0.542m relates to additional funding; specifically, Covid-19 government grant. Details of these additions to the programme are reported below.



8. Details of movements of the financial profiling within the capital programme are as follows:

- **Slippage: (-£0.106m)**

- **Orchard Street - (-£0.106m).** Chimney closure and roof ventilation works have been delayed due to the pandemic. Expenditure has been reprofiled into 2022/23.

- **Additional Budget: £0.542m**

- **Chichester High School Demolition - £0.542m.** Additional funding has been approved from the County Council's Covid-19 grant to complete the demolition of the former Year 7 block at the Chichester High School site following its delay during the pandemic.

- **Acceleration: £0.151m**

- **Tangmere Track Repairs - £0.090m.** This scheme has been approved for urgent remedial works to be carried out to the worst affected areas of the track.
- **Hop Oast Fencing - £0.061m.** Funding has been approved for the construction of a secure parking compound at Hop Oast Park and Ride.

This will facilitate the closure of Broadbridge Heath Depot and relocation of the WSCC Transport Team to co-locate with Horsham District Council at Hop Oast.

9. The latest Capital Programme Budget Monitor is reported in **Appendix 4**.

## Risk

10. The following table summarises the risks on the corporate risk register that would have a direct impact on the portfolio. Risks to other portfolios are specified within the respective appendices to this report.

Risk No.	Risk Description	Previous Quarter Score	Current Score
CR22	The <b>financial sustainability of council services</b> is at risk due to uncertain funding from central government and/or failure to make the required decisions to ensure the budget is balanced. This has been compounded further with the Covid-19 crisis, and the recent Ofsted and HMICFRS reports.	12	12

11. Further details on all risks can be found in **Appendix 5** - Corporate Risk Register.