
25 February 2021

Joy Dennis – Chairman
Performance and Finance Scrutiny
Committee
SENT VIA E-MAIL

Dear Joy,

Thank you for your letter dated the 22nd February 2021. I am grateful for the support of the Performance and Finance Scrutiny Committee (PFSC) in taking this important project forward that will deliver the regeneration of a significant site in Horsham.

I set out below my response to the issues PFSC raised for consideration:

- 1) Welcomed the progress of the scheme and it moving to the next phase by the award of the contract for the development partner;

I am grateful for this support.

- 2) Welcomed the intention for the scheme's progress being included in the quarterly capital programme monitoring report, and requested that it include scheme milestones;

The capital programme monitoring report is provided on a quarterly basis for consideration by the Committee. Key programme milestones will be agreed with the delivery partner and progress will be monitored against these.

- 3) Requested that the calculation of costs be clarified to include the full timescale of the project to 2025/26

I can confirm that WSCC capital and revenue costs post financial year 2023/24 are zero. This has been made clear in an explanatory note in the Decision Report.

- 4) Asked that the report should differentiate between the capital receipts which are contractually guaranteed and those that are conditional;

This issue has now been made clearer in the Decision Report. Residential payments are guaranteed contractual amounts; commercial payments are dependent on the financial outturn of each commercial phase and are indicated as 'estimates' in the Decision Report.

- 5) Suggested that the presentation of the project risks should include reference to sensitivity analysis for the scheme;

Sensitivity analysis has been covered in Appendix 4 with three Net Present Value calculations based on nominal, 3.5% discount rate (HM Treasury basis), and a 6.25% discount rate. We included the sensitivity analysis on the discount rate and report makes it clear the return on the commercial element will be confirmed as the project progresses

- 6) Requested that information be included in public papers where legally possible to aid transparency.

We have reviewed the content of the report as I think the reference at the Committee was primarily to the financial table. We consider the financial information is commercial in confidence. However, we will ensure that the name of the contractor, will be made public.

I hope the above adequately responds to the points raised. However should you have any further queries please do not hesitate to contact me.

Yours sincerely,

Lee Harris

Executive Director of Place Services