

Finance and Property Portfolio - Summary

Performance Summary

- The Portfolio has the following performance highlight to report this quarter:
 - Property and Assets continues to support Council objectives across the Council including the Capital Programme, Climate Change and the Smarter Working Programme. A significant portion of work undertaken by Property and Assets ensures that assets are available for employees to deliver services directly to the public such as Council Hubs and Libraries. Whilst this includes high profile projects such as Horsham Fire Station, Woodlands Meed, Northern Arc, Broadbridge Heath and the Housing Joint Venture.

Also included within this is the active management of our estate ensuring that we have a portfolio fit for the delivery of services now and into the future.

Our Council Performance Measures

- The following section provides updates of the performance KPIs agreed in Our Council Plan and the action taking place, comprising a wider performance view, with KPI measures comparing performance over the last three periods - this may be quarterly, annually or other time periods (depending on how regularly data is released); however, each measure will explain the reporting period.

Finance and Property		2022/23 Target	Performance Over The Last 3 Periods			DoT	Year End Forecast
16	Measure: New competitive tenders and their resulting contracts 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	60.0%	Mar-22 53.0% (Target 40% in 2021/22)	Jun-22 57.0%	Sep-22 57.0%	→	G
	Performance Analysis: Sep-22: There were seven competitive tenders over the value of £500,000 that required a Key Decision in the second quarter of 2022/23. Of these seven tenders, six (86%) had social value criteria as part of the evaluation in line with the social value framework; however only four (57%) met the 10% social value weighting required for this measure. Actions: We continue to ensure we comply with obligations for Social Value and to measure the value and benefit it brings to our local economy.						
49	Measure: Square metres of operational property (e.g., offices, libraries, fire stations etc) that are in use Reporting Frequency: Quarterly	162,000 m ²	Mar-22 161,625 m²	Jun-22 150,869 m²	Sep-22 122,958 m²	↗	G

Finance and Property		2022/23 Target	Performance Over The Last 3 Periods			DoT	Year End Forecast
<p>Performance Analysis: Sep-22: The operational sqm of the estate has continued to reduce this quarter. The vacation of a number of smaller properties has contributed to the reduction in the sqm. The year-end target has already been achieved but more rationalisation and space reduction is expected this financial year. It is planned to re-set the baseline at the year end</p> <p>Actions: On-going review of our property portfolio.</p>							
50	<p>Measure: The aggregated unit cost of our services compared to our statistical neighbours</p> <p>Reporting Frequency: Annually (March)</p>	7th - 8th highest out of 15		2019/20	2020/21		A
			New Measure - No Data	2 nd Highest out of 15	4 th Highest out of 15	↗	
<p>Performance Analysis: 2021/22 results due in March 2023.</p> <p>Feb-22: WSCC had the 4th highest expenditure out of all comparable local authorities. The 2021/22 forecast outturn shows an improvement to 8th position.</p> <p>Actions: We are still in uncertain times, the Local Government Finance Settlement is only for one year (2022/23) with further fundamental reviews of financing anticipated, the pandemic is still with us, and our relative position is dependent upon what happens in other local authorities not just what we do ourselves.</p>							
52	<p>Measure: New competitive tenders and their resulting contracts over the value of £500,000 include an appraised option for partnership working to assess opportunities for efficiency</p> <p>Reporting Frequency: Quarterly</p>	40.0%	Mar-22	Jun-22	Sep-22		G
			40.0%	86.0%	100.0%	↗	
<p>Performance Analysis: Sep-22: There were seven eligible tenders over the value of £500,000 that required a Key Decision in the second quarter of 2022/23. All seven tenders (100%) considered Partnership working within the business appraisal options process.</p> <p>Actions: We continue to ensure partnership working consideration is embedding in our working practices.</p>							

Finance Summary

Portfolio In Year Pressures and Mitigations

Pressures	(£m)	Mitigations and Underspending	(£m)	Year end budget variation (£m)
Non-delivery of saving - Procurement	£0.150m	Early savings generated from asset rationalisation	(£0.150m)	
		Other variations	(£0.150m)	
Finance and Property Portfolio - Total	£0.150m		(£0.300m)	(£0.150m)

Significant Financial Issues and Risks Arising

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

Financial Narrative on the Portfolio's Position

4. As at September, the Finance and Property Portfolio is projecting a £0.150m underspend. This position includes the expected non-delivery of procurement savings which, due to market forces, are judged as 'at significant risk' and is no longer expected to be delivered.
5. To help offset this pressure, £0.150m of early savings have been generated from asset rationalisation. In addition, other smaller variations within the Portfolio are also contributing towards the underspending position.

Covid-19 Expenditure Update

6. Within the Finance and Property portfolio, £0.280m has been earmarked from the non-ringfenced Covid-19 grant to cover additional cleaning materials and PPE storage and distribution.

Savings Delivery Update

7. The Portfolio has one saving outstanding from the 2020/21 financial year. Details of this saving is shown in the table below:

Saving Activity	Savings to be Delivered in 2022/23 £000	September 2022		Narrative
Charging for Frameworks and Amazon Business Accounts	150	150	R	Work is currently underway to explore other saving delivery models.

Savings Key:

R Significant Risk **A** At Risk **G** On Track **B** Delivered

Capital Programme

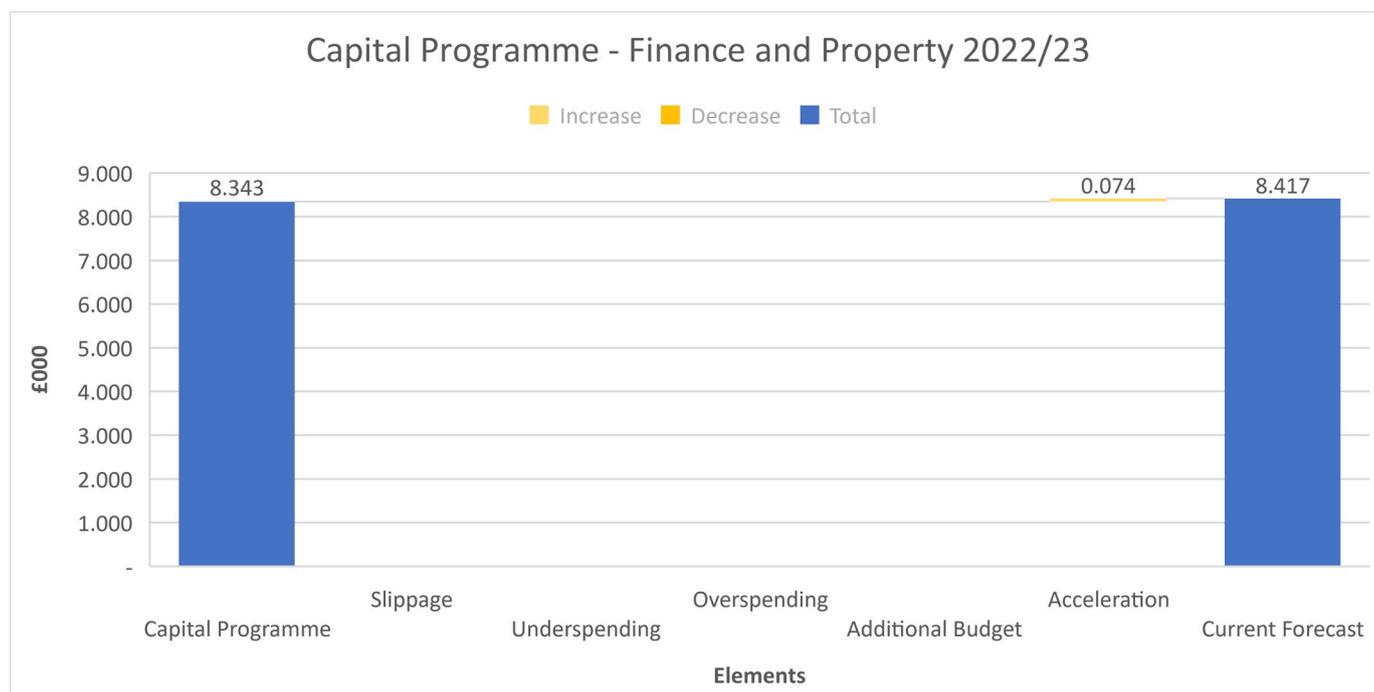
Performance Summary - Capital

8. There are 12 schemes within the portfolio. Seven 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 and three schemes is within their final retention phase. An update on the progress of the schemes not rated green are detailed in the table below:

Scheme	RAG Status at Sep 2022	Reason	Latest RAG Status	Updated Position
Broadbridge Heath	AMBER	Cost and time pressures	AMBER	Options being considered.
Horsham Enterprise Park	RED	Water neutrality implications and a Planning Application needs to be made before the expiry of the permission (11 th Feb 2023).	AMBER	A Reserved Matters Application (Water Neutrality) has been made to Horsham District Council.

Finance Summary - Capital

9. The capital programme; as approved by County Council in February 2022, agreed a programme totalling £8.636m for 2021/22. £0.293m of budget originally profiled to spend in 2022/23, was accelerated into 2021/22, revising the capital programme to £8.343m.
10. Since this time, the profiled spend has increased overall by £0.074m, to give a current year end projection for 2022/23 of £8.417m. This increase relates the acceleration of funding from future years.



Key:

Capital Programme – The revised planned expenditure for 2022/23 as at 1st April 2022.
Slippage – Funding which was planned to be spent in 2022/23 but has since been reprofiled into future years.
Underspending – Unused funding following the completion of projects.
Overspending - Projects that require further funding over and above the original approved budget.
Additional Budget – Additional external funding that has entered the capital programme for the first time.
Acceleration – Agreed funding which has been brought forward from future years.
Current Forecast – Latest 2022/23 financial year capital programme forecast.

11. Details of the financial profiling movements within the capital programme between July and September are as follows:

- **Acceleration: £0.074m. Movement since Q1 report: £0.004m**
 - **Orchard Street Development, Propco: £0.004m.** A minor amount of funding has been accelerated due to faulty roof tiles and insulation defects.

12. The latest Capital Programme Budget Monitor is reported in **Appendix 3**.

Risk

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

Risk No.	Risk Description	Previous Quarter Score	Current Score
CR22	The financial sustainability of council services 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.	20	20

14. Further details on all risks can be found in **Appendix 4** - Corporate Risk Register Summary.