



ADUR & WORTHING COUNCILS

1 September 2017

Joint Strategic Committee

Date: 12 September 2017

Time: 6:30pm

Venue: Gordon Room, Town Hall, Worthing

Adur Executive: Councillors Neil Parkin (Leader), Angus Dunn (Deputy Leader), Carson Albury, Brian Boggis, Emma Evans and David Simmons

Worthing Executive: Councillors Daniel Humphreys (Leader), Kevin Jenkins (Deputy Leader), Diane Guest, Heather Mercer, Mark Nolan and Val Turner

Agenda

Part A

1. Declarations of Interest

Members and officers must declare any disclosable pecuniary interests in relation to any business on the agenda. Declarations should also be made at any stage such an interest becomes apparent during the meeting.

If in doubt contact the Legal or Democratic Services representative for this meeting.

2. Minutes

To approve the minutes of the Joint Strategic Committee meeting held on 11 July 2017, copies of which have been previously circulated.

3. Public Question Time

To receive any questions from members of the public.

4. Items Raised Under Urgency Provisions

To consider any items the Chairman of the meeting considers to be urgent.

5. 1st Quarter Revenue Monitoring

To consider a report from the Director for Digital & Resources, a copy is attached as item 5.

6. 1st Quarter Capital Investment Programme and Projects Monitoring

To consider a report from the Director for Digital & Resources, a copy is attached as item 6.

7. Council Tax Support 2018/19 - public consultation questions

To consider a report from the Director for Customer Service, a copy is attached as item 7.

8. Business Rates Discretionary Relief

To consider a report from the Director for Customer Service, a copy is attached as item 8.

9. Adur and Worthing Response to the A27 Worthing and Lancing Improvement Scheme

To consider a report from the Director for the Economy, a copy is attached as item 9.

10. HRA Capital Programme 2017 - 2019

To consider a report from the Director for Communities, a copy is attached as item 10.

11. Securing the future development of Worthing Museum

To consider a report from the Director for the Economy, a copy is attached as item 11.

12. Progressing Teville Gate Site Development

To consider a report from the Director for the Economy, a copy is attached as item 12.

Part B - Not for Publication – Exempt Information Reports

None.

Recording of this meeting

The Council will be voice recording the meeting, including public question time. The recording will be available on the Council's website as soon as practicable after the meeting. The Council will not be recording any discussions in Part B of the agenda (where the press and public have been excluded).

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1st REVENUE BUDGET MONITORING 2017/18 (Q1)

REPORT BY THE DIRECTOR FOR DIGITAL AND RESOURCES

EXECUTIVE SUMMARY

1. PURPOSE

1.1 This report updates the Joint Strategic Committee with the latest expenditure and income projections for each Council in the current financial year 2017/18, compared to the Revenue Budget approved by both Councils on the 23rd February 2017 (Adur District Council) and 21st February 2017 (Worthing Borough Council).

Whilst the 'spend to date' will be the position as at the 30th June 2017, the forecast position will reflect the latest information available to ensure an up-to-date forecast is presented.

1.2 The following appendices have been attached to this report:

- | | | | |
|-------|-------------------|-----|------------------------------------|
| (i) | Appendix 1 | (a) | Adur Summary |
| | | (b) | Adur Use of Earmarked Reserves |
| (ii) | Appendix 2 | (a) | Worthing Summary |
| | | (b) | Worthing Use of Earmarked Reserves |
| (iii) | Appendix 3 | | HRA Summary |
| (iv) | Appendix 4 | | Table of Variations over £20,000 |

2. RECOMMENDATIONS

2.1 The Joint Strategic Committee is asked:

- To note the report and projected outturn position for the Joint, Adur & Worthing Revenue Budgets and proposed use of reserves (App'x 1b & 2b).

3. CONTEXT

- 3.1 The Joint Strategic Committee considered the 'Outline 5-year forecast for 2017/18 to 2021/22 and the Budget Strategy' on 13th September 2016.

This report outlined the Financial Context, the Key Budget Pressures, the Options for Addressing the Budget Gap and the Budget Strategy for Adur and Worthing Councils. The report built on the strategy first proposed last year whose strategic aim was to ensure that the Councils would become community funded by 2020 reliant, by then, only on income from trading and commercial activities, council tax income and business rate income.

- 3.2 The successful delivery of the strategy is fundamentally changing how the Council is funded. The Council is moving increasingly away from government funding towards funding from the local community via Council Tax and Business Rates, and will become increasingly reliant on income from commercial activities.

4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST

- 4.1 As part of the 2017/18 budget, and to address the reduction in Government support, the Councils committed to savings of £1.093m for Adur District Council and £1.740m for Worthing Borough Council to produce a balanced budget. Services have been required to carry out efficiency, procurement and base budget reviews.

- 4.2 The current year-end forecasts indicate that Worthing is broadly in line with the budget set, but Adur is showing a shortfall. Considering the extensive commitments included in the current years budgets, overall, services are successfully achieving these targets by reviewing their services, thinking more commercially and changing how these are delivered.

- 4.3 In summary the overall revenue outturns reported for Q1 are as follows:-

Summary of 1st Quarter Budget Monitoring Report			
	Joint	Adur	Worthing
	£000s	£000s	£000s
Current Budget 2017/18	20,744	9,708	15,632
Projected outturn	21,144	9,763	15,574
Projected Forecast over/ (underspend)	400	55	(58)
Projected over/(underspend) percentage	1.9%	0.6%	(0.4%)

The Joint overspend is transferred to Adur and Worthing Councils in line with their allocated share. The reported budget variances in Adur and Worthing, in the table above, include the total share transferred from the Joint.

- 4.4 The Joint Strategic Committee (JSC) is asked to consider:-

4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST

- the current projections of variations in the two Councils General Fund Revenue Budgets and the anticipated position relating to the staff vacancy provision;
- the current projections of variations in the Adur Housing Revenue Account; and
- any amendments and virements to budgets for each Council which may require a recommendation onto Council for approval;

4.5 We adopt a more structured approach to services which have more volatile budgets or hard to predict income streams. For 2017/18, these services are:-

- Crematorium
- Development Control
- Homelessness
- Theatres – currently on target to meet approved budget
- Trade Refuse

4.6 Most of these services are subject to closer monitoring because they meet one or more of the following criteria:-

- Demand led
- Income based
- Specialist
- Significant changes to the service are being made in the near future.

4.7 **Headline budget variations across both the Councils' and the Joint account**

4.7.1 **External Borrowing Costs, Investments and Minimum Revenue Provision**

Both Councils have an underspend on MRP due to slippage in the Capital programmes for 2016/17. Adur will underspend by approximately £105,000 and Worthing by approximately £260,000.

In respect of interest earned on investments, both Councils are currently achieving the budget income. Interest payable on borrowing for Adur is currently in line with the budget. For Worthing Borough Council the projections show a £60,000 underspend, but this will depend upon the progress of capital schemes which may necessitate additional borrowing.

4.7.2 **Car Parks**

Worthing

Income from surface parking is exceeding the budget. There is an increase in income coming from RingGo payments within these car parks.

4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST

4.7 Headline budget variations across both the Councils' and the Joint account

4.7.3 Housing Management

The increased spend on providing emergency and temporary accommodation reflects rising demand across the South East, including Adur and Worthing, changes to service delivery and the lack of housing supply for those needing affordable accommodation.

Emergency accommodation (EA) is where we place individuals / families that meet certain initial criteria whilst we fully assess our duty to house the household. Investigation of this duty should take 33 days, at which time if we accept a full housing duty, the household is moved into long term temporary accommodation (TA). The household will then be added to the housing register, assigned a 'banding' and is able to bid for suitable properties that become available.

Across the South East there is competing demand between local authorities for both emergency and temporary accommodation, the latter often being leased private sector accommodation. As a consequence prices in some areas (e.g. Worthing) are being pushed beyond the reach of the Councils and the supply of suitable emergency and temporary accommodation within the Borough is reduced. The Councils are still faced with placing some clients in costly budget accommodation hotel chains when no other suitable options are available.

In response to this, the Councils have adopted a new strategy for sourcing both temporary and emergency accommodation as agreed at the Joint Strategic Committee in September 2017. The Councils committed to investing £3m in emergency temporary accommodation to reduce the need to rely on expensive private sector provision as a solution.

Since this time the Councils have successfully procured a number of temporary accommodation units which is improving the position. These additional units are newly refurbished good quality accommodation in the local area. Officers are continuing to actively appraise a number of other potential property purchases or leases that will allow the Councils to directly provide high quality emergency accommodation at rates much lower than the private sector.

A cross council working group (made up of finance, legal, procurement, surveyors and housing specialists) is meeting regularly to progress these schemes as quickly as possible, while ensuring the Councils are spending their investment wisely.

Members will be aware that there has recently been a change to how emergency and temporary accommodation is funded.

In 2016/17, the Councils claimed £60 management fee per week per household via Housing Benefit. From 2017/18, this is now paid as a fixed flexible Homeless Support grant. Whilst for Adur this change has had little impact, for Worthing the level of funding is estimated to be £75,000 less than the amount received via Housing Benefit. This change is reflected in the tables below.

4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST

4.7 Headline budget variations across both the Councils' and the Joint account

4.7.3 Housing Management

Housing Management - Full Year forecast						
	2016/17			2017/18 - Full Year Projection		
	Budget for Year	Actual for Year	Variance for Year Over / (Under)	Budget for Year	Forecast for Year	Projected Variance for year Over / (Under)
	£'000	£'000	£'000	£'000	£'000	£'000
ADUR						
ETA Expenditure	252	501	249	283	493	210
ETA rental income	(100)	(259)	(159)	(102)	(168)	(66)
Grant funding	-	-	-	-	(184)	(184)
	152	242	90	182	141	(40)
WORTHING						
ETA Expenditure	382	1,242	860	748	1,668	920
ETA rental income	(256)	(642)	(386)	(259)	(955)	(696)
Grant funding	-	(295)	(295)	-	(120)	(120)
	125	304	179	489	593	104
	277	546	269	671	734	64

Housing Management - Comparative Financial position at June						
	2016/17- Year to Date			2017/18 Year to Date		
	Budget to P3	Actual income P3	Variance to P3 Over / (Under)	Budget to P3	Actual income P3	Variance to P3 Over / (Under)
	£'000	£'000	£'000	£'000	£'000	£'000
ADUR						
ETA Expenditure	71	125	54	79	125	46
ETA rental income	(25)	(55)	(30)	(25)	(42)	(17)
Grant Funding	-	-	-	-	(184)	(184)
	46	70	24	-	(101)	(155)
WORTHING						
ETA Expenditure	95	339	244	187	412	225
ETA rental income	(64)	(130)	(66)	(65)	(239)	(174)
Grant Funding	-	-	-	-	(120)	(120)
	31	209	178	122	53	(69)
	77	279	202	122	(47)	(224)

4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST

4.7 Headline budget variations across both the Councils' and the Joint account

4.7.4 Development Management

Worthing Development Management income is lower than budget and is predicted to underachieve by £50,000. Originally it was thought that this budget would be achieved by the planned increase in centrally set fees, but due to the General Election, the approval of this has been delayed. Adur is currently on target to achieve its budget.

4.7.5 Waste and Cleansing

Commercial Waste income is exceeding the budget and it is estimated there will be an achievement of £20,000 per Authority, above the budgeted income target by the end of the financial year. Agency costs continue to be higher than budget, £35,000 due to the higher minimum wage.

These are being incurred to over long term sickness. The expenditure is necessary to enable the smooth running of the service.

Worthing – Disposal costs are exceeding budget due to price increase notified after budget was set and not increased for higher tonnages £110,000.

The 2017/18 budget includes savings from additional income generation and expenditure reduction of £435,000.

4.7.6 Environment

Crematorium - Income is currently underachieving by £48,000. This is due to a rebate paid early in the year and an increase in demand for delivery only cremations, which therefore reduce the number of full cremations being taken.

Parks & Open Spaces - Underachievement of Beach Hut income for new huts due to a delay in planning approval (£23,000) and income shortfall, due to the impact of new franchise/concessions taken which is lower than expected.

4.7.7 Strategic Property Investments

Additional commercial rent income anticipated from new Strategic Investments in properties, net of borrowing costs. (Adur £76,000, Worthing £46,000)

4.7.8 Building Control and Land Charges

Building Control and Land Charges Income, which is derived from fees which are set on a cost recovery basis, is not predicted to meet its income budget by £50,000 (Worthing £10,000, Adur £40,000). Strategies are in place to ensure the level of income improves.

4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST

4.7.9 Revenues and Benefits

Overpayments are expected to exceed its budget for Worthing. This will be offset by a shortfall in court cost income. There are grant income budgets in 2017/18, which are no longer received (Adur £70,120, Worthing £54,660). These will be removed during the next budget process.

In October 2017, Adur's Revenues & Benefits team will join the Worthing service. There may be some additional set up costs/curtailment costs due to the merging of the teams, these costs will hopefully be contained within the current budget.

4.8 Budget variations greater than £20,000

The Councils individual Summary Projected Outturns are reported in Appendix 1a for Adur District Council and Appendix 2a for Worthing Borough Council.

The variations greater than £20,000, for this report, are detailed in Appendix 4.

There are some expenditure items that are not identified until the year end that will impact on the final outturn. These items can have a positive or negative impact on the final position. They include:-

- Movement in the estimate for doubtful debts
- A review of any amounts needed to be set aside for liabilities that are likely to occur in the future
- Changes in allocations of staff time to outside the General Fund

4.9 Future Risks

The Par 3 Golf course has been closed since the works started on the Rampion wind farm. It was expected that the course would be returned to the Council by Rampion for use at the start of 2017/18 and the income budget for golf income was reinstated at £98,000. There has been a delay in the return of the course to the Council due to delays in the works associated with the wind farm and therefore the Council has not been able to reopen the golf course and generate the expected level of income. There is a clause within the contract with Rampion for use of Council land which will allow for some reimbursement to the Council but the exact value is still being agreed. So there is a possibility that this income will not be achieved, in part or in full.

In 2015/16 Adur Housing Benefit subsidy claim was qualified by the external auditors and the Council had to repay an element of overpaid subsidy in 2016/17. This was the third successive year that the claim had been qualified. There is a risk that this could reoccur in 2016/17.

4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST

4.10 Cross Cutting Budgets

The following categories of expenditure are analysed across various services. It is anticipated that this will be on target

- Equipment, furniture and material
- Postage
- Printing stationery and office supplies
- Consultancy costs
- Travel costs

4.11 Vacancy Savings and Pay Award

As at Quarter 1, it is anticipated that the vacancy saving will not be met by £378,000 although the position may well improve as the year progresses. This is partially offset by an overprovision in the Pension costs.

4.12 Housing Revenue Account

4.12.1 The Adur Housing Revenue Account is a ring fenced account. The HRA forecast is shown in Appendix 3.

	ORIGINAL ESTIMATE 2017/18	PROJECTED OUTTURN 2017/18	PROJECTED OVER/ (UNDERSPEND) 2017/18
	£	£	£
General Management and other costs	3,850,390	3,850,390	-
Annual Revenue Maintenance costs	2,883,030	2,828,030	(55,000)
Capital Financing costs & Depreciation	6,729,160	6,729,160	-
Contribution to Reserves	-	-	-
Provision for Bad Debt	50,000	50,000	-
Total Expenditure	13,512,580	13,457,580	(55,000)
Less Income	(13,330,660)	(13,275,660)	55,000
			-
Net (Surplus) / Deficit	181,920	181,920	55,000
Funded from Reserves	(181,920)	(181,920)	
Overall position	-	-	-

4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST

4.12 Housing Revenue Account

4.12.2 The HRA is forecast to remain within budget for 2017/18. A number of income shortfalls have arisen during quarter 1 but these can be covered by reductions in expenditure elsewhere in the budget.

4.12.3 A programme of work underway to address rent arrears which have risen since last year - a new officer in the team is working to improve recovery which is beginning to have an impact.

5. ENGAGEMENT AND COMMUNICATION

5.1 The Corporate Leadership Team and budget managers have all collaborated in the content of this report providing explanation and narrative on the forecast variances.

6. FINANCIAL IMPLICATIONS

6.1 At the end of the 1st Quarter of the revenue budgetary cycle, it is anticipated that Adur District Council and the Joint Committee will have an overspend of £55,000 and £400,000 respectively, whilst Worthing Borough Council be under budget by £58,000.

Finance Officer: Sarah Gobey

Date: 31st August 2017

7. LEGAL IMPLICATIONS

7.1 Local authorities have a statutory duty under the Local Government Act 2003, to monitor their income and expenditure against their budget, and be ready to take action if overspends or shortfalls in income emerge.

Legal Officer: Susan Sale

Date: 31st August 2017

Local Government Act 1972

Background Papers

Revenue Budget 2017/18 Joint, Adur and Worthing – 2017/18 Budget Book

<https://www.adur-worthing.gov.uk/media/media,144912,en.pdf>

Joint Overall Budget Estimates 2017/18–

<https://www.adur-worthing.gov.uk/media/media,142986,en.pdf>

Adur Overall Budget Estimates 2017/18 and Setting of 2017/18 Council Tax –

<https://www.adur-worthing.gov.uk/media/media,143291,en.pdf>

Worthing Overall Budget Estimates 2017/18 and Setting of 2017/18 Council Tax –

<https://www.adur-worthing.gov.uk/media/media,143244,en.pdf>

Joint Revenue Outturn 2016/17

<https://www.adur-worthing.gov.uk/media/media,145065,en.pdf>

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SUSTAINABILITY AND RISK ASSESSMENT

1. ECONOMIC

Matter considered and no issues identified

2. SOCIAL

2.1 Social Value

Matter considered and no issues identified

2.2 Equality Issues

Matter considered and no issues identified

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified

2.4 Human Rights Issues

Matter considered and no issues identified

3. ENVIRONMENTAL

Matter considered and no issues identified


4. GOVERNANCE

Matter considered and no issues identified

SUMMARY - 1st QUARTER PROJECTED OUTTURN 2017/18

APPENDIX 1a

Actual Previous year 2016/17	ADUR CABINET MEMBER PORTFOLIOS	Original Estimate 2017/18	Current Estimate 2017/18	Projected Outturn to 31st March 2018	Forecast Over/(Under)
3,281,303	CM for Environment	3,067,650	3,067,650	3,077,650	10,000
1,009,226	CM for Health & Wellbeing	907,600	907,600	907,600	-
431,074	CM for Customer Services	642,150	642,150	672,150	30,000
728,107	Leader	626,870	626,870	626,870	-
2,377,935	CM for Regeneration	2,312,750	2,312,750	2,276,750	(36,000)
2,244,842	CM for Resources	1,960,440	1,960,440	2,011,440	51,000
(0)	Holding Accounts	190,140	190,140	190,140	-
10,072,487	Total Cabinet Member	9,707,600	9,707,600	9,762,600	55,000
(1,295,885)	Credit Back Depreciation	(1,378,220)	(1,378,220)	(1,378,220)	-
889,148	Minimum Revenue Provision	818,480	818,480	818,480	-
538,342	Non ring fenced grants	-	-	-	-
2,163	Financial Instruments Adjustment Account	-	-	-	-
10,206,255		9,147,860	9,147,860	9,202,860	55,000
	Transfer to/from reserves				
-	Contribution to/(from reserves)	14,000	14,000	14,000	-
	Budgeted contribution to/(from) Reserves	4,000	4,000	4,000	-
(506,799)	Transfer from reserves to fund specific expenditure (inc carry forwards)	-	-	-	-
80,854	Net Underspend/(Overspend) Recommended For Transfer To/(From) Reserves	-	-	(55,000)	(55,000)
9,780,310	Total Budget requirement before External Support from Government	9,165,860	9,165,860	9,165,860	-

 ADUR DISTRICT COUNCIL EARMARKED REVENUE RESERVE ACCOUNTS	Opening Balance 2017/18	Estimated Decrease 2017/18	Estimated Increase 2017/18	Projected Closing Balance 2017/18
	£	£	£	£
Capacity Issues Fund including General Fund Carry Forward Reserve	117,187			
Consolidation of New Technology Fund into Capacity Issues	22,300			
Consolidation of Health & Safety Reserve into Capacity Issues	32,545			
Project Manager for CENSUS review (8/10/15 JSC/042/15-16)		(39,187)		
Carry forward from 2016/17 approved at JSC 11 July 2017: Fishersgate caretaker		(8,000)		
Budgeted contribution to/(from) revenue			4,000	
Balance				128,844
Insurance Fund	180,851	(52,870)	30,000	157,981
Investment Property Maintenance Fund - Revenue Maintenance Programme	38,387	(25,900)		12,487
Grants and Contributions held in Reserves	425,872			425,872
Election Reverse	7,880			7,880
Special and Other Emergency Reserve	86,103			86,103
Projected Underspend/(Overspend) (Reserve to be identified at outturn)		(55,000)		(55,000)
General Fund Reserve	408,171			408,171
TOTALS	1,319,295	(180,957)	34,000	1,172,338

SUMMARY - 1st QUARTER PROJECTED OUTTURN 2017/18

APPENDIX 2a

Actual Previous year 2016/17	WORTHING CABINET MEMBER PORTFOLIOS	Original Estimate 2017/18	Current Estimate 2017/18	Projected Outturn to 31st March 2018	Forecast Over/(Under)
3,686,204	CM for Environment	2,890,240	2,890,240	3,001,790	111,550
1,302,969	CM for Health & Wellbeing	1,286,210	1,286,210	1,286,210	-
4,245,861	CM for Customer Services	5,425,580	5,425,580	5,399,580	(26,000)
982,769	Leader	1,054,600	1,054,600	1,054,600	-
2,561,959	CM for Regeneration	2,621,670	2,621,670	2,635,670	14,000
2,705,754	CM for Resources	2,519,070	2,519,070	2,361,070	(158,000)
-	Holding Accounts	(165,700)	(165,700)	(165,700)	-
15,485,516	Total Cabinet Member	15,631,670	15,631,670	15,573,220	(58,450)
(3,129,800)	Credit Back Depreciation	(3,323,380)	(3,323,380)	(3,323,380)	-
976,560	Minimum Revenue Provision	1,072,620	1,072,620	1,072,620	-
(108,209)	Non ring fenced grants	-	-	-	-
13,224,067		13,380,910	13,380,910	13,322,460	(58,450)
	Transfer to/from reserves				
	Contribution to/(from reserves)	86,250	86,250	86,250	-
	Budgeted contribution to/(from) Reserves	1,470	1,470	1,470	-
145,668	Transfer from reserves to fund specific expenditure (inc carry forwards)	-	-	-	-
668,885	Net Underspend/(Overspend) Recommended For Transfer To/(From) Reserves	-	-	58,450	58,450
14,038,620	Total Budget requirement before External Support from Government	13,468,630	13,468,630	13,468,630	-

HOUSING REVENUE ACCOUNT QUARTER 1 BUDGET MONITORING
APPENDIX 3

	ORIGINAL ESTIMATE 2017/18 £	PROJECTED OUTTURN 2017/18 £	PROJECTED OVER/ (UNDERSPEND) 2017/18 £
EXPENDITURE			
General Management	3,616,390	3,616,390	-
Special Services	191,170	206,170	15,000
Rent, Rates, Taxes & Other Charges	42,830	27,830	(15,000)
Repairs & Maintenance	2,883,030	2,828,030	(55,000)
Depreciation	4,406,760	4,406,760	-
Bad/Doubtful Debt	50,000	50,000	-
Capital Financing Costs			
Interest charges	2,322,400	2,322,400	-
Revenue Contributions to Capital	-	-	-
TOTAL EXPENDITURE	13,512,580	13,457,580	(55,000)
INCOME			
Dwelling Rents	(12,183,440)	(12,173,440)	10,000
Non Dwelling Rents	(545,130)	(515,130)	30,000
Heating and Service Charges	(365,090)	(350,090)	15,000
Leaseholder's Service Charges	(209,000)	(209,000)	-
Interest Received	(28,000)	(28,000)	-
TOTAL INCOME	(13,330,660)	(13,275,660)	55,000
NET (SURPLUS)/DEFICIENCY	181,920	181,920	-

The variations greater than £20,000, for this report, are detailed below

Service Area	Joint £000s (under)/ over-spend	Adur £000s (under)/ over-spend	Worthing £000s (under)/ over-spend	Significant Variations
NET TRADING				
Parking			(90)	Income from car parking is exceeding the budget for Worthing, mainly from surface car parks
Total Net Trading	-	-	(90)	
Service Area	Joint £000s (under)/ over-spend	Adur £000s (under)/ over-spend	Worthing £000s (under)/ over-spend	Significant Variations
INCOME:				
Growth - Commercial Income		(76)	(46)	Net income after borrowing costs, re investments
Development Management - Fee Income	-	-	50	Worthing Development management fee - projected shortfall
Building Control & Land Charges	-	40	10	Building Control Income, which is derived from fees set on a cost recovery basis is projected to be below target at year end. Growth targets and strategies are being worked on. Land charges shortfall in income.
Environment - Bereavement Services			48	Income shortfall relating to Crematorium due to increase in Delivery only cremations (Lower income) £48,000
Environment - Parks & Open Spaces			44	Underachievement of Beach Hut income for new huts due to delay in Planning approval £23,000 and Parks income shortfall due to new franchise/concessions but budgets don't reflect these changes.
Revenues & Benefits		70	(130)	ADC - old grant income budget, to be removed. WBC - Net Additional income from the recovery of housing benefits overpayments above budgeted and shortfall expected on Court cost income and an old Grant income budget
Total Income	-	34	(25)	

Service Area	Joint £000s (under)/ over-spend	Adur £000s (under)/ over-spend	Worthing £000s (under)/ over-spend	Significant Variations
COSTS:				
Waste Services	65	10	110	Increased spend on Agency staff , Trade Waste disposal costs offset by increased income from Recycling and Trade
Homelessness	-	(40)	104	Emergency accommodation costs are continuing to increase to meet demand. This is partially offset by a grant provided to cover removal of the management element of the benefit subsidy.
Telephony	60			Overspend on Telephony - BT & Vodafone, as old systems contracts are cancelled, this should mitigate any further overspend.
Finance	-	(105)	(320)	Net savings due to changes in interest rates and impact of the final 2016/17 capital programme
Overprovision of Pension costs	(103)	(4)	(78)	
Vacancy Provision	378			Underachievement on Vacancy Provision forecast
Allocation of Joint Variance		160	240	Share of joint services allocated 40:60 to Councils
Total costs	400	21	56	
Total Variance	400	55	(58)	

1ST CAPITAL INVESTMENT PROGRAMME & PROJECTS MONITORING 2017/18

Report by the Director for Digital and Resources

EXECUTIVE SUMMARY

1. PURPOSE

1.1 This report updates the Joint Strategic Committee on the progress and expenditure position for the 2017/18 Capital Investment Programmes for both Adur District Council, Worthing Borough Council and the Joint Services capital schemes included within these programmes.

1.2 The following appendices have been attached to this report:

Appendix 1: Worthing Borough Council Capital Monitoring Summary

Appendix 2: Adur District Council Reprofiled Budgets

Appendix 3: Worthing Borough Council Reprofiled Budgets

2. RECOMMENDATIONS

The Joint Strategic Committee is asked:

(a) **With respect to the Capital Investment Programme of Adur District Council.**

2.1 Recommendation One

To note the reprofiling and likely reprofiling of the Adur District Council capital schemes as advised in paragraphs 2.1.1 and 2.1.2, and Appendix 3.

2.2 Recommendation Two

To approve the amendment to the 2017/18 Street Scene Budget to include the grant of £2,000 received from West Sussex County Council for the purchase of benches within the District as detailed in paragraph 2.1.3 i).

EXECUTIVE SUMMARY

2.3 Recommendation Three

To approve the Ferry Road Footpath Access to Shoreham Beach Landscaping Scheme, funded £20,500 from Rampion Offshore Wind Ltd and the balance from the underspend on the Ferry Road Improvements Scheme as advised in paragraphs 2.1.3 ii).

2.4 Recommendation Four

To recommend to Council the amendment to the 2017/18 Capital Investment Programme to include the contribution of £630,000 to the Sir Robert Woodward Academy for the construction of a 3G pitch, funded from S106 receipts, as detailed in paragraphs 2.1.3 iii).

2.5 Recommendation Five

To recommend to Council an increase of £190,000 in the 2017/18 General Fund Budget for Affordable Housing Grants to Registered Social Housing Providers, funded by Right to Buy Receipts and S106 Affordable Housing Receipts received by the Council, and to delegate approval to allocate this funding as schemes are identified to the Head of Housing, Chief Financial Officer and the Executive Member for Housing, as detailed in paragraphs 2.1.3 iv).

(b) With respect to the Capital Investment Programme of Worthing Borough Council.

2.1 Recommendation One

To note the reprofiling and likely reprofiling of the Worthing Borough Council capital schemes as advised in paragraphs 2.2.1 and 2.2.2, and Appendix 4.

2.2 Recommendation Two

To approve the use of £50,000 of the estimated underspend on the Brooklands Park Environmental Improvements to provide further enhancements and infrastructure improvements to the park as detailed in paragraph 2.2.3. i).

2.3 Recommendation Three

To approve the use of £70,000 of the contingency budget carried forward from 2016/17 to fund the anticipated overspend on the replacement of the service pipe work and ancillary works as detailed in paragraph 2.2.3.ii).

2.4 Recommendation Four

To recommend to Council an increase of £590,000 in the 2017/18 General Fund Budget for Affordable Housing Grants to Registered Social Housing Providers, funded by set aside Right to Buy Receipts or S106 Receipts received by the Council, and to delegate approval to allocate this funding, as schemes are identified, to the Head of Housing in conjunction with the Chief Financial Officer and the Executive Member for Housing, as detailed in paragraphs 2.2.3 iii).

1. CONTEXT

- 1.1 In accordance with the Councils' Capital Strategy, the Capital Working Group oversees the implementation and progress of both Councils' Capital Investment Programmes.
- 1.2 The Capital Working Group meets quarterly and monitors the progress of the programmes, seeking to address any problems at an early stage in order for schemes to be completed within agreed budgets and timescales. Where problems are highlighted, the Group considers possible remedies including virements between schemes, reprofiling of budgets between years and the withdrawal of schemes from the programme when schemes are unable to proceed within a reasonable timescale. This could be due to resourcing problems, time delays or other factors beyond the Councils' control.
- 1.3 Full summaries of the progress of all the schemes in the 2017/18 Capital Investment Programmes are prepared each quarter highlighting:

Schemes not progressing satisfactorily	Red
Schemes where progress is being closely monitored	Amber
Schemes progressing well	Green
Schemes where progress is beyond officers' control	
Schemes with financial issues	£
Schemes where progress has improved	<input type="checkbox"/>
Schemes where progress has deteriorated	<input type="checkbox"/>

- 1.4 The Capital Working Group also ensures that capital schemes are approved within financial regulations; a Summary of Project Initiation Document (P.I.D.) Approvals for 2017/18 schemes and the P.I.D. documents (for schemes costing under £250,000) are available from the Councils' Joint Intranet.
- 1.5 Financial Regulations require officers to report each project on completion detailing the original estimate, tender estimate and the final outturn; a Summary of Capital Project Final Account Forms submitted together with the Forms are available from the Councils' Joint Intranet.
- 1.6 Each year a small number of schemes are selected for a more detailed evaluation on completion and officers are asked to complete a Post Scheme Evaluation Form. These forms are also available from the Councils' Joint intranet.

1. CONTEXT

1.7 Progress of the Adur District Council 2017/18 Capital Investment Programme – August 2017

1.7.1 There are 52 schemes in the 2017/18 current capital investment programme of which 25 (48%) schemes are progressing satisfactorily or have completed. A summary of the progress of all the schemes in the 2017/18 Capital Investment Programme is available from the Councils' Joint Intranet. The current 2017/18 budget is £42,789,740 which has increased by £16,804,610 from the original budget resulting from the net impact of budgets carried forward from the 2016/17 capital investment programme, approved changes to the 2017/18 budget, and budgets reprofiled to and from future years. The main reason for the increase in the current budget is the approved increase in the Strategic Property Investment Fund by £15m.

1.7.2 There are currently no identified major variations to the budgets included in the 2017/18 capital programme, but several schemes have been identified as likely to underspend which will be confirmed in future monitoring reports.

1.7.3 **Adur Homes Capital Investment Programme**

A report has been submitted elsewhere on this agenda to inform members of the Adur Homes Capital Investment Programme for the two years 2017/18 and 2018/19. It contains information about the planned investment in the housing stock which is owned by Adur District Council.

1.7.4 The following scheme has been identified as having financial issues:

i) Buckingham Park – Contribution to replacement pavilion

The Joint Strategic Committee 2nd December 2014 agreed in principle a contribution of £150,000 S106 receipts to be used as match funding to help secure Rugby Football Union funding towards a replacement of the pavilion at Buckingham Park. The capital programme funding of £22,000 for works at the pavilion was added to the S106 receipts, making a total Council contribution of £172,000.

Planning permission has been approved for the new pavilion, but the Rugby Club has advised there is a funding shortfall of £253,000. A meeting was held with the Club in November 2016 and it was agreed that in March 2018 the Council would re-consider whether to continue to commit funding to this scheme which would be dependent on the Club's success in securing the additional funding needed to bridge the funding gap.

1. CONTEXT

1.8 Progress of the Worthing Borough Council 2017/18 Capital Investment Programme – August 2017

- 1.8.1 There are 65 schemes in the 2017/18 current capital investment programme of which 29 schemes (45%) are progressing satisfactorily or have completed. Three schemes (5%) have been identified as not progressing satisfactorily and a summary of these schemes is attached as Appendix 1 to this report. A summary of the progress of all the schemes in the 2017/18 Capital Investment Programme is available from the Councils' Joint Intranet. The current 2017/18 budget is £50,036,960, an increase of £20,759,330 on the original budget due to the net impact of budgets carried forward from 2016/17, approved changes to the 2017/18 Capital Investment Programme and budgets reprofiled to 2018/19 and future years. The main reason for the increase in the current budget is the approved increase in the Strategic Property Investment Fund by £15m.
- 1.8.2 Major budget variations to the projects included in the 2017/18 capital programme are reported in Section 2. "Issues for Consideration". In addition several schemes have been identified as likely to underspend and these will be reported in future monitoring reports.

2. ISSUES FOR CONSIDERATION

2.1 Adur District Council

- 2.1.1 Budgets totalling £1,830,600 have been reprofiled to 2018/19 and future years, where the original project plan has changed and the schemes are unable to complete in 2017/18. A list of schemes reprofiled is attached as Appendix 2 to this report.
- 2.1.2 Some elements of the following programme of capital works have been identified as likely to be reprofiled to 2018/19.
- i) Adur Homes Capital Investment Programme
Pilot surveys for the Council's stock condition have been completed and the remainder of the stock is currently being surveyed. The results of these surveys needed to be considered before drafting the 2017/18 programme of works. Consequently there has been a delay in the commencement of some works which may continue into 2018/19.
- 2.1.3 The following amendments to the Adur District Council 2017/18 Capital Investment Programme are recommended:
- i) Street Scene Rolling Programme of Environmental Improvements
The Authority has received a grant of £2,000 from WSCC for the provision of benches in the district. The Street Scene 2017/18 capital budget needs to be increased to include this grant.

2. ISSUES FOR CONSIDERATION

2.1 Adur District Council

ii) Ferry Road Footpath Access to Shoreham Beach Landscaping Project

A small scheme has been proposed to improve the visual amenity of the landscape for one of the main footpath access to the Shoreham Beach Nature Reserve. The path is strategically located on a direct walking route from Shoreham Ferry Bridge bringing pedestrians and cyclists from Shoreham Town Centre to the beach.

The total estimated cost of the works is £27,000 and Rampion Offshore Wind Ltd has agreed to sponsor £20,500 of the cost of the works. It has been agreed to fund the shortfall in funding of £6,500 from underspends on the recently completed Ferry Road improvements scheme.

The design for the scheme has still to be completed. Consultation is due to take place in September, with works anticipated to take place in October 2017, with completion within a few weeks.

The project needs to be added to the 2017/18 Capital Investment Programme.

iii) Brighton and Hove Football Club 3 G Pitch

The Council has received S106 receipts from the development of the land at Mash Barn Lane for the construction of a 3G pitch as well as funding for improvements to sport and leisure facilities across the District. It was subsequently agreed that the 3G pitch would be constructed at the Sir Robert Woodard Academy, Boundstone Lane, Sompting, and the Council agreed to contribute £700,000 from the Mash Barn Lane S106 receipts towards the construction.

£70,000 was forwarded to the Academy for the design work and the submission of a planning application, which has now been granted. The Council has recently entered into the Funding Agreement with Sir Robert Woodward Academy who are now requesting the release of the remaining S106 funding of £630,000.

The release of the £630,000 contribution to the Academy, funded from S106 receipts, needs to be added to the 2017/18 Capital Investment Programme.

iv) General Funding Affordable Housing Grants to Registered Social Housing Providers

Opportunities to develop new homes in partnership with Registered Social Housing Providers arise frequently and the Council needs to be able to urgently respond to these developments. Most of these opportunities require additional subsidy to make them deliverable.

2. ISSUES FOR CONSIDERATION

2.1 Adur District Council

iv) General Funding Affordable Housing Grants to Registered Social Housing Providers

The sums involved can be upwards of £500,000 and therefore it is proposed to increase the 2017/18 current budget of £810,000 by an additional £190,000 to £1m funded from Right to Buy Receipts or S106 Receipts set aside specifically for the replacement of affordable housing already to ensure that there are sufficient financial capacity to fund any schemes coming forward.

Under financial regulations, no expenditure shall be incurred on capital projects of £150,000 or over included in the Capital Investment Programme without the acceptance by the Joint Strategic Committee or Executive or appropriate Executive Member of a detailed report setting out capital costs and revenue consequences, how successful investment will be measured and the anticipated completion date (Regulation B16). Most grants to Registered Social Housing Providers would require a formal report to release the budget. In order to be able to respond to requests swiftly it is proposed that the Head of Housing in conjunction with the Chief Financial Officer and Executive Member for Housing be given delegated approval to allocate funding from this budget as schemes come forward.

2.2 Worthing Borough Council

2.2.1 Budgets totalling £2,205,400 have been reprofiled to 2018/19 and future years where the original project plan has changed and the schemes are unable to complete in 2017/18. A list of schemes reprofiled is attached as Appendix 3 to this report.

2.2.2 The following scheme has been identified as likely to be reprofiled to 2018/19.

- i) Multi Storey Car Parks – Planned structural repairs and improvements.
The expenditure priorities were agreed and approved by the Joint Strategic Committee in April 2017. Consultants, with officer input, are currently preparing the tender documentation for the major works programmed in 2017/18. These works will commence this year but may continue into 2018/19 and the budget profile will be considered in the next quarterly monitoring report.

2.2.3 The following amendments to the 2017/18 Capital Investment Programme are recommended:

- i) Brooklands Park Environmental Improvements
A budget of £850,000 is included in the 2017/18 Capital Investment Programme for the removal of contaminated land silt from the water balancing facility known as Brooklands lake and for associated planting in the area. The scheme has been awarded and works are anticipated to commence in September 2017.

2. ISSUES FOR CONSIDERATION

2.2 Worthing Borough Council

The estimated cost of the works is £350,000 and it is proposed to utilise £50,000 of the estimated underspend to provide further environmental and infrastructure improvements to enhance the park for the local community. These improvements would include improved access and environmental improvements to the habitats in and around the whole of Brooklands Park.

ii) Worthing Leisure Centre – Replacement of service pipe work

The replacement of the service pipe work commenced in 2016/17 and has now been completed. Additional funding was approved as the works were found to be far more extensive once the contractors commenced work on site. The additional works included taking down and reinstatement of additional ceilings and an updated energy efficient hot and cold water system.

The current budget for the works is £325,080 and the final account has still to be agreed but it is estimated that the final costs will exceed the current budget by £70,000. The final account is currently being considered and costs analysed to ensure all costs are capital expenditure. Liaison is also in progress with South Downs Leisure Trust regarding the works undertaken.

The 2017/18 Capital Investment Programme includes a contingency carried forward from 2016/17 for urgent schemes and for unavoidable overspends, and it is proposed to fund the resultant overspend from this contingency.

iii) 2017/18 General Funding Affordable Housing Grants to Registered Social Housing Providers

Opportunities to develop new homes in partnership with Registered Social Housing Providers arise frequently and the Council needs to be able to urgently respond to these developments. Most of these opportunities require additional subsidy to make them deliverable. The sums involved can be upwards of £500,000 and timeliness is of the essence and therefore it is proposed to increase the 2017/18 current Affordable Housing Grant Budget of £410,000 by an additional £590,000 to £1m funded from Right to Buy Receipts already received by the Council which have been set aside for affordable housing..

In order to be able to respond to requests it is proposed that the Head of Housing in conjunction with the Chief Financial Officer and Executive Member for Housing be given delegated approval to allocate funding from this budget as schemes come forward.

3. ENGAGEMENT AND COMMUNICATION

- 3.1 The purpose of this report is to communicate with stakeholders on the progress of the Adur District Council and Worthing Borough Council 2017/18 Capital Investment Programmes.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no additional financial implications arising from this report other as the financing of the Adur District Council and Worthing Borough Council original 2017/18 Capital Investment Programmes was approved by the Councils in December 2016. Subsequent changes have been reported to and approved by the Joint Strategic Committee.

Finance Officer: Sarah Gobey

Date: 31st August 2017

5. LEGAL IMPLICATIONS

- 5.1 Local authorities have a statutory duty under section 28 of the Local Government Act 2003, to monitor their income and expenditure against their budget, and be ready to take action if overspends or shortfalls in income emerge. Section 151 of the Local Government Act 1972 requires the Councils to make arrangements for the proper administration of their financial affairs.

Legal Officer: Susan Sale

Date: 31st August 2017

Background Papers

- Capital Investment Programme 2017/18 – 2019/20 Adur District Council, Worthing Borough Council and Joint Committee
- Capital Strategy 2016/19.

Officer Contact Details:-

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SUSTAINABILITY AND RISK ASSESSMENT

1. ECONOMIC

- The capital programme prioritisation model awards points for capital project proposals that impact positively on the economic development of our places or the economic participation of our communities.

2. SOCIAL

2.1 Social Value

- The capital programme prioritisation model awards points for capital project proposals that impact positively on our communities.

2.2 Equality Issues

- The capital programme prioritisation model awards points for capital project proposals that address DDA requirements and reduce inequalities.

3. Environmental

- The management, custodianship and protection of our natural resources are considered when capital schemes are assessed for inclusion in the Councils' Capital Investment Programme.

4. Governance

- The Councils' priorities, specific action plans, strategies or policies are considered when capital schemes are assessed for inclusion in the Councils' Capital Investment Programmes.
- The Councils' reputation or relationship with our partners or community is taken into account when capital schemes are assessed for inclusion in the Councils' Capital Investment Programmes.
- Resourcing, risk management (including health and safety) and the governance of the either Council are fully considered during the preparation of the Councils' Capital Investment Programmes.

CAPITAL MONITORING SUMMARY 2017/18 **AUGUST 2017**

Executive Portfolios	(1) Total WBC Scheme Budgets £	(2) Previous Years' Spend £	(3) 2017/18 Original Budget £	(4) Net Budget b/f from 2016/17 £	(5) Approved Changes to Original Budget £	(6) 2017/18 Budget Reprofiled to and (from) 2018/19 £	(7) 2017/18 Current Budget £	(8) 2017/18 Spend £	(9) Spend % of Current Budget
Customer Services	3,719,000	131,960	3,411,000	343,040	-	1,826,500	1,927,540	352,606	18.29%
Environment	8,384,220	602,090	6,355,110	752,540	423,310	(57,000)	7,587,960	2,873,890	37.87%
Health and Wellbeing	238,760	18,290	199,800	21,670	-	130,000	91,470	-	0.00%
Regeneration	29,618,620	47,810	13,909,720	372,490	15,000,000	290,000	28,992,210	9,481,319	32.70%
Resources	11,415,600	117,420	5,402,000	5,831,680	220,000	15,900	11,437,780	5,198,839	45.45%
TOTALS	53,376,200	917,570	29,277,630	7,321,420	15,643,310	2,205,400	50,036,960	17,906,655	35.79%

Financing of 2017/18 Programme:

	£'000
Borrowing:	48015
Capital Receipts:	511
Revenue Contributions and Reserves:	356
Government Grants:	863
S106 Receipts	292
Other Contributions:	
	50,037

Capital Monitoring - Summary of Progress:

Schemes not progressing satisfactorily or where there are : financial issues:	3
Schemes where progress is being closely monitored:	33
Schemes progressing well:	22
Schemes completed:	7
Total Schemes:	65

(1) SCHEME (Responsible Officer)	(2) Total WBC Scheme Budget £	(3) Previous Years' Spend £	(4) 2017/18 Original Budget £	(5) Budget Reprofiled to and (from) 2018/19 and future years £	(6) 2017/18 Current Budget £	(7) 2017/18 Spend £	(8) Anticipated Completion Date (C) / Approval Report(D)/ P.I.D (P)	(11) 2017/18 Anticipated (Underspend) /Overspend (Capital Resources) £	(12) COMMENTS AND PROGRESS <input checked="" type="checkbox"/> Progress Beyond Council's Control £ Schemes With Financial Issues ▲ Scheme Progress Improved ▼ Scheme Progress Deteriorated	(13) Status
Schemes not progressing satisfactorily or where there financial issues	879,380	238,340	335,000	(225,000)	641,040	135,173		70,000	Scheme Details Below	
Schemes where progress is being closely monitored	36,227,950	478,500	19,082,350	2,414,500	33,174,500	9,719,658		(450,000)	Scheme Details on Intranet	
Schemes progressing well	13,305,200	132,940	7,175,130	15,900	13,325,590	5,384,450		(70,000)	Scheme Details on Intranet	
Completed Schemes	2,963,670	67,790	2,685,150	-	2,895,880	2,667,375		131	Scheme Details on Intranet	
TOTAL: C.I.P. 2017/18	53,376,200	917,570	29,277,630	2,205,400	50,037,010	17,906,656		(449,870)		
Environment Car Parks 1 Lyndhurst Road (West) Surface Car Park - Extension of parking facilities on to the tennis court areas to include fencing, lighting and drainage improvements (JJ/DM)	275,000	5,680	35,000	-225,000	269,320	-	Mar 18 (C) T.B.A. (D)	-	There is now some urgency to complete this scheme as the Aquarena car park is now closed. Planning permission granted and the design is in the final stages. Tenders to be sent out asap with completion anticipated early in 2018.	

(1) SCHEME (Responsible Officer)	(2) Total WBC Scheme Budget £	(3) Previous Years' Spend £	(4) 2017/18 Original Budget £	(5) Budget Reprofiled to and (from) 2018/19 and future years £	(6) 2017/18 Current Budget £	(7) 2017/18 Spend £	(8) Anticipated Completion Date (C) / Approval Report(D)/ P.I.D (P)	(11) 2017/18 Anticipated (Underspend) /Overspend (Capital Resources) £	(12) COMMENTS AND PROGRESS <ul style="list-style-type: none"> ● Progress Beyond Council's Control £ Schemes With Financial Issues ▲ Scheme Progress Improved ▼ Scheme Progress Deteriorated 	(13) Status
<p>Durrington Cemetery 2 Additional Burial Spaces - Initial assessment of works and extension of cemetery (DM)</p>	369,300	71,700	300,000	-	297,600	5,905	Mar 18 (C) 8.3.12 (P) 3.12.15 (D)	-	<p>Off site ground water monitoring well installed Oct 16. Tree and ecological survey completed Dec 16. The ecological survey raised the issue that the grass-land area is not included in the Worthing BC Core Strategy as a Local Wildlife Site and it is also a Habitat of Principle importance under the NERC Act 2006. These afford the area a certain amount of protection. The ecological report advised that further ecological surveys of the site need to be carried out to establish its current ecological value. Surveys to be undertaken during 2017.</p>	
<p>Worthing Leisure Centre 3 Replacement of Service Pipe Work (DM)</p>	235,080	160,960	-	-	74,120	129,268	June 17 (C) 15.8.12 (P)	70,000 Estimated Overspend	<p>Additional funding approved for the taking down and reinstatement of 10 additional ceilings and for an updated and energy efficient hot and cold water system. However, the additional funding was approved on estimates and the actual costs of the works then required a further £50,000 which was approved Mar 17. (Cont./....)</p>	£

(1) SCHEME (Responsible Officer)	(2) Total WBC Scheme Budget £	(3) Previous Years' Spend £	(4) 2017/18 Original Budget £	(5) Budget Reprofiled to and (from) 2018/19 and future years £	(6) 2017/18 Current Budget £	(7) 2017/18 Spend £	(8) Anticipated Completion Date (C) / Approval Report(D)/ P.I.D (P)	(11) 2017/18 Anticipated (Underspend) /Overspend (Capital Resources) £	(12) COMMENTS AND PROGRESS ● Progress Beyond Council's Control £ Schemes With Financial Issues ▲ Scheme Progress Improved ▼ Scheme Progress Deteriorated	(13) Status
<i>Worthing Leisure Centre</i> Replacement of Service Pipe Work (Cont./.....)									Works completed. However, additional works have been undertaken which have not been budgeted. Final account to be agreed which will reveal full extent of overspend. Liaison also required with South Downs Leisure Trust as to their responsibility for some of these works.	
TOTAL:	879,380	238,340	335,000	(225,000)	641,040	135,173		70,000		

RESPONSIBLE OFFICERS:

CA Cally Anthill
JJ Jan Jonker

Head of Housing
Head of Customer Contact and Engagement



ADUR DISTRICT COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Adur Homes Capital Investment Programme - Sheltered Accommodation replacement of existing community alarm / alert systems	100,000	The tendering for this work has been suspended due to a change in fire regulations for sheltered housing, with a consequent change in specification now required. Options are being reviewed for a probable 2018/19 installation.
Car Park Improvements - Middle Street resurfacing of hard surfaces	32,000	The Joint Strategic Committee 7th March 2017 approved the transfer of this budget for the resurfacing of the Middle Street Car Park. Works to be undertaken in 2018/19.
Disability Discrimination Act Improvements - Extension of the coastal footpath linking the existing access points along the Shoreham Beach frontage to enable disabled access on to the beach. Phase 3 The Burrells to the old ford	140,000	The Council is in liaison with the Port Authority regarding the design. Alignment survey to be carried out this month, which will be followed by tendering. It is estimated that the works will start on site March 2018 and will continue in 2018/19.
Property Acquisitions - Acquisition of emergency, interim or temporary accommodation for the homeless (Invest to Save Scheme)	1,200,000	The current strategy has been revised and the focus is now on acquiring leased properties rather than purchasing properties outright. Budget reprofiled to 2018/19 for any properties that might come forward for purchase.
Shoreham Harbour Projects (Externally funded by the Central Government Growth Point Programme)	(10,000)	The Shoreham Harbour Project Board have recently approved a contribution of £10,000 to the Brighton Marina to River Adur Coastal Defences. Budget brought forward from 2018/19 to fund this contribution.
Office Equipment - New Microphone System	14,100	A replacement microphone system was approved by the Joint Strategic Committee in March 2017. However, an opportunity arose to purchase a second hand system, which was funded from the revenue budget as the cost was below the capital threshold. The second hand system is only a temporary solution and the system will need to be replaced in approximately 3 years. Budget reprofiled to 2019/20.
Southwick Leisure Centre - Replacement of the eastern set of three tennis courts with an outdoor all weather pitch for football / tennis / netball.	322,000	The original budget was to replace the outdoor courts with an all weather pitch for football / tennis / netball. Scheme to be discussed with the Lawn Tennis Association and the project might change to upgrade of the tennis courts partly funded by the Lawn Tennis Association.



ADUR DISTRICT COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Southwick Recreation Ground - Refurbishment of hard surfaces	32,500	Scheme initially delayed by discussions with the MS Day Care Centre regarding suitable dates for the work as the Day Centre requires vehicular access 7 days a week. The project is now on hold pending a strategic review of the property.
Total Reprofiled Budgets:	1,830,600	



WORTHING BOROUGH
COUNCIL

WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

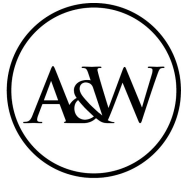
Scheme	Reprofiled Budgets	Reason
Asbestos removal from Town Hall roof space	130,000	Sampling of ceilings to simulate maintenance activities has been undertaken. Consultants with officers' input have been asked to draft a specification and documentation for tendering. Scheme approval will then be sought, and a tendered programme of works will be developed with the Facilities Manager for the removal of the asbestos in the roof space.
Car Parks - Lyndhurst Road (West) Surface Car Park - Extension of parking facilities on to the tennis court areas to include fencing, lighting and drainage improvements	(225,000)	There is now some urgency to complete this scheme as the Aquarena car park has closed and there is a shortage of car parking in the area. Planning permission has been granted and the design is in the final stages. Tenders are to be sent out asap with completion anticipated early in 2018. Budget b/f from 2018/19.
Crematorium Improvements - i) Redevelopment of the main office ii) DDA access improvements to the exterior toilets iii) New showroom for memorialisation iv) DDA access improvements to the children's garden	168,000	The target dates for this scheme have been revised to fit around the service requirements of the crematorium: Tendering March 2018. Start on site May 2018, Completion March 2019.
Foreshore - Fire Prevention Works to Pier, Southern Pavilion and Seafront Amusements	290,000	Following receipt of the fire compliance works recommendations, an investigation and report from consultants has been received. The urgent recommendations from the report were instigated in 2016/17. Consideration is now being given to using a consultant to prepare the specification and documentation for works to be undertaken in 2018/19.
Museum and Art Gallery - Conversion of ground floor area vacated by Tourist Information Centre into useable accommodation/exhibition space	26,500	An external funding bid of £1.2m is being sought from the Heritage Lottery Fund. This budget, together with £77,000 funding from the Leisure Lottery and Other Expenditure Reserve is to be requested to be used as match funding for the external funding bid. If the external funding bid is successful the works are likely to commence in 2018 with the major works being undertaken from September 2019 to June 2020.



WORTHING BOROUGH
COUNCIL

WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Office Equipment - New microphone system	15,900	A replacement microphone system was approved by the Joint Strategic Committee in March 2017. However, an opportunity arose to purchase a second hand system, which was funded from the revenue budget as the cost was below the capital threshold. The second hand system is only a temporary solution and the system will need to be replaced in approximately 3 years. Budget reprofiled to 2019/20.
Property Acquisitions - Acquisition of emergency, interim or temporary accommodation for the homeless (Invest to Save Scheme)	1,800,000	The current strategy has been revised and the focus is now on acquiring leased properties rather than purchasing properties outright. Budget reprofiled to 2018/19 for any properties that might come forward for purchase.
Total Reprofiled Budgets:	2,205,400	



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
12 September 2017
Agenda Item 7

Key Decision: No

Ward(s) Affected: all

Council Tax Support - the impact of the 2017/18 schemes plus public consultation questions to be used in respect of the 2018/19 schemes

Report by the Director for Customer Service

Executive Summary

1. Purpose

This report contains an analysis of the cost of the 2017/18 Council Tax Support schemes and provides details about the proposed questions to be included in the public consultation in respect of the 2018/19 schemes, specifically that

- a) Adur may introduce and Worthing may retain the £5.00 weekly restriction
- b) For both Councils the rules for Council Tax Support should remain the same as the rules for Housing Benefit and Universal Credit

2. Recommendations

The Joint Strategic Committee is asked to:

- (i) Note the content of this report
- (ii) Consider whether the proposed questions shown in appendices one and two should form the basis of the public consultation to be conducted in respect of the schemes for 2018/19 for:
 - a) Adur District Council
 - b) Worthing Borough Council

3. Context

- 3.1 Since April 2013 Members have had the freedom to set a local Council Tax Support Scheme in respect of “working age” customers. Both Councils opted to retain the national scheme for 2013/14 and 2014/15 and whilst Adur District Council also retained the national scheme for 2015/16, 2016/17 & 2017/18, Worthing Borough Council introduced a £5.00 per week restriction from 1 April 2015 for all “working age” customers together with a discretionary budget to allow additional assistance to be provided where appropriate.

- 3.2 There are statutory protections for all pensioners and refugees, so local schemes only apply to “working age” customers.
- 3.3 At the meeting of Adur Full Council held on 23 February 2017 it was resolved that
- There should be no restrictions introduced in respect of the 2017/18 scheme; and
 - No other changes should be made beyond necessary technical amendments required to keep the scheme consistent with the national rules in respect of Housing Benefit; and
 - A further public consultation should be conducted during 2017 to inform the decision in respect of the 2018/19 scheme
- 3.4 Worthing Borough Council delegated the decision about the 2017/18 scheme to the Cabinet Member for Resources (in consultation with the Cabinet Member for Customer Services) and on 25 January 2017 it was determined
- The £5.00 weekly restriction should be retained; and
 - No other changes should be made beyond necessary technical amendments required to keep the scheme consistent with the national rules in respect of Housing Benefit; and
 - A further public consultation should be conducted during 2017 to inform the decision in respect of the 2018/19 scheme

4. Issues for consideration

- 4.1 The introduction of local schemes was accompanied by a reduction of around 10% in the amount of subsidy paid to local authorities. However, the cost of benefits fell during 2013/14 and the final net cost of introducing the scheme in 2013/14 was substantially lower than expected:

	2013/14 estimated cost of CTS	Council share of overall cost	Grant received	Net cost	Percentage shortfall in funding
	£'000	£'000	£'000	£'000	%
Adur	4,975	856.7	-850	6.7	0.78%
Worthing	7,049	1,004	-947	5.7	5.68%

- 4.2 Whilst Adur District Council also retained the national scheme for 2015/16 and 2016/17, Worthing Borough Council
- Introduced a £5.00 per week restriction for all “working age” customers; and
 - Created a discretionary budget to allow additional assistance to be provided where appropriate; and
 - Provided 1 x FTE additional member of staff to the Revenues & Recovery Team in anticipation of the additional recovery work that would arise

- 4.3 Over the past few years the cost of Council Tax Support has fallen as local employment has improved and as the result of the introduction of the £5.00 weekly restriction in Worthing from 1 April 2015 the overall cost has been:

	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Actual	2017/18 Estimate
	£'000	£'000	£'000	£'000	£'000	£'000
Adur	5,195	4,975	4,633	4,414	4,313	4,546
Worthing	7,287	7,049	6,754	5,201	5,167	5,764
	12,482	12,024	11,387	9,615	9,480	10,310
Annual decrease (-) / increase		-3.7%	-5.3%	-15.6%	-1.4%	8.8%

- 4.4 However, the grant towards the cost of Council Tax Support Schemes has been consolidated into the Revenue Support Grant which has fallen each year and will cease by 2018/19. This means that the Councils face an ever-increasing cost associated with the scheme. By 2017/18, the level of subsidy is expected to be:

	2017/18 cost of CTS	Council share of overall cost	Grant received	Net cost	Percentage shortfall in funding
	£'000	£'000	£'000	£'000	%
Adur	4,546	797.0	-422.4	374.6	47.0
Worthing	5,764	747.0	-477.1	269.9	36.1

- 4.5 The amount of subsidy that the Councils are required to contribute towards the cost of the schemes will continue to increase as Revenues Support Grant is reduced. Based on a 2% increase in both the basic Council Tax and the Social Care levy from West Sussex County Council in 2018/19 and 2019/20, the level of subsidy will increase as follows:

Net Cost of Council Tax Support	2013/14 Actual	2015/15 Actual	2015/16 Actual	2016/17 Actual	2017/18 Estimate	2018/19 Estimate
	£'000	£'000	£'000	£'000	£'000	£'000
Adur	6.7	46.3	101.8	243.6	374.6	541.4
Worthing	57.0	125.9	16.5	133.5	269.9	355.6

- 4.6 The restriction implemented in Worthing in respect of 2015/16 resulted in all working age" customers being asked to pay at least £261.43, subject to being able to apply for additional financial support by way of a discretionary award.
- 4.7 For those customers who were previously in receipt of maximum Council Tax Support (and therefore had £nil to pay) this represented a significant change and considerable work was undertaken to engage with these customers to discuss a realistic payment arrangement and ensure that financial inclusion was maximised.

- 4.8 Additionally, the issue of a summons and the Magistrates' Court granting a Liability Order results in costs of £110.00 being added to the account. If an account is subsequently referred to an Enforcement Agent additional statutory fees of either £75.00 or £310.00 will also become due (the level of the fees depends on the stage at which the customer engages with the Enforcement Agent).
- 4.9 In conjunction with the Customer Service Team, an empathetic approach has been taken when considering payment arrangements and where appropriate customers have been provided with assistance to complete an application form for a discretionary award and/or signposted to debt advice agencies.

5. Engagement and Communication

- 5.1 The proposed questions to be included in the public consultations are detailed in appendices one and two.
- 5.2 The consultation will be made available online and in paper format, and will be publicised widely.
- 5.3 The results from the consultation will be reported back to the Joint Strategic Committee in order that formal recommendations can be made to the respective Full Councils to determine the Council Tax Support schemes in respect of 2018/19.

6. Financial Implications

- 6.1 When the £5.00 restriction was introduced by Worthing Borough Council in 2015/16, the Council saw an immediate increase in Council Tax income, however to achieve this level of income the Council needed to invest in additional staff, a new hardship fund, and allow for an increased level of write off. The eventual financial benefit was:

	Overall gain in 2015/16	Worthing Borough Council share
	£'000	£'000
Estimated impact of reduced Council Tax Support cost on Council Tax income	1,098.7	153.5
Less: Additional staffing required	-20.0	-20.0
Less: Hardship Fund	-80.0	-20.0
Less: Allowance for increased write offs @ 5%	-54.9	-7.7
	943.8	105.8

- 6.2 If Adur members choose to implement a £5.00 per week restriction accompanied by a discretionary Council Tax Support Hardship Fund, the financial gain in respect of 2018/19 is estimated to be:

	Overall	Adur District Council share
	£'000	£'000
Impact of reduced Council Tax Support cost on Council Tax income	739.5	126.5
Less: Additional collection costs	-20.0	-20.0
Less: Hardship Fund	-80.0	-20.0
Less: Allowance for increased write offs @ 5%	-37.0	-6.3
	602.5	80.2

7. Legal Implications

- 7.1 In respect of 2013/14 and 2014/15 both Councils adopted an amended “default” Council Tax Reduction Scheme. Adur also adopted the “default” Council Tax Reduction Scheme in respect of 2015/16 and 2016/17. In all instances this was in accordance with The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012, Statutory Instrument 2012 No. 2886 and The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, Statutory Instrument 2012 No. 2885.
- 7.2 Any Council Tax Reduction Scheme must comply with the relevant sections of the Local Government Finance Act 2012 and with the delegated legislation under that Act as contained within The Council Tax Reduction Scheme (Default Scheme) Regulations 2012 and the Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012, as amended.
- 7.3 Further, under Schedules 4 paragraph 3 of the Local Government Finance Act 2012 the Councils are required before making the Schemes (and to do so in the following order) to consult with the major precepting authorities, publish a draft scheme in such manner as it thinks fits and consult with such other person as it considers are likely to have an interest in the operation of the Scheme. Note that any revision of a Scheme must follow the same process as the making a Scheme. In the case of *R (Moseley) v London Borough of Haringey [2014] UKSC 56* the Supreme Court held that the statutory duty of consultation required the consultees to be provided with information about the draft scheme but also with an outline of the realistic alternatives and an indication of the authority’s main reasons for adopting the draft scheme.
- 7.4 There is therefore a requirement to consult annually with residents.

Background Papers

Localising Support for Council Tax in England report to the Joint Strategic Committee held on 22nd July 2014

Welfare Reform Act 2012

Local Government Finance Bill 2012

Minutes of the meetings of the Joint Strategic Committee of Adur District and Worthing Borough Councils held on 26 July 2012, 28 November 2012, 3 December 2013, 2 December 2014, 2 February 2016 and 10 January 2017

Minutes of the Adur Full Council meeting held 23 February 2017

Decision made by the Council Executive Member for Resources for Worthing Borough on 25 January 2017 (reference W/RES/007/16-17)

Officer Contact Details:

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Sustainability & Risk Assessment

1. Economic

Whilst Council Tax represents an important source of income to the Councils, financial support must be provided to residents on a low income via appropriate Council Tax Support schemes.

2. Social

2.1 Social Value

Matter considered and no issues identified.

2.2 Equality Issues

Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified.

2.4 Human Rights Issues

Matter considered and no issues identified.

3. Environmental

Matter considered and no issues identified.

4. Governance

Matter considered and no issues identified.

Adur District Council Council Tax Support Scheme 2018/19 Consultation Questionnaire

What is Council Tax Support?

Council Tax Support (previously known as Council Tax Benefit) is awarded to people on a low income who pay Council Tax. We look at how much money comes into the household and then reduce the amount of Council Tax to be paid.

What is this consultation about?

Pensioners have their entitlement to help worked out using rules set by the Government and they may have no Council Tax to pay.

However, the rules for working age customers are decided by the Council each year. For the current financial year (2017/18) the Council decided that

- Subject to looking at the amount of money coming into the household, there should be no restriction to the amount of help that's provided. This means that some customers have no Council Tax to pay
- Any changes to the rules for Council Tax Support are based on the rules for Housing Benefit and Universal Credit made by the Government

We would like to know whether you think there should be any changes to the Council Tax Support scheme from 1 April 2018.

Please send your answers to:

The Shoreham Centre
Pond Road
Shoreham-by-Sea
West Sussex
BN43 5WU

Portland House
44 Richmond Road
Worthing
West Sussex
BN11 1HS

Worthing Town Hall
Chapel Road
Worthing
West Sussex
BN11 1HA

Your answers are important to us so please let us know what you think.

The consultation closes on **dd/mmm/yyyy**.

About You

Q1. Do you (please tick all that apply)

- | | |
|--|--|
| <input type="checkbox"/> <i>Live in Adur</i> | <input type="checkbox"/> <i>Live in Worthing</i> |
| <input type="checkbox"/> <i>Work in Adur</i> | <input type="checkbox"/> <i>Work in Worthing</i> |
| <input type="checkbox"/> <i>Run a business in Adur</i> | <input type="checkbox"/> <i>Run a business in Worthing</i> |
| <input type="checkbox"/> <i>None of the above</i> | |

Q2. How old are you?

Q3. What's your postcode?

Q4. Do you currently get Council Tax Support? Yes No Don't know/Not sure

Q5. Are you disabled? Yes No Don't know/Not sure Prefer not to say

Next year's scheme

Q6. If we introduce a restriction of £5.00 per week this would mean that all working age customers who get Council Tax Support would be asked to pay Council Tax of at least £26.00 per month. Should we introduce a £5.00 per week restriction with extra help made available for those who would find paying £5.00 difficult?

- No Yes Don't know

Q7. Should the rules for Council Tax Support be the same as the rules for Housing Benefit and Universal Credit (for example, the rules about the way we work out how much income is coming into the household) so that people understand how the scheme works?

- No Yes Don't know

Q8. Are there any other changes that you would like to see from 1 April 2018?

Thank you for taking the time to complete this questionnaire

**Worthing Borough Council
Council Tax Support Scheme 2018/19
Consultation Questionnaire**

What is Council Tax Support?

Council Tax Support (previously known as Council Tax Benefit) is awarded to people on a low income who pay Council Tax. We look at how much money comes into the household and then reduce the amount of Council Tax to be paid.

What is this consultation about?

Pensioners have their entitlement to help worked out using rules set by the Government and they may have no Council Tax to pay.

However, the rules for working age customers are decided by the Council each year. For the current financial year (2017/18) the Council decided that

- All awards should be reduced by £5.00 per week. This means that all customers are asked to pay at least £260.71 for the whole year but extra help may be offered to those in need
- Any changes to the rules for Council Tax Support are based on the rules for Housing Benefit and Universal Credit made by the Government

We would like to know whether you think there should be any changes to the Council Tax Support scheme from 1 April 2018.

Please send your answers to:

Worthing Town Hall
Chapel Road
Worthing
West Sussex
BN11 1HA

Portland House
44 Richmond Road
Worthing
West Sussex
BN11 1HS

The Shoreham Centre
Pond Road
Shoreham-by-Sea
West Sussex
BN43 5WU

Your answers are important to us so please let us know what you think.

The consultation closes on **dd/mmm/yyyy.**

About You

Q1. Do you (please tick all that apply)

- | | |
|---|---|
| <input type="checkbox"/> Live in Worthing | <input type="checkbox"/> Live in Adur |
| <input type="checkbox"/> Work in Worthing | <input type="checkbox"/> Work in Adur |
| <input type="checkbox"/> Run a business in Worthing | <input type="checkbox"/> Run a business in Adur |
| <input type="checkbox"/> None of the above | |

Q2. How old are you?

Q3. What's your postcode?

Q4. Do you currently get Council Tax Support? Yes No Don't know/Not sure

Q5. Are you disabled? Yes No Don't know/Not sure Prefer not to say

Next year's scheme

Q6. Should we keep the current £5.00 per week restriction with extra help for those who would find paying £5.00 difficult?

- No Yes Don't know

Q7. Should the rules for Council Tax Support be the same as the rules for Housing Benefit and Universal Credit (for example, the rules about the way that we work out how much income is coming into the household) so that people understand how the scheme works?

- No Yes Don't know

Q8. Are there any other changes that you would like to see from 1 April 2018?

Thank you for taking the time to complete this questionnaire



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
12 September 2017
Agenda Item 8

Key Decision: No

Ward(s) Affected: all

Business Rates Discretionary Relief

Report by the Director for Customer Service

Executive Summary

1. Purpose

Whilst some businesses have seen a fall in their Business Rates liabilities as the result of the revaluation of Rateable Values from 1 April 2017, other businesses are subject to an increase in their bills.

The Government is providing local authorities with grant funding to minimise the impact of increases and it is appropriate that the Councils seek to utilise this funding and develop appropriate criteria against which the local discretionary schemes are implemented.

This report provides Members with details about additional financial support that is being provided to Business Rates payers and seeks approval for the wording of a public consultation in respect of the criteria to be applied for the local discretionary schemes to be implemented in Adur and Worthing.

2. Recommendations

The Joint Strategic Committee is asked to:

- 1) Note the content of this report; and
- 2) Note that a further report will be provided to the Joint Strategic Committee (to include the responses to the public consultation) in order that the final criteria for the 2017/18 local schemes can be determined; and
- 3) Agree that the public consultation should be undertaken for a period of three weeks; and
- 4) Either
 - a) Agree that the text and questions contained in appendix five should form the basis of the public consultations; or
 - b) Delegate responsibility for refining the text and questions to be used in the public consultations to the respective Executive Members for Resources in conjunction with the respective Executive Members for Regeneration and the Head of Revenues & Benefits

3. Context

- 3.1 From 1 April 2017 the Rateable Values that form the basis of calculating Business Rates bills for all non-domestic properties were revalued by the Valuation Office Agency.
- 3.2 Whilst some ratepayers saw a reduction in the amount of Business Rates that are payable, others saw an increase and in the Spring Budget on 8 March 2017 the Chancellor announced three new reliefs to assist the latter
- A reduction of up to £1,000 per annum for pubs
 - Support for Small Businesses
 - Discretionary relief, to be determined by each local authority
- 3.3 In order to introduce these reliefs the Government has not amended legislation and instead they will be awarded by local authorities through use of their existing powers to grant discretionary assistance under Section 47 of the Local Government Finance Act 1988, as amended.
- 3.4 Local Authorities will be fully reimbursed for the loss of Business Rates income via grants under Section 31 of the Local Government Act 2003. In the first instance payment will be made by the Government to the billing authority which will then share monies with the major precepting authority - West Sussex County Council (WSSC).
- 3.5 The reductions for pubs and small businesses are described in paragraphs 4.1.1 to 4.2.8 of this report.
- 3.6 The discretionary relief scheme requires consultation with local ratepayers and WSSC. This report therefore contains proposals for the discretionary relief schemes in Adur and Worthing, together with suggested text and questions to be used in the consultation.
- 3.7 A further report will be provided to the Joint Strategic Committee to determine the qualifying criteria for local schemes once the results of the consultation are known.

4. Issues for consideration

4.1 Relief for pubs

- 4.1.1 The qualifying criteria in respect of relief for pubs are
- The pub must be occupied; and
 - The property must have a rateable value of less than £100,000
- 4.1.2 The Government's stated policy intention is that eligible pubs must be open to the public, allow free entry (other than when occasional entertainment is provided), allow drinking without requiring food to be consumed, and permit drinks to be purchased at a bar. Consequently, certain types of business (including restaurants, cafes, nightclubs and hotels) are excluded.
- 4.1.3 The relief will only be awarded in respect of 2017/18.

4.1.4 Work has been completed by CenSus (for Adur) and the Revenues & Benefits Service (for Worthing) to identify and award, where appropriate, relief for qualifying ratepayers.

4.2 Support for Small Businesses

4.2.1 For 2016/17 most ratepayers with a Rateable Value of £6,000 or less were entitled to 100% Small Business Rates Relief (SBRR). Those with a Rateable Value of between £6,000 and £12,000 received tapered relief from 100% to 0%.

4.2.2 From 1 April 2017 the threshold for full relief was increased from £6,000 to £12,000 with the threshold for 0% tapered relief increased from £12,000 to £15,000. The Government's stated intention is that the amended thresholds will ensure that most ratepayers entitled to SBRR during 2016/17 will pay less or nothing as the result of the revaluation.

4.2.3 For 2016/17 sole post offices, general stores, pubs or petrol stations in rural settlements (with populations of less than three thousand) were entitled to 50% rate relief where

- A post office or general store has a Rateable Value of less than £8,500
- A pub or petrol station has a Rateable Value of less than £12,500

This is known as Rural Rate Relief (RRR) and the reduction increased to 100% from 1 April 2017. There are no properties benefiting from this relief in either Adur or Worthing.

4.2.4 In order to qualify for the new "Support for Small Businesses" relief from 1 April 2017 a ratepayer must be losing some (or all) of their SBRR or RRR and as a result be facing a large increase in their bill.

4.2.5 By granting additional support, the increase in the amount payable by the ratepayer will be limited to the greater of

- An increase (in comparison to the rates bill for 2016/17 after SBRR/RRR was granted) of 5% in 2017/18, 7.5% in 2018/19, 10% in 2019/20, 15% in 2020/21 and 15% in 2021/22; or
- A cash value of £600 per year

4.2.6 This means that ratepayers losing some or all of their SBRR/RRR will see the increase in their 2017/18 bill capped at £600. Additionally, the cash minimum value increase will be £600 per year thereafter which means that ratepayers entitled to assistance under this scheme will be paying £3,000 more in 2021/22.

4.2.7 The Department for Communities and Local Government has indicated that it anticipates that the number of ratepayers awarded "Support for Small Businesses" is likely to be small.

4.2.8 Additional software functionality is due to be provided by Capita to enable CenSus (for Adur) and the Revenues & Benefits Service (for Worthing) to identify qualifying ratepayers and award the new "Support for Small Businesses" relief.

4.3 Discretionary relief

4.3.1 The Government has announced a national budget of £300m over four years from 1 April 2017 allocated as follows

- £175m in 2017/18
- £85m in 2018/19
- £35m in 2019/20
- £5m in 2020/21

4.3.2 The amount of rate relief that was indicatively allocated to Adur and Worthing businesses was:

	<u>2017/18</u> <u>£'000</u>	<u>2018/19</u> <u>£'000</u>	<u>2019/20</u> <u>£'000</u>	<u>2020/21</u> <u>£'000</u>
Adur	115	56	23	3
Worthing	186	90	37	5

4.3.3 The indicative allocations were calculated by reference to the number of properties in each area (as shown in the draft Rating List that was published in September 2016) where bills were due to increase by more than 12.5% and the 2017 Rateable Value is less than £200,000.

4.3.4 Following a consultation between 9 March 2017 and 7 April 2017 (which the Councils responded to), on 28 April 2017 the Government wrote to local authorities with final grant allocations in respect of 2017/18. The Council will, of course, only be reimbursed for fifty percent of the value of any relief granted through the Business Rate Retention Scheme and the following allocations were confirmed

- Adur: £57,400
- Worthing: £93,089

4.3.5 Although figures for the following three financial years have not yet been formally confirmed it appears likely that they will be similar to the indicative figures shown in the table in paragraph 4.3.2.

4.3.6 The criteria against which relief will be granted must be determined by the Councils and in the context that awards will be fully reimbursed by the Government it is appropriate to maximise use of the available budget.

4.4 State Aid

4.4.1 State Aid law is the means by which the European Union regulates state-funded support to businesses.

4.4.2 Applying a reduction to a Business Rates liability by way of relief for pubs, Support for Small Businesses or discretionary relief amounts to State Aid. However, an award will be compliant where it is provided in accordance with the De Minimis Regulations (1407/2013).

- 4.4.3 The De Minimis Regulations allow an “undertaking” (i.e. a business) to receive up to €200,000 in a rolling three-year period (consisting of the current financial year and the two previous financial years).
- 4.4.4 It is therefore unlikely that none of these three reliefs can be awarded to ratepayers that are liable for Business Rates in respect of multiple properties (e.g. national chains).

4.5 Analysis of increase in Business Rates liabilities

- 4.5.1 The summary results of an analysis of the Business Rates databases are shown in appendix one. Members should note that the analysis is not definitive since it is not possible to confirm the precise number of ratepayers who will not qualify for assistance due to the De Minimis State Aid rules. Consequently the details provided in paragraph 4.5.6 allow for an increased volume of success awards.
- 4.5.2 The analysis suggests that the total number of ratepayers who have become subject to an increase in the annual net value of Business Rates payable in respect of 2017/18 and who appear likely to satisfy the De Minimis State Aid rules are
- Adur: 433 accounts with a total increase of £508,501
 - Worthing: 635 accounts with a total increase of £759,827
- 4.5.3 Appendices two, three and four provide an analysis of those accounts that appear likely to qualify for discretionary assistance based on the value of the annual increase, the percentage of the annual increase and the 2017 Rateable Value respectively.
- 4.5.4 It is suggested to Members that both from the perspective of ratepayers understanding the locally-determined schemes and the administration of awards, it is desirable to make the qualifying criteria as straightforward as possible.
- 4.5.5 The draft Rating List was published in September 2016 meaning that businesses considering moving into a property would have been able to establish the value of Business Rates that would become due. It is therefore recommended that awards of discretionary relief should only be considered if the ratepayer was liable to pay Business Rates at the address on or before 1 January 2017.

4.6 Options for the scheme

- 4.6.1 WSCC has fifty-eight Business Rates liabilities throughout Adur and Worthing and will undoubtedly have additional liabilities within the other five district and borough council areas (e.g. in respect of schools and other Council buildings). It would therefore seem likely that, due to the De Minimis State Aid Regulations, WSCC will not be able to benefit from awards of discretionary relief.
- 4.6.2 Nevertheless, via the county-wide Chief Finance Officer’s Group, the County Council has requested that consideration should be given to awarding some discretionary relief to WSCC and officers will ensure that WSCC is encouraged to submit a consultation response.

4.6.3 To achieve a straightforward scheme, a number of approaches could be adopted in order that the grant funding detailed in paragraph 4.3.4 is maximised to support businesses:

Option 1

Awarding equal reductions to each qualifying ratepayer up to a maximum of the annual rates that are payable for 2017/18

- a. In Adur this would enable a reduction for each eligible Rates bill of £265 (i.e. £115,000 divided by 433 ratepayers)
- b. In Worthing this would enable a reduction for each eligible Rates bill of £292 (i.e. £186,000 divided by 635 ratepayers)

Option 2

Comparing the available grant funding with the total increase in the value of rates that are payable during 2017/18 and reducing individual liabilities by the same percentage

- c. In Adur this would enable a reduction in the increased amount that's due to be paid of 22% (e.g. if the Rates bill for 2017/18 has increased by £100 a discretionary award of £22 would be made, whereas a bill that has increased by £1,000 would have a discretionary award of £220)
- d. In Worthing this would enable a reduction for each eligible Rates bill of 24% (e.g. if the Rates bill for 2017/18 has increased by £100 a discretionary award of £24 would be made, whereas a bill that has increased by £1,000 would have a discretionary award of £240)

Option 3

Applying the same principle detailed in option two above but not granting awards in respect of smaller (by value) annual increases which would increase the percentage relief to

	<u>Adur</u>	<u>Worthing</u>
Accounts subject to an increase of less than £100 are not awarded any discretionary relief	22.8%	24.6%
Accounts subject to an increase of less than £200 are not awarded any discretionary relief	23.2%	25.0%
Accounts subject to an increase of less than £300 are not awarded any discretionary relief	23.8%	25.4%
Accounts subject to an increase of less than £500 are not awarded any discretionary relief	24.8%	26.9%
Accounts subject to an increase of less than £1,000 are not awarded any discretionary relief	26.4%	28.5%

Option 4

Applying the same principle detailed in option two above but not granting awards in respect of

- a. Pubs (on the basis that qualifying pubs will receive relief of £1,000 detailed in paragraphs 4.1.1 to 4.1.4; and
- b. Properties with a Rateable Value of less than £15,000 (on the basis that that Small Business Rates Relief is likely to have been awarded as detailed in paragraphs 4.2.1 and 4.2.2); and
- c. Properties with a Rateable Value of more than £200,000 (on the basis that such properties have not been included in the calculation of the Government Grant)

Analysis suggests that

- In Adur there appear to be 180 ratepayers who would qualify for 32% relief
- In Worthing there appear to be 277 ratepayers who would qualify for 40% relief

Option 5

Applying the same principle detailed in option four above but not granting awards in respect of smaller (by value) annual increases which would increase the percentage relief to

	<u>Adur</u>	<u>Worthing</u>
Accounts subject to an increase of less than £100 are not awarded any discretionary relief	32%	40% (no change)
Accounts subject to an increase of less than £200 are not awarded any discretionary relief	32%	40% (no change)
Accounts subject to an increase of less than £300 are not awarded any discretionary relief	32%	40% (no change)
Accounts subject to an increase of less than £500 are not awarded any discretionary relief	33%	42%
Accounts subject to an increase of less than £1,000 are not awarded any discretionary relief	35%	45%

5. Engagement and Communication

5.1 Members can choose to apply whatever qualifying criteria they consider to be appropriate for the local schemes.

5.2 It is suggested that, subject to the outcome of the public consultation, adopting option 4 in paragraph 4.5.6 may be the most equitable and straightforward criteria since the annual grant allocations will be distributed equally by reference to comparing the total increase in Business Rates bills with the individual increases in bills, whilst not allowing awards in respect of accounts where either:

- Relief for Pubs or Small Business Rates Relief has already been granted; or
- The Rateable Value is greater than £200,000

5.3 Members should be mindful that total awards cannot exceed the total grant that is available.

5.4 Before confirming the criteria the Councils are required to undertake a consultation with local ratepayers and WSCC (as the major precepting authority, but which is itself a ratepayer).

5.7 In conjunction with the Head of Communications and the Head of Place & Investment, the consultation will be widely publicised and made available both online and in paper format.

5.8 The proposed content of the consultation is shown in appendix five.

5.9 Once the responses to the consultation have been analysed a further report will be provided to the Joint Strategic Committee to confirm the criteria that should be used to determine awards of discretionary relief.

6. Financial Implications

6.1 In March 2017, Central Government announced that it would make available a discretionary fund of £300 million over 4 years from 2017/18 to support those businesses that faced increases in their business rates as a result of the revaluation.

6.2 Each authority within England has been provided with a share of the £300 million fund to support local businesses. This is to be administered through billing authorities' discretionary relief powers under section 47 of the Local Government Finance Act 1988.

6.3 The funding is not provided equally over the four-year period but split as follows::

Year 1	Year 2	Year 3	Year 4
58%	28%	12%	2%

6.4 Councils will be compensated for any relief granted under section 31 of the Local Government Act 2003. However, a key criteria of this reimbursement will be that all Billing Authorities will consult with major precepting authorities when designing their scheme.

6.5 The Councils' allocation of the Government funding for discretionary relief for local businesses has been confirmed.

Amount of discretionary fund awarded (£000s) for business rate relief					
Council	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000	Total
Adur	115	56	23	3	197
Worthing	186	90	37	5	318

6.6 Under the business rate retention scheme, the cost of any relief awarded is shared as follows

- Adur / Worthing Council 40%
- West Sussex County Council 10%
- HM Treasury 50%

The Councils will be fully reimbursed for the loss of any income via a grant (using a grant under section 31 of the Local Government Act 2003) up to a maximum of

- Adur £57,400
- Worthing £93,089

6.7 The funding is front loaded for 2017/18. Any unused funds at the year end will be returned to the Government.

6.8 In addition, each Council has received a small £12,000 one-off grant for the administrative and IT costs associated with introducing the new reliefs.

7. Legal Implications

7.1 The power to grant discretionary relief is set out in Section 47 Local Government Finance Act 1988 as amended by the Localism Act 2011. The legislation states the qualifying conditions as one or more of the following;

“(a)the ratepayer is a charity or trustees for a charity, and the hereditament is wholly or mainly used for charitable purposes (whether of that charity or of that and other charities);

(b)the hereditament is not an excepted hereditament, and all or part of it is occupied for the purposes of one or more institutions or other organisations none of which is established or conducted for profit and each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts;

(c)the hereditament is not an excepted hereditament, it is wholly or mainly used for purposes of recreation, and all or part of it is occupied for the purposes of a club, society or other organisation not established or conducted for profit”

Section 47 (1) (a) of the Act allows the billing authority concerned to determine the rules to be applied in applying the discretionary relief.

It is for billing authorities to design their own discretionary relief schemes and determine the eligibility of ratepayers for support. The scheme must clearly set out the criteria that ratepayers across the local authority area need to meet in order to qualify for discretionary relief and it is very important that billing authorities have readily understood guidelines for deciding whether or not to grant relief and for determining the amount of any relief given.

The Non-Domestic Rating (Discretionary Relief) Regulations 1989 requires charging authorities to give notice of the making or revocation of a decision to grant discretionary relief, and of the making or variation of a determination of the chargeable amount (or of the rules for calculating the chargeable amount) payable during any period when the charging authority has decided to grant relief.

Section 31 Local Government Act 2003 provides the discretion for a Minister of the Crown to pay a grant to local authorities towards expenditure incurred by it. These grants are to be paid in an amount and manner for the person paying that grant to determine, and under such conditions as they may determine.

Background Papers

Local Government Finance Act 1988

Local Government Act 2003

Letter from the Department for Communities and Local Government dated 28 April 2017

Business Rates Information Letter (2/2017)

Business Rates Information Letter (4/2017)

De Minimis Regulations (1407/2013)

Officer Contact Details:

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01903 221290

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Sustainability & Risk Assessment

1. Economic

Maximisation of the available grant funding for discretionary rate relief will support businesses throughout the area.

2. Social

2.1 Social Value

Matter considered and no issues identified.

2.2 Equality Issues

Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified.

2.4 Human Rights Issues

Matter considered and no issues identified.

3. Environmental

Matter considered and no issues identified.

4. Governance

Matter considered and no issues identified.

APPENDIX ONE - database summary analysis

		<u>Adur</u> <u>(number)</u>	<u>Adur</u> <u>(value)</u>	<u>Worthing</u> <u>(number)</u>	<u>Worthing</u> <u>(value)</u>
1.	Number of properties	2,144	N/A	3,176	N/A
2.	Number of properties with £nil to pay in 2016/17 and £nil to pay in 2017/18	872	N/A	1,029	N/A
3.	Ratepayers with £nil to pay in 2016/17 but something to pay in 2017/18	24	£53,203	22	£60,673
4.	Number of ratepayers included in 3 above that potentially appear to satisfy the De Minimis rules	22	£50,122	21	£55,975
5.	Number of ratepayers with something to pay in 2016/17 but nothing to pay in 2017/18	243	N/A	434	N/A
6.	Number of ratepayers with something to pay in 2016/17 and an increased amount to pay in 2017/18	595	£1.170m extra	925	£1.606m extra
7.	Number of ratepayers included in 6 above who are individuals (rather than companies)	100	£84.0k	136	£103.6k
8.	Number of ratepayers included in 6 above who are companies (rather than individuals)	495	£1.086m	789	£1.503m
9.	Number of ratepayers included in 8 above who would appear to satisfy the State Aid rules	311	£374.4k	478	£600.2k
10.	Total accounts that appear to potentially qualify for discretionary assistance (lines 4, 7 and 9)	433	£508.5k	635	£759.8k

APPENDIX TWO - analysis by property description

Adur

<u>Property description</u>	<u>Increased bill (no. of properties)</u>	<u>Net value increase £'000</u>	<u>Decreased bill or no change (no. of properties)</u>	<u>Net value decrease £'000</u>
Advertising right	7	0.3	36	-2.9
Automatic Teller Machine (ATM)	1	0.03	7	-0.8
Bank and premises	7	7.7	2	-0.8
Beach hut	2	0.3	471	-0.8
Car park or parking space	8	2.5	13	-2.4
Car showroom	5	35.6	0	0
Club and premises or clubhouse	12	3.7	13	-10.7
Communication station	15	2.6	15	-14.4
Day nursery and premises	3	2.9	3	-0.2
Factory and premises	8	32.9	27	-33.5
Guesthouse or hotel	0	0	1	0
Hospital	1	29.7	0	0
Offices	128	67.3	129	-32.8
Public House	13	36.2	17	-31.3
Restaurant and premises	11	13.0	5	-7.8
School and premises	16	53.7	3	-18.2
Shop and premises	146	130.9	287	-164.1
Store and premises	8	2.3	62	-8.8

Supermarket or Superstore	1	2.8	3	-84.4
Surgery and premises	11	20.7	14	-9.4
Warehouse and premises	46	149.4	111	-131.6
Workshop and premises	50	124.5	171	-110.9
Other	119	503.3	135	-149.3

APPENDIX TWO - analysis by property description

Worthing

<u>Property description</u>	<u>Increased bill (no. of properties)</u>	<u>Net value increase £'000</u>	<u>Decreased bill or no change (no. of properties)</u>	<u>Net value decrease £'000</u>
Advertising right	19	0.2	53	-1.5
Automatic Teller Machine (ATM)	2	0.1	27	-4.7
Bank and premises	11	7.9	7	-19.0
Beach hut	27	4.6	287	-0.5
Car park or parking space	32	32.0	42	-6.3
Car showroom	7	69.7	7	-9.6
Club and premises or clubhouse	11	3.7	17	-14.4
Communication station	34	7.6	7	-8.9
Day nursery and premises	19	30.7	5	0.0
Factory and premises	23	54.3	28	-66.9
Guesthouse or hotel	11	56.4	9	-1.4
Hospital or hospice	3	129.9	2	-4.1
Offices	125	124.4	334	-202.7
Public House	21	67.9	28	-65.1
Restaurant and premises	18	25.7	20	-51.1
School/college and premises	29	165.6	8	-15.8
Shop and premises	289	302.0	904	-976.5
Store and premises	31	3.8	49	-7.8
Supermarket or Superstore	1	9.0	4	-79.4

Surgery and premises	20	23.3	26	-26.0
Warehouse and premises	47	51.4	70	-57.1
Workshop and premises	42	43.9	146	-82.1
Other	126	452.6	148	-287.0

APPENDIX TWO - ratepayers who appear likely to potentially qualify for discretionary assistance (analysis by value increase)

<u>Value increase compared to 2016/17</u>	<u>Adur (number)</u>	<u>Adur (value) £'000</u>	<u>Worthing (number)</u>	<u>Worthing (value) £'000</u>
Ratepayers with an annual increase of less than £100	113	5.4	173	6.5
Ratepayers with an annual increase of between £100 and £200	60	9.1	63	9.3
Ratepayers with an annual increase of between £200 and £300	43	10.8	55	13.6
Ratepayers with an annual increase of between £300 and £500	51	20.3	98	39.0
Ratepayers with an annual increase of between £500 and £1,000	43	28.7	59	39.5
Ratepayers with an annual increase of between £1,000 and £2,000	62	86.2	94	132.8
Ratepayers with an annual increase of between £2,000 and £5,000	39	118.2	70	208.6
Ratepayers with an annual increase of more than £5,000	22	229.8	23	310.5

APPENDIX THREE - ratepayers who appear likely to potentially qualify for discretionary assistance (analysis by percentage increase)

<u>Percentage increase compared to 2016/17</u>	<u>Adur (number)</u>	<u>Adur (value) £'000</u>	<u>Worthing (number)</u>	<u>Worthing (value) £'000</u>
Ratepayers who paid £nil in 2016/17 but who have something to pay in 2017/18	22	50.1	21	56.0
Ratepayers with an annual increase of less than 2.5%	55	7.3	100	20.8
Ratepayers with an annual increase of between 2.5% and 5%	51	20.7	43	29.6
Ratepayers with an annual increase of between 5% and 7.5%	169	51.3	282	78.2
Ratepayers with an annual increase of between 7.5% and 10%	15	12.8	29	63.2
Ratepayers with an annual increase of between 10% and 15%	46	94.4	66	114.6
Ratepayers with an annual increase of between 15% and 20%	13	45.9	27	73.2
Ratepayers with an annual increase of between 20% and 50%	26	148.3	25	164.1
Ratepayers with an annual increase of more than 50%	36	75.7	42	160.2

APPENDIX FOUR - ratepayers who appear likely to potentially qualify for discretionary assistance (analysis by 2017 rateable value)

<u>Rateable Value (RV) 2017</u>	<u>Adur</u> <u>(number)</u>	<u>Adur</u> <u>(value)*</u> <u>£'000</u>	<u>Worthing</u> <u>(number)</u>	<u>Worthing</u> <u>(value)*</u> <u>£'000</u>
RV less than £1,000	7	0.9	46	1.6
RV between £1,000 and £5,000	97	22.8	81	24.1
RV between £5,000 and £7,500	37	20.9	68	34.2
RV between £7,500 and £10,000	48	22.1	47	18.4
RV between £10,000 and £15,000	49	22.5	100	50.6
RV between £15,000 and £20,000	64	41.1	88	46.1
RV between £20,000 and £30,000	45	58.7	62	69.8
RV between £30,000 and £50,000	32	36.1	59	89.9
RV between £50,000 and £100,000	26	75.6	56	180.2
RV more than £100,000	28	207.8	28	244.9

**** increase in the annual Rates that are payable compared to 2016/17***

APPENDIX FIVE - proposed text for the consultation

Adur District Council and Worthing Borough Council **A local scheme for discretionary relief for Business Rates** **Consultation questionnaire**

What is a local scheme of discretionary rate relief?

In the Government's Spring Budget in March 2017 the Chancellor announced £300m of extra funding for local authorities to provide a local scheme of discretionary relief to businesses facing increases in their Business Rates bills as the result of the 2017 revaluation.

The distribution of the grant available to each Council was based on the number of properties where bills have increased by more than 12.5% and where the 2017 Rateable Value is less than £200,000.

Ratepayers will only be able to receive discretionary relief if they satisfy the rules about De Minimis State Aid. This means that a business cannot receive more than €200,000 of financial help in a rolling three-year period.

The grant funding available to Adur District Council and Worthing Borough Council for 2017/18 is £57,400 and £93,089 respectively.

What is this consultation about?

This consultation asks a number of questions about how the relief should be distributed and whether certain groups of ratepayers should be excluded from receiving a reduction.

We would like to know whether you think these proposals should form the basis of the criteria that are used to award discretionary relief.

Please send your answers to:

The Shoreham Centre
Pond Road
Shoreham-by-Sea
West Sussex
BN43 5WU

Portland House,
44 Richmond Road
Worthing
West Sussex
BN11 1HS

Worthing Town Hall
Chapel Road
Worthing
West Sussex
BN11 1HA

Your answers are important to us so please let us know what you think.

The consultation closes at 5pm on xxxxxx *[three week period?]*

1. Please confirm whether you are
 - A ratepayer in Adur
 - A ratepayer in Worthing
 - A representative body (if so, please provide details)
 - A resident or either Adur or Worthing
 - None of the above (if so, please provide details)

2. The Council is considering setting a Rateable Value cap of £200,000 above which no relief will be awarded. This is in line with the the Government's grant distribution formula.
 - Do you agree with this proposal? Yes/No
 - If you disagree, should the Rateable Value be capped and if so, at what level?

3. The Council is considering not awarding relief
 - For pubs that have already be awarded a reduction of £1,000 for 2017/18. Do you agree with this proposal? Yes/No
 - For ratepayers who have already been awarded Small Business Rates Relief. Do you agree with this proposal? Yes/No

4. Relief will only be considered if the ratepayer was liable to pay Business Rates at the same address on 1 January 2017. Do you agree with this proposal? Yes/No

5. The Council is considering the following methodologies. Please indicate your preference or specify alternative criteria that you think would be more appropriate
 - A fixed amount of reduction irrespective of how much the rate payer's bill is
 - A fixed percentage of reduction irrespective of how much the rate payer's bill is
 - Neither of the above (please provide details of another option)

6. The Council will rec-calculate any relief that has been awarded if there's a change in the Rateable Value of the property or the ratepayer moves out of the property. Do you agree with these proposals? Yes/No

7. Please provide any other comments or suggestions that would be helpful to the Councils in deciding the criteria for the local scheme for discretionary relief.



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
12 September 2017
Agenda Item 9

Key Decision No

Ward(s) Affected: All

Adur and Worthing Response to the A27 Worthing and Lancing Improvement Scheme.

Report by the Director for the Economy

Executive Summary

1. Purpose

This report sets out details of the current consultation on the proposed improvements to the A27 from Worthing to Lancing. The report recommends that both Councils should object to the proposals on the basis that the consultation does not provide any options for the public to consider and in view of the lack of available budget would not deliver any material benefits to users of the A27 or the local economy.

2. Recommendation

2.1 It is recommended that the Committee objects to the current consultation on the grounds that,

- i) the proposed A27 improvements do not provide any significant improvement to the current congestion problems, secure any significant reduction in journey times or improvement in air quality;
- ii) the lack of funding allocated to the project means that the consultation fails to meet the original scope of the Road Investment Strategy which was to test the scope for 'full dualling' of the A27 through Worthing;
- iii) the consultation fails to provide any alternative options for the local community to consider;

- iv) the limited improvement in capacity in the short term will not meet the Government's future objectives for meeting housing demand in the area or support economic growth of the sub-region; and,
- v) the piecemeal approach to consulting on the A27 improvements fails to take a holistic view of the problems along the length of the A27 corridor nor assess in sufficient detail the cumulative impact of improvements (or decisions not to proceed with certain improvements).

3. Context

3.1 In 2015, the Government published its first Roads Investment Strategy for the 2015-2020 period (RIS1). This sets out the Government's ambitions for the trunk road network, managed on behalf of the Secretary of State by Highways England. RIS1 includes a commitment to invest £15.2 billion in the trunk road network through a range of improvements and feasibility studies to identify potential solutions for delivery in future funding periods.

3.2 The Government is now in the process of preparing its Roads Investment Strategy 2 (RIS2) which will cover the 2020-2025 period. DfT are currently undertaking research and engagement prior to publication of RIS2 which is expected in November 2017.

3.3 The A27 Worthing and Lancing improvements scheme is identified within the Government's 2015-2020 (RIS1). It is part of a package of investments along the A27 corridor to increase its capacity and condition which includes schemes at Chichester, Arundel and East of Lewes. Members will be aware that following the Chichester consultation the Secretary of State informed Highways England to stop work on the A27 bypass improvement scheme. In response the Chief Executive of Highways England stated that,

'We are obviously disappointed at this decision as the improvement would have brought significant strategic benefits to the region.

But any improvement had to be right for Chichester and there was no overall consensus. We will continue to work with partners to monitor the route's performance and to carry out any short term measures we can to help road users, the local community and the region.'

3.4 Consultation on the options for the A27 East of Lewes scheme was undertaken last year, whilst the Arundel bypass options consultation has recently commenced with comments due by the 16th October 2017.

4. Worthing to Lancing Proposed A27 Improvement Scheme

4.1 Consultation on the Worthing to Lancing A27 Improvement Scheme commenced on the 19th July and ends on the 12th September 2017. Whilst, Adur and Worthing Councils, along with other local organisations, have made representations to extend this consultation to the end of September, a formal response from Highways England (HE) is still awaited. However, it has agreed to accept further representations beyond this date when requested.

4.2 The scope of the A27 Worthing and Lancing improvements scheme, as described in the Road Investment Strategy, is:

‘Improvements to the capacity of the road and junctions along the stretch of single carriageway in Worthing and narrow lane dual carriageway in Lancing. The extent and scale of the improvements, including the option of full dualling, are to be agreed in consultation with West Sussex County Council and the public.’

4.3 A budget of between £50 million and £100 million has been allocated to the scheme and the consultation identifies the key scheme objectives as being,

- Reduce congestion on the Worthing-Lancing section of the A27
- Manage the impact of planned growth and support the wider economy
- Minimise impacts on, and where possible seek opportunities for, enhancing the environment
- Provide safer roads and more reliable journeys by reducing travel delays
- Improve accessibility for all users.

4.4 The consultation documents highlight that the cost of the options for addressing these scheme objectives is a key consideration and that for any option to be taken forward to public consultation it must be affordable within the allocated budget and offer value for money. All road schemes have to demonstrate the balance of benefits measured against construction costs (known as the benefit to cost ratio - BCR).

4.5 The consultation makes it clear that there is only one option which meets the scheme objectives whilst offering value for money within the budget set for the scheme. This option improves the 6 key junctions along the route in Worthing and Lancing. Details of the other options that have been investigated but not taken forward for public consultation are included as Appendix I to this report.

4.6 It is submitted that the scheme would provide,

‘significant extra capacity and would reduce delays. The proposed new junctions would also have protected pedestrian and cycle crossing facilities which would help to reduce the community division currently caused by the road.’

4.7 Details of the proposed improvements of the 6 junctions are identified in the following table,

Junction	Description
1. Durrington Hill / Salvington Hill	Convert the existing priority junctions to a traffic signalled cross road junction. Widening on Durrington Hill and on the A27 to accommodate a two lane approach, which would require some land acquisition.
2. Offington Corner Junction roundabout – A24 Findon Road/ Offington Lane (Durrington Cemetery)	Convert the existing roundabout to a traffic signalled cross road junction. Widening on all approaches and some exits to accommodate extra slip roads and lanes, which would require some land acquisition. Access to the A24 from Fontwell Close remains but access to the A27 from Goodwood Road would be closed.
3. Grove Lodge Junction	Widening of the approaches and circulation lanes to accommodate two lanes of traffic through the junction. Would require some land acquisition.
4a. Lyons Farm Retail Part 1 Junction (Sompting Road) and 4b Lyons Farm Retail Part 2 Junction (Lyons Way)	Widening of the existing junctions to accommodate more lanes. Provide new turning arrangements at both junctions. Right turns from the A27 eastbound into Sompting Road and from Pines Avenue onto the A27 would be banned. Dedicated left-turn lane from the A27 eastbound into the retail park removed. Access to the A27 from Hadley Avenue closed. Widening would require some land acquisition.
5. Busticle Lane / Halewick Lane Junction	Provide new junction to the west of the existing junction for access to / from Halewick Lane. This would require some land acquisition, some of which is within the South Downs National Park.
6. Grinstead Lane / Manor Road Junction	Widen the existing junction approaches and convert the existing roundabout to a new traffic signal controlled junction for traffic turning from Manor Road onto the A27. Would require some land acquisition from nearby properties. Traffic coming from the Brighton direction would not be able to make U-turns.
Note: all proposed new traffic signals would incorporate toucan crossings (allowing pedestrians and cyclists to cross together), which would increase the provision for people walking and cycling in a number of locations.	

5. Issues for consideration

Transport

- 5.1 As indicated earlier in the report the Road Investment Strategy set out the scope of the study to secure 'improvements to the capacity of the road' along this stretch of the A27 and importantly stated that the, '*extent and scale of the improvements, including the **option of full dualling**, are to be agreed in consultation with West Sussex County Council and the public.*'
- 5.2 It is very disappointing, therefore, that the consultation has not included this option or any other option for the local community to consider. This has been primarily because the level of funding allocated to Worthing has been insufficient to assess more significant improvements and allow any consultation on *full dualling* or any of the other options considered but rejected (see Appendix I).
- 5.3 The consultation for Adur and Worthing is in stark contrast to the funding made available to other areas of the A27, for instance at Chichester and Arundel where various options have been presented to the local community. The net result is that the 'consultation' presents a preferred option that provides minimal improvements in capacity/journey time over the period to 2041.
- 5.4 When compared to the 'Do minimum scenario', the proposals result in a small overall travel time saving across the highway network during AM and PM peak periods. The travel time saving equates to a - 1% improvement across the network during each of the peak periods. This is slightly offset, however, by a 1% increase in travel time during off peak periods (likely as a result of the introduction of new traffic signal controls).
- 5.5 The proposals may help to manage the increase in traffic in the short-term but their overall impact is relatively modest and there is concern about the significant disruption during the construction phase for such little long term gain. The improvements are predicted to attract some traffic to use the A27 route rather than less suitable parallel routes but in isolation, the proposals are not going to have any significant impact on reducing current congestion on the trunk road upto 2041 without significantly greater investment.
- 5.6 Although a significant amount of technical work has been published by Highways England, it is considered that there is a great deal of further work required to assess the cumulative impact of improving the A27 corridor and to

understand the wider economic impacts of the options. The piecemeal approach to consultation and a lack of understanding of the knock on effect of some schemes not progressing makes it hard to understand the overall impact along the length of the A27.

Traffic Flow Issues and Junction Capacity

- 5.7 In general terms the consultation indicates that for the majority of routes the change in traffic flow is forecast to be less than 5%. However, there are a number of routes where there are larger increases and decreases. This is generally as a result of providing some additional capacity at the 7 improved A27 junctions, however, this will only be in the short term as the junctions will still be operating close to capacity and as traffic levels rise capacity would reduce. The potential benefits would be to the A259 which would see a reduction in flow in 2023 of 25% in the AM peak and 34% in the PM peak. It is also predicted that there would be a reduction in traffic flows on Offington Avenue.
- 5.8 The proposals are also forecast to have a negative impact on some local roads such as Grinstead Lane and Manor Road. It is also disappointing that the scheme does not provide any traffic reduction in West Street Sompting and a likely increase in off peak flows of 14%.

Road Safety Impacts

- 5.9 The proposals are expected to result in accident benefits worth £5.6m over the 60 year appraisal period. As with the traffic impacts, the proposals provide a modest but positive impact on road safety compared to the 'Do minimum' scenario where the total cost of accidents is forecast to be £313.5m over the same appraisal period. As the proposals will improve road safety and reduce the cost of accidents the objective of the scheme to provide safer roads is met albeit to a fairly limited extent.

Sustainable Transport

- 5.10 One of the objectives of the scheme is to 'improve accessibility for all users' and in addition the Road Investment Strategy stated that the proposals for this stretch of the A27 should look at developing sustainable transport measures. The proposals do include some new facilities for Non-Motorised Users (NMUs) at junctions on the corridor. However, these facilities are fairly limited in scope and fail to show how they will connect into the wider network of routes.
- 5.11 As indicated earlier the proposed scheme for this stretch of the A27 will not address the significant congestion problems. As many of the trips along this

stretch are local there is the opportunity to encourage a transfer of some short distance trips to sustainable modes of transport. However, this would require significant upgrades to sustainable transport infrastructure and services. There would be the opportunity to improve public transport, walking and cycling infrastructure in this area that could be complementary to any A27 improvements. However, this would require greater levels of central funding and a more collaborative approach between Highways England local authorities, which has been limited to date.

- 5.12 Crossing the A27 as a pedestrian or cyclist is problematic and discourages access to the National Park. Although the introduction of pedestrian/cycle phases at traffic signal controlled junctions will make some improvement these cause delays to traffic and can lead to road safety issues. For instance Offington corner increases the crossing points for pedestrians and cyclists on the east side using the existing cycle route and pedestrian crossing from one crossing point to 6 and a journey time from about 4 minutes to a predicted 12 or more, heightening the risk of users especially school children crossing the road at unauthorised points. There is the opportunity to provide foot/cycle bridges and there are a number of locations which have been looked at the past and these should be investigated further including at West Durrington, Grove Lodge, and Lancing Manor.

Economy

- 5.13 The A27 has a serious detrimental effect on the local economy and local businesses. As the proposals will only have a modest improvement in traffic conditions, it is not considered that the proposals will help to address the underperformance of the West Sussex coastal economy compared to the regional average.
- 5.14 At this stage in the scheme development process, only a summary note of the wider economic impacts has been provided. This indicates that the wider economic impact of the scheme is expected to contribute to an overall increase in GDP ranging from £12-20 million. However, it would have been beneficial for an assessment of the wider economic impacts that could have been delivered with more substantial improvements to the A27 at Worthing and Lancing, particularly when considered cumulatively with proposed improvements at Arundel and east of Lewes.

Local Plans

- 5.15 The A27 consultation assumes that other highway improvements required to support new planned development will take place including the new roundabout planned at New Monks Farm. The housing and employment growth set out in the adopted Core Strategy for Worthing and the emerging Local Plan for Adur are not dependent on the A27 improvements. However, it is unclear whether additional housing sites coming forward as part of the

Worthing Local Plan review would require more substantial improvements to existing junctions on the A27.

- 5.16 As Members are aware the significant physical and environmental constraints along the south coast restrict the various Councils ability to deliver their objectively assessed need for housing. However, the ability for additional growth in the sub-region is also significantly constrained by an infrastructure deficit as investment has not kept growth with economic growth in the sub-region. As the A27 improvement proposals do not provide significant additional capacity to cater for development other than that which is planned, the proposals will not significantly assist in narrowing the gap between planned and the objectively assessed need for housing or meet aspirations for improved economic performance.

Landscape Impact

- 5.17 The proposals would result in the removal of some sections of grass verge and mature trees to accommodate the junction improvements. Given the focus on the junctions and not the connecting roads, in general, the existing tree-lined character of the A27 would be retained.
- 5.18 The landscape impact assessment of the improvements to the Busticle Lane junction conclude that the proposals will have a negligible adverse impact. This conclusion is questioned as it does not appear to take account of the proposal to realign Halewick Lane into the National Park. Adur Members will note that this land was previously considered as a possible housing site.
- 5.19 The landscape impact assessment of the improvement to Manor Road junction concludes that the proposal will have a minor adverse impact. However, the proposals require land acquisition from Lancing Manor Park and the Leisure Centre resulting in the removal of all the trees along this section of the highway and within the Park. The Cricket Club has raised concerns about the impact of the proposals and the proposal would have an impact on the users of the Park. Whilst there may be opportunities to replant this may increase any adverse impact on the cricket square and amount of recreation land affecting by the proposal. The landscape and visual impact assessment on these two junctions does need to be re-assessed.

Air Quality and Noise

- 5.20 In Worthing, an Air Quality Management Area (AQMA) has been designated between Grove Lodge and Lyons Farm due to exceedance of air quality standards for NO_x, principally due to traffic. Although the impacts on air quality in this AQMA have been considered, the proposals may also affect traffic flows in AQMAs on A259 Shoreham High Street and A270 Old Shoreham Road in Adur District and Storrington High Street.

- 5.21 The proposals are expected to affect air quality during construction and operation of the scheme. During construction of the scheme, this is expected to result in a small magnitude of impact with a medium risk. During operation of the scheme, this is expected to result in some improvements to congestion but this positive impact is expected to be of neutral significance. It is disappointing that the proposals do not improve air quality and at Grove Lodge and Lyons Farm as junctions are moved closer to some properties this will exacerbate air quality issues for these residents.
- 5.22 As with air quality concerns the proposals have the potential to affect the noise and vibration levels experienced by nearby noise sensitive receptors due to road widening and junction improvements along the A27 at Worthing and Lancing. If the scheme was to progress further noise assessment and mitigation measures would have to be investigated.

6. Engagement and Communication

- 6.1 A comprehensive public engagement process has been undertaken by Highways England to seek comments on the proposals. Unfortunately, due to delays in seeking formal approval to consult from the Department of Transport this has been undertaken primarily during the August holiday period when many people and business leaders have been on leave. It is hoped that the request to extend the consultation period will be agreed but nevertheless some notable organisations and businesses have already expressed concern about the proposals.
- 6.2 The Coastal West Sussex Partnership is a business led body formed to develop the region with a central mission to ensure the area is well connected to support sustainable economic growth. The Partnership has responded by stating that it wants to see the government take the lead in ensuring that a viable long term solution is found rather than the current piecemeal approach. Chairman of the Partnership has stated that,

“The option currently being proposed doesn't go far enough and more long-lasting and innovative solutions should be sought. The few benefits that could be delivered through this scheme appear disproportionate to the proposed costs and the disruption during the works could have a bigger cost to business.

We encourage Highways England to take a more holistic and innovative approach to improving the whole A27 route through West Sussex and not just on line junction improvements which will make little difference to overall journey times. Any solution proposed needs to give lasting benefit and at

present we do not feel that these solutions will improve reliability or journey times for the medium to long term”

- 6.3 The West Sussex Cabinet Member for Infrastructure and Highways is due to consider a report which concludes that,

The County Council’s West Sussex Transport Plan 2011-26 identifies improvements to the A27 at Chichester, Arundel and Worthing as its highest priority. The poor performance of A27 disrupts businesses, residents and visitors to West Sussex on a daily basis. Traffic levels are forecast to grow in the future due to economic and population growth, increasing car ownership, income levels, and the price of fuel. Without improving the A27 at Worthing and Lancing, this will increase congestion at peak times and result in greater rat-running and ‘peak spreading’; i.e. peak period conditions will extend into other parts of the day. Accessibility to coastal areas, which are important for tourism and in need of regeneration in some places, will also continue to deteriorate as queues on the local roads approaching the A27 become longer.

The County Council consider that greater effort should be made to develop a realistic construction phasing plan that minimises the duration and impacts of construction at the next stage of the project. Also, if the consultation proposals are not implemented, then alternative (smaller scale) proposals will need to be delivered at some junctions to mitigate the impacts of development-related traffic over time. These are included in the ‘Do Minimum’ scenario, so ‘doing nothing’ should not be viewed as a genuine alternative. These improvements will not significantly address pre-existing congestion issues, and will still be disruptive when they are built. In determining a Preferred Route for this scheme, Highway England should take account of the cost of disruption associated with constructing alternative developer-funded improvements.

Although a significant amount of technical work has been published by Highways England, there is a great deal of further work required to: assess the cumulative impact of improving the A27 corridor; to develop detailed proposals to cater for NMUs; and to understand the wider economic impacts of the options. Although the County Council consider it to be in the best interest of the West Sussex community to identify and deliver the proposals, some of this work, particularly an assessment of the cumulative impacts of schemes to improve the A27, should take place before a Preferred Route is announced (because major changes to the scheme design will be less likely at the next stage of the project).

Highways England have stated the ‘objectives’ for the scheme are to:

- reduce congestion on the Worthing and Lancing section of the A27;*
- manage the impact of planned growth and support the wider economy;*
- minimise impacts on, and where possible seek opportunities for, enhancing the environment;*

- ❑ *provide safer roads and more reliable journeys by reducing travel delays; and*
- ❑ *improve accessibility for all users.*

The County Council's assessment of the proposals indicates that while the performance of the proposals against each of these objectives is positive in all cases, the scale of the benefits is relatively modest. The County Council is concerned that these benefits will be eroded quickly over time and further improvements will be needed in the medium-term. The County Council would like to work with Highways England to explore whether or not more substantial improvements could offer good value for money as a basis for seeking additional funding in a future RIS.

As there will be localised adverse environmental impacts, including loss of mature trees, semi-natural woodland and hedgerows, any scheme will require a package of detailed mitigation and compensation measures that will be developed at the next stage of the project.

The County Council consider there are potential opportunities to improve public transport, walking and cycling infrastructure in this area that could be complementary to the A27 improvements and help to prolong the benefits of the current proposals. However, this would require central funding and a more collaborative approach from Highways England involving information sharing with the local authorities, which has been limited to date. Opportunities that should be investigated for use of Highways England's Designated Funds include foot/cycle bridges in the vicinity of the Lancing Manor and Grove Lodge junctions.

7. Financial Implications

- 7.1 There are no direct financial implications of this report for both Councils, however, it is acknowledged that improvements to the capacity of the A27 would have significant financial benefits to the local economy and the attractiveness of the area for inward investment and business expansion.

8. Legal Implications

- 8.1 There are no direct legal implications arising from this report.

Background Papers:

A27 Worthing and Lancing Public Consultation
Emerging Adur Local Plan 2016

Emerging Worthing Local Plan

Officer Contact Details:-

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1. Economic

- 1.1 The report refers to the economic impact assessment carried out by Consultants for Highways England. Whilst the report concludes that the proposed A27 improvements

2. Social

2.1 Social Value

- ❑ The A27 is a key strategic route along the coast and its current poor performance in terms of congestion and travel time has a significant impact on the local economy. Investment in this vital transport infrastructure is long overdue and could provide significant benefits to productivity and the competitiveness of the sub-region. Unfortunately, due to a lack of funding, the current consultation does not address the key issues of congestion.
- ❑ The A27 passes through high density residential areas and this combined with the current levels of congestion has an adverse impact on air quality and noise. Although there would be some improvement in capacity as a result of the proposed improvements there would be no significant improvement in air quality or noise impacts.

2.2 Equality Issues

- ❑ Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

- 2.31 Matter considered and no issues identified.

2.4 Human Rights Issues

- ❑ The proposed improvement works would potentially have a greater visual impact and increase noise and worsen air quality for some residents living close to the junctions to be improved unless significant litigation measures are implemented alongside the proposed improvements works.

3. Environmental

- ❑ The proposed highway improvement scheme has been the subject of a landscape and visual impact assessment, however, it is considered

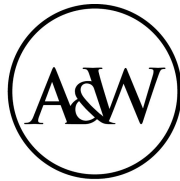
that the landscape impact of the works has been underestimated at Busticle Lane and Lancing Manor.

4. Governance

- ❑ The overall objectives of the A27 improvement scheme align with a number of the Council's priorities to improve the economic and social well being of the area and promote economic growth. The main concern is that the improvements do not go far enough to meet these objectives.
- ❑ It is not considered that the proposed consultation response would affect the Councils' reputation or relationship with our partners or community. In this respect the proposed response aligns broadly with the response of business partners and organisations. However, it is recognised that more significant highway improvements could run counter to other residents and organisations views in particular that such alterations would have a greater environmental impact.

**Other Options considered and rejected by
Highways England prior to the consultation exercise.**

Option	Description	Cost Range
Option 2	New flyovers / underpasses at junctions, with direct access to the A27. Junction improvements with new layouts incorporating flyovers / underpasses but no road widening. All existing direct access points to the A27 retained, though restricted access to/from some local roads.	Discarded early as well in excess of the upper budget
Option 3	Junction improvements and upgrading to dual carriageway, with direct access to the A27. Widening of the A27 to dual carriageway. All existing direct access points to the A27 retained, though restricted access to/ from some local roads.	Up to £274 million Rejected due to cost and a low Benefit to Cost Ratio (BCR) of 0.57 (poor value for money).
Option 3A	Junction improvements and upgrading to narrow dual carriageway, with direct access to the A27. As per Option 3, but designed with narrower lanes.	Up to £238 million Rejected due to cost and a low Benefit to Cost Ratio (BCR) of 0.52 (poor value for money).
Option 4	New flyovers / underpasses at junctions and upgrading to dual carriageway, with direct access to the A27. Widening of the A27 to dual carriageway. Junction improvements with new layouts incorporating flyovers / underpasses. All existing direct access points to the A27 retained, though restricted access to/from some local roads.	Discarded early as well in excess of the upper budget
Option 5	New flyovers / underpasses at junctions and upgrading to dual carriageway with service roads. Direct access to the A27 not permitted. Widening of the A27 to dual carriageway. Junction improvements with new layouts incorporating flyovers / underpasses. All access points removed, and extensive additional work required to provide service roads from the local network.	Discarded early as well in excess of the upper budget
Hybrid	A 'hybrid' option that includes a mixture of junction improvements and flyovers (at Lyons Farm junctions and Grove Lodge roundabout). Includes some upgrading to dual carriageway standard to support the junction improvements.	£250 million to £350 million Rejected due to cost.



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
12 September 2017
Agenda Item 10

Key Decision Yes

Ward(s) Affected: All Adur Wards except
Marine and Buckingham

HRA Capital Programme 2017-2019

Report by the Director for Communities

Executive Summary

1. Purpose

- 1.1. This report informs members of the capital investment programme for two years combined - 2017/18 and 2018/19. It contains information about the planned investment in the housing stock which is owned by Adur District Council and managed under the name of Adur Homes. Approval is sought for the release of the budget in compliance with Financial Regulations.
- 1.2. The investment allocated in the Housing Revenue Account for 2017/18 is £4,700,000 and for 2018/19 is £5,200,000

2. Recommendations

- 2.1. The Joint Strategic Committee is recommended to approve the revised Housing Capital Investment Programme for 2017/18 and 2018/19 and to release the budgets..

3. Context

- 3.1. The residential portfolio consists of 2,575 tenanted and 510 leasehold dwellings. The investment in this stock is funded through the Housing revenue account (HRA). This report describes the short to medium term plans and priorities for the repair and improvement of the stock.

- 3.2. Stock condition surveys of the portfolio were carried out as part of the 2016/17 investment programme based on 30% internal inspections and 100% inspections of external blocks and communal areas. The stock condition survey work to date has been considered when drafting the planned programmes for 2017 to 2019. The surveys indicated an investment of at least £33m to 2021/22. To assist officers with the future forecasting of expenditure consultants have also carried out pilot more detailed assessments on 13 representative blocks across the portfolio which has enabled officers to have a prioritised approach to work packages.
- 3.3. An informed investment programme will enable officers to consider the most appropriate methodology for procurement and work packages. This would for certain types of work group elements of repairs and improvements together to minimise disruption to residents and reduce costs.

3.4. Consolidation and Reprofiled items from the 2016/17 programme:

It has been necessary due to the inherited backlog of work to carry forward several budgets from 2016/17. These have been consolidated within the 2017/18 budgets.

4. Issues for consideration - The 2017/18 Housing Capital Investment Programme breakdown

4.1. Adaptations for tenants with disabilities:

This is where we carry out an adaptation to a property where the existing tenant (or member of the tenant’s household) has a disability and requires works to the property in order for them to remain in the home. This will be through a recommendation made by West Sussex County Council through the Occupational Therapy service.

As part of any assessment, consideration is given as to whether it would be more appropriate to offer alternative accommodation rather than adapting the current home. For example, it may be inappropriate to install a stairlift into a third floor flat that has no lift access. Additionally, when an adapted property becomes void, the shortlisting process will identify households from the Housing Register who may require that particular adaptation. There is further work to do to consider managing demand, revising and updating policies and approval routes and considering a means test equal to that used for disabled facility grants.

2017/18 budget:	£280,000
2018/19 allocation:	£280,000

4.2. External and Communal works:

a) External Works - General:

This work includes elements such as fascias and soffits replacement, flat roofs, brickwork repairs, repointing, concrete repairs, door entry system repairs.

Priority areas are:

Beachcroft and Bushby - doors and screens

Rock Close - external works

Locks Court - external works

Millfield Court - external works

Warren Court - external works

Homes with non traditional construction - investigative work

2017/18 budget: £1,400,000

2018/19 allocation: £1,200,000

b) Communal area works

This will include elements such as wall surface and flooring repairs, flooring, replacement lighting:

2017/18 budget: £500,000

2018/19 allocation: £200,000

4.3. Kitchens and Bathrooms

This will conclude years two (17/18) and three (18/19) of the previously published programme.

2017/18 Budget: £1,358,020

2018/19 Allocation: £ 850,000

4.4. Environmental Improvements

Projects that will enhance or improve the estate, immediate surroundings and/or facilities. The projects that have been identified for 2017/18 include:

- The new bin stores at Fishersgate.
- The proposed refurbishment of the Meet-In place Fishersgate to create a better resident resource area.
- Works to Commerce way to provide a base for Adur Homes staff.

This budget can also fund pocket parks and landscaping improvements.

2017/18 Budget: £78,240

2018/19 allocation £60,000

4.5. Responsive Capital repairs

This budget is to be used to undertake individual works which are not in a current programme.

2017/18 Budget £150,000

2018/19 Budget £140,000

4.6. Fire Safety Works

During 2016/17 and 2017/18 Adur Homes is undertaking a programme of review and updating of the Fire Risk Assessments (FRA) to the communal areas in blocks and schemes and the delivery of an action plan to reduce and mitigate risk.

The work has been prioritised in accordance with the risks identified and the programme will run over a number of years.

2017/18 Budget: £1,200,550

2018/19 Allocation: £1,000,000

4.7. Capital Void Works:

Over the course of a year, a number of homes become vacant and require works before they can be re-let. In some of these cases the condition of the property is so poor that it requires additional investment over and above routine repairs including kitchens and bathrooms.

2017/18 Budget: £200,000

2018/19 Allocation: £150,000

4.8. Central Heating Installations:

2017/18 Budget: £ 70,000

2018/19 Allocation: £ 50,000

4.9. Central Heating Boiler Replacements:

There is an an annual need to replace boilers identified as part of the gas safety inspection and testing contract or where boilers fail during the year.

2017/18 Budget: £130,000

2018/19 Allocation: £130,000

4.10. Community Alarm Systems (sheltered schemes):

A tender for the provision of the works (a Grade D LD2 system) had been procured on the basis of advice appropriate at the time however further discussions and assessment have lead to a revision in advice as to the type of installation needed and further work is now required to assess equipment on the market which is compliant to this latest advice (LD1 system). The system will link the community alarm system and smoke/heat detectors to the Chichester Control centre which is monitored 24/7.

2017/18 Budget: £100,000
2018/19 allocation: £99,800

4.11. Development and Acquisition Programme:

This includes, for example, costs relating to the redevelopment of the Cecil Norris House, to the new development on the the Albion Street site and purchase of ex RTB properties.

2017/18 Budget: £1,795,610
2018/19 allocation: £ 436,200 (funded from HRA Development and Refurbishment of Housing Reserve and RTB receipts)

4.12. Asbestos Surveys and removal:

2017/18 Budget: £62,700
2018/19 allocation: £40,000

4.13. Stock Condition and Feasibility Surveys:

These are essential to enable informed planning for future investment.

2017/18 Budget: £40,000
2018/19 allocation: £40,000

4.14. Orchard ICT items

The current reporting software used in conjunction with orchard Housing management System is called Business Objects. The current datasets are no longer supported therefore £15k has been committed to purchase identified to purchase and implement the supplementary reporting tool 'Data Marts'

£20k had previously been identified in the budget for a significant upgrade to Orchard Housing Management System however this has now been delayed for a further 12 months.

2017/18 Budget: £15,000
2018/19 allocation: £20,000

4.15 Professional and consultancy fees (works)

2017/18 budget	£630,000
2018/19 allocation	£504,000

5. Engagement and Communication

A meeting of the Adur Homes Management Board has been arranged for 11 September 2017 in order to consult with key stakeholders including representatives from the Adur Homes Consultative forum and residents associations. Detailed briefings have been undertaken with both of the Executive Members for Housing/Customer Services.

6. Financial Implications

- 6.1. The Council approved a budget of £4.7m for 2017/18 in December 2016. The current budget available for capital investment in 2017/18 is £8.m and can be broken down as follows:

Original Budget: 2017/18	£5,100,000
Plus: New Affordable Housing reprofiled to 2017/18 during 2016/17	£1,395,610
Plus: Reprofiled from 2016/17 at year end	£1,514,510
2017/18 Current Budget:	£8,010,120
2018/19 Budget allocation	£5,200,000

Of which for 2017/18:

£5,234,510 is for a planned programme of capital investment in existing stock
£350,000 is for urgent capital investment in advance of programmed works
£630,000 is for professional fees
£1,795,610 is for development and acquisition of housing stock.

- 6.2 Under financial regulations, no expenditure shall be incurred on capital projects of £150,000 or over included in the Capital Investment Programme without the acceptance by the Joint Strategic Committee or Cabinet or appropriate Cabinet Member of a detailed report setting out capital costs and revenue consequences, how successful investment will be measured and the anticipated completion date. This report meets the requirements of financial regulations.

7. Legal Implications

- 7.1.** Section 9(1) Housing Act 1985 provides that the Local Authority may provide housing accommodation by erecting houses, or converting buildings into houses, on land acquired by them, or by acquiring house. Section 9(2) provides that the Council may alter, enlarge, repair or improve such a house. This would give the Council the power to maintain and repair Adur Homes properties.
- 7.2.** Section 111 Local Government Act 1972 provides that the Council shall have the power to do anything (whether or not involving expenditure, borrowing, or lending of money or the acquisition or disposal of any property or right) which is calculated to facilitate, or is conducive or incidental to the discharge of any of their functions.

Background Papers

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Sustainability & Risk Assessment

1. Economic

These programmes and projects demonstrate economic investment into

assets owned by Adur District Council

2. Social

2.1 Social Value

The work to the housing stock outlined in the report will have a beneficial impact on the health and wellbeing of the residents many of whom are more disadvantaged in terms of health and income than other residents.

2.2 Equality Issues

2.2.1 The programme contains an element for adapting properties for tenants with a disability.

2.2.2 Consultation with residents as part of all other programmes will identify where any reasonable adjustments need to be made.

2.3 Community Safety Issues (Section 17)

2.3.1 Aspects of several programme described in the report will have a positive impact on community safety for example the repair and replacement of door entry systems to blocks of flats.

2.4 Human Rights Issues

2.4.1 Matter considered and no specific issues identified.

3. Environmental

There are aspects of the programmes described in the report which will improve thermal efficiency and reduce fuel poverty for example replacement windows and replacement flat roofs.

4. Governance

The progress is regularly monitored via the Capital Working Group. Progress is reported to members 4 times a year.

The procurement of works will comply with the procurement regulations and contract standing orders.



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
12 September 2017
Agenda Item 11

Key Decision [Yes/No]

Ward(s) Affected:

Match funding request for Museum Redevelopment

Report by the Director for the Economy

Executive Summary

1. Purpose

- 1.1 Worthing Museum is completing an application to Heritage Lottery Fund (HLF) for £1.2 million to redevelop the museum to create a high quality visitor destination that celebrates both the collections and the architecture of the building. The bid requires match funding of £77,000 by the Council.
- 1.2 Authorising the match funding will enable Worthing Museum to start the application process with an expression of interest by the end of September in line with the Platforms for our Places timetable. Without match funding from the Council we cannot apply for the external funding.

2. Recommendation

- 2.1 The Committee is recommended to authorise the release of £77,000 match funding from the Museum Reserve to enable the Heritage Lottery Fund bid for 1.2 million

3. Context

- 3.1** Worthing Museum has an excellent collection (with the costume and archaeology being of particular note) housed in an impressive purpose built 1908 building. Unfortunately the museum is sadly let down by the display cases and the layout of the space. Over 50% of the museum is currently not available to the public and a fraction of the collection is on display.
- 3.2** In 2009 an application to the HLF renovate the museum was unsuccessful. The subsequent report in 2010, recommended that a phased approach was to be taken to the redevelopment of the museum but that the project was to be delayed due to the financial position of the Council at the time. A small amount of funding was released to undertake detailed feasibility work (£19,000).
- 3.3** We have had several detailed meetings with officers from the Heritage Lottery Fund who advised that an application of £1.2 million would be considered favourably. Worthing is currently an under funded area for HLF and so projects are being encouraged. This focus will shift to a different geographic area in 2019 so it is crucial we maximise the potential of this window.

4. Issues for consideration

- 4.1** Worthing Museum is in need of redevelopment to fulfil its potential and offer a provision befitting the town.
- 4.2** The current costume trail project has increased the Museum footfall by 10% but we are unable to make regular changes to many of the display cases and the visitors find the museum to be dark and too static. The redevelopment will dramatically grow the footfall.
- 4.3** The redevelopment includes a Costume Research Lab that will be regularly used by students from the MET and Brighton University as well as visitors from further afield. This will enable access to the stored elements of the costume collection with facilities including 3D photography, 3D printing and pattern cutting.
- 4.4** The plan also includes a cafe / retail facility which will bring in much needed income, increase length of visit and improve the visitor experience.

- 4.5 The redevelopment increases the size of the education room which will allow a more flexible and efficient use of education staff, increasing work with local schools. The current space only holds 30 children which is smaller than many class sizes.
- 4.6 The ring fenced £77,000 would only be accessed if the external funding bid is successful.

5. Engagement and Communication

- 5.1 There has been a series of meetings with officers from HLF to consider how to best develop the museum and display the collections.
- 5.2 Advice has been taken from the Arts Council and the South East Museum Development Service.
- 5.3 Ongoing feedback from museum visitors underlines the need for this redevelopment. Whilst the museum is much loved it is seen as dark and old fashioned.
- 5.4 The Friends of Worthing Museum are extremely supportive of the redevelopment and will be involved in specific plans for raising additional external funding to meet the required 10% match funding.
- 5.5 This project focuses on the development of the museum building but also includes a series of outreach projects.
- 5.6 A concept presentation by Allies and Morrison is planned for the end of September attended by the Leader, Members holding the culture and planning portfolios as well as the key officers.
- 5.7 Once the expression of interest has been accepted by HLF, we will expand the project group to work on the Stage One application.

6. Financial Implications

- 6.1 The Museum and Art Gallery has a current revenue budget of £489,580. This is a considerable cultural investment in the Town by the Council on behalf of residents and visitors. Without additional capital improvements the value of that revenue investment will however ultimately be undermined.

6.2 The Museum Reserve currently has a balance of £114,100. The proposed match funding can be released from this reserve with the approval of the Committee.

Finance Officer: Sarah Gobey

Date: 1st September 2017

7. Legal Implications

7.1 Section 12 Local Government Act 1964 relates to the local authority's powers in respect of museums and provides that they may do all such things as may be necessary or expedient for or in connection with the provision or maintenance of museums and further, may make contributions towards the expenses incurred by any person providing a museum or art gallery.

7.2 Section 111 Local Government Act 1972 provides that the Council shall have the power to do anything (whether or not involving expenditure, borrowing, or lending or money or the acquisition or disposal of any property or right) which is calculated to facilitate, or is conducive or incidental to the discharge of any of their functions.

Legal Officer: Susan Sale

Date: 31st August 2017

Background Papers

Museum HLF – Outcome and Future Proposals - Report to Worthing Cabinet dated 14th July 2010

Officer Contact Details:- Name Amanda O'Reilly

Role Head of Culture

Telephone

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Sustainability & Risk Assessment

1. Economic

- The redevelopment of Worthing Museum will result in a high quality visitor destination. We anticipate the visitor numbers doubling from 60,000 to 120,000 per year. With a new cafe and retail facility the increase in footfall will bring in much needed ongoing income streams for the museum but the visitors will also spend in the local economy. An economic impact study is currently being completed.

2. Social

2.1 Social Value

- The redeveloped Museum will work in partnership with MET and Brighton University, supporting the fashion students. We also prioritise apprenticeships and internships giving people the opportunity to begin a career in the industry.
- The outreach projects focus on our communities for example taking archaeology back to the places where the artefacts were discovered, curating reminiscence displays in care homes and work with schools on rotating collection and handling displays etc
- The museum currently has 30 plus volunteers who are invaluable to the delivery of the museum's programme of work. However the museum is also a valuable opportunity for people to be involved in in a community project, keeping active and combating loneliness.

2.2 Equality Issues

- The project improves the accessibility of the museum with larger, open plan spaces that are easier to navigate. We will also replace the small lift which is no longer suitable for many of the larger wheelchairs.
- The increased light levels will support visitors will sight issues.

2.3 Community Safety Issues (Section 17)

- Not applicable

2.4 Human Rights Issues

- The project does not impinge on anyone's human rights and supports freedom of thought and expression by inspiring visitors and local creatives.

3. Environmental

- The project does not impact on our natural resources but it does protect our heritage and celebrate the history of our natural resources.

4. Governance

- This project will raise the cultural profile of the area increasing Councils' reputation and furthering the relationship with HLF and ACE.

- The project will be managed by the culture team, specifically the Head of Culture and Senior Curator with support from a project team. The external funding includes the payment for the external skills required to make the project successful including architects, buildings project manager, display designers etc.



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
12 September 2017
Agenda Item 12

Key Decision Yes

Ward(s) Affected:

The future for Teville Gate Car Park

Report by the Director for the Economy

Executive Summary

Purpose

- 1.1. To approve the demolition of Teville Gate multi storey car park site to save the ongoing expense of repairing and maintaining the car park for a further period of 77 years under the existing lease, whilst retaining the area of land demised by the lease to create a surface car park to meet current demand for spaces. The cost of the demolition and associated works is to be funded by the Local Growth Fund (LGF).

Recommendations

- 2.1 The Joint Strategic Committee is recommended to:
- i) Approve the closure and demolition of the existing multi storey car park (MSCP) at Teville Gate subject to obtaining consent from the freeholder;
 - ii) Approve the commissioning of groundworks on completion of the demolition in order to provide a temporary, surface car park for use by members of the public;
 - iii) Approve the addition of £60,000 to forward fund the initial consultancy fees, relocation of a store under the car park, and erection of hoardings to be eventually funded by LGF grant;
 - iv) Approve a direct award to consultants to enable the project to proceed at pace as outlined in paragraph 6.5; and,

- v) Recommend to Worthing Borough Council that the demolition and resurfacing element of the scheme be added to the Capital Programme subject to funding from the LGF being formally confirmed.

Context

3.1 Background and History

- 3.1.1 The area known as Teville Gate which links Worthing's central railway station with the town centre is one of the the most high profile sites in Worthing. The main part of the site which is currently owned by Mosaic Global Investments (Mosaic) previously accommodated a number of shops and other businesses within buildings developed in the late 1960s and early 1970s. Over the last few years leases have gradually expired and businesses have vacated to make way for redevelopment.
- 3.1.2 The existing MSCP was constructed under an agreement between Worthing Borough Council (the Council) and Norwich Union Life Insurance Society which was formed in 1969. Since then, the Council has leased the property from a succession of freeholders under a long lease which now has around 77 years left to run and the Council's immediate Landlord is Mosaic.
- 3.1.3 In May this year the decision was taken to close the five upper levels and two annexes, as the parking facilities have not been running at full capacity. Parking surveys has demonstrated that only a maximum of 100 cars are parked in the car park at anyone time.
- 3.1.4 Legal advice received in August confirms that the Lease requires the Council to use the premises as a car park with public toilets on the ground floor and that the Council cannot carry out any structural alteration or addition without the written consent of Mosaic; there is also an obligation to rebuild any structure to the original plans, unless otherwise agreed by Mosaic.
- 3.1.5 It is vital therefore that prior to any demolition work, Mosaic's consent is obtained to (a) enable the Council to demolish the car park and toilets (b) not have to rebuild the car park and toilets in its current form and (c) have permission to reinstate the car park on the levelled land only..
- 3.1.6 Providing (a), (b), (c) are agreed, the Council will not be in breach of its lease; will avoid a possession claim by the landlord; will save on future costs; and

increase the value in the land leased. Further details of the Legal implications can be found at point 7 below.

3.2 Planning

- 3.2.1 Although this report evidences that demolition of the car park, is in the Council's best interests for costs saving and efficiency reasons, there are also significant planning and environmental benefits from the proposal. The current freeholder purchased the wider site in 2015, publicly pledging to deliver a 'world class' scheme for Worthing.
- 3.2.2 Since then, the Council has worked with Mosaic to help establish a sustainable and viable scope of development that can be delivered under present market conditions whilst complying with relevant planning policies and achieve the long held regeneration aspirations of the Council to create a modern mixed-use development that serves as a 'gateway' to the town when arriving by rail or road. The delays in the planning application have been frustrating but also highlight the complexities and viability issues of large brownfield redevelopment sites.
- 3.2.3 The early demolition of the MSCP would be a positive step forward and has also prompted Mosaic to also consider the demolition of the other buildings on the site. This would significantly improve the appearance of the site, hopefully in parallel with the submission of a planning application for the redevelopment of the site.
- 3.2.4 Under the Council's lease, if the freeholder wants to carry out substantial construction work on the leased land or any part of it, it cannot do so without obtaining possession of the leased land from the Council. The freeholder would then be under a contractual obligation to provide alternative parking within the site as *commodious* (as accommodating). Prior to demolition, this would mean re-providing approximately 300 car parking spaces on the site at the developer's expense. Whilst, this number could not be provided as a replacement surface car park sufficient spaces could be provided to meet current demand for public car parking. There would then be the opportunity to secure replacement public car parking as part of the redevelopment.
- 3.2.5 The Council has also been successful in bringing the owners of the Teville Gate site and the unoccupied Teville Gate House together to discuss a more comprehensive redevelopment of the site and it is anticipated that the

forthcoming planning application would include Teville Gate House within the application boundary.

3.2.6 The timetable for submission of a Planning Application has slipped since the beginning of the year. However, a Planning Performance Agreement (PPA) has been submitted with a revised Public Consultation programmed for the end of September in anticipation of a Planning Application submission by the end of November 2017. These proposals would bring further momentum to the redevelopment and make an immediate improvement to the visual appearance of the site.

3.3 Council Policy

3.3.1 Adur & Worthing Councils Corporate Priorities

These proposals support both Councils' commitments to:

“Enable new homes to be built to help meet the housing needs of our communities and support high quality developments.”

3.3.2 Platforms for Our Places

In early 2017 Adur and Worthing Councils published their report setting out the aims and objectives to “create the essential Platforms for prosperous, happy, healthy and connected communities.”

The document identifies the need for investment in and delivery of Major Projects and key infrastructure, noting the Teville Gate redevelopment as having the potential to “start on site” in early 2018. Early demolition of the MSCP would help to prepare the site for redevelopment and signpost to the community that the undertakings set out in Platforms for Our Places are on a clear path to delivery.

3.3.3 Adur and Worthing Economic Plan

The Adur and Worthing Economic Plan 2013-2023 commits to:

- DG1 Promote Adur and Worthing as an attractive business location
- DG2 Encourage the development of strategic sites
- DG3 Identify new opportunities to create new employment floor space
- DG6 Improve the attractiveness and offer of the town centres

4. Issues for consideration

4.1 Project Dependencies

4.1.1 This report seek approval to progress the proposals in order to close and hoard-off the site and start demolition works by the end of the calendar year. It should be recognised however that there are a number of key dependencies that will affect the success of the scheme, these can be summarised as follows:

- Appointment of specialist consultants to specify, tender and oversee the works
- Landlord's consent to demolish the MSCP
- LEP approval to utilise the existing LGF grant allocation
- Landlord to service notice to National Car Parks (NCP) to vacate some or all of the existing car parking spaces that they hold under a Tenancy at Will
- WSCC Highways approval to temporarily obstruct existing rights of way and footpaths
- Decant of stray dogs currently accommodated with the ground floor of the MSCP
- Relocation of Council maintenance equipment currently stored within the MSCP building

4.2 Further opportunities

4.2.1 Although the Council needs to take its own action to deal with the car park for good economic reasons, as indicated earlier this may encourage Mosaic to demolish the remainder of the buildings on the site. There may be an opportunity for the Council to make further savings and achieve economy of scale by demolishing the MSCP at the same time as Mosaic intends to carry out its own demolition work. Discussions have taken place with the LEP to determine whether Local Growth Funding (LGF) could also be used to help demolish the remainder of the site, however, this would be subject to Mosaic demonstrating that there is a funding gap with the development to avoid any risk of breaching state aid provisions.

5. Engagement and Communication

5.1 A communication strategy surrounding the demolition of the car park has been developed and it will be important to relocate the 12 permit holders to High Street Car Park. The main impact on car parking will be the period when no car parking is available but there are two surface car parks available on the main site.

6. Financial Implications

- 6.1 Members are well aware that the existing MSCP has significant maintenance issues. To minimise maintenance liabilities the annex has been closed as well as levels 7 and above. This currently leaves approximately 114 spaces for public use. The recent condition survey revealed that to properly reinstate the car park would require an investment in the region of £2 million over the next 4 years.
- 6.2 There are currently 12 season ticket holders at Teville Gate. Four are quarterly and four are annual. These customers would either be offered a refund on the time left on their tickets or the opportunity to transfer their permits to High Street MSCP at no extra cost. Refunding all season ticket holders the full amount would cost a maximum of £2,730.
- 6.3 The overall costs associated with proposed demolition of the car park, nearby buildings and subsequent construction of a surface car park will be:

	£
Site clearance	30,000
Demolition costs	683,000
Car park reinstatement with 100 spaces	408,000
Hoarding	44,000
Provision for surveys, asbestos removal and contaminated land	85,000
Allowance for street lighting and asbestos removal	65,000
Demolition and site preparation costs	1,315,000
Professional fees	200,000
Contingency (5.7%)	75,000
Total expected cost	1,590,000

- 6.4 At this stage, it is expected that the project would be funded via Local Growth Fund grant, however this has yet to be formally confirmed, until a revised business case has been submitted and approved. The Council has received, in principle, support from Officers of the LEP but formal agreement is not expected until the end of the year. To secure the funding, the grant would have to be spent to agreed timescales, with the demolition completed by the end of the financial year.
- 6.5 However, the Council will need to release a small element of the funding upfront to progress the project. This will be used to fund the initial

consultancy costs (£10k), erect hoarding (£44k), and the relocation of the store (£6k). Whilst there is every expectation that this will eventually be funded by the LGF, there is an element of risk as some of this work may need to be funded before formal confirmation is received. There is sufficient scope within existing budgets to absorb this cost if needed.

6.6 Contract Standing Orders would normally require the Council to seek at least three written quotations for contracts exceeding £25,000 but less than £100,000 (Standing Order 8.6). To progress this project and secure the LGF funding, it is recommended that a direct award is made to a specialist consultant to manage the demolition and reinstatement of the site. The cost of these professional fees is likely to be £76,000. This will enable the Council to meet the stringent timescales likely to be a condition of the LGF funding. All other procurements required to progress the scheme will be made in accordance with the requirements of Contract Standing Orders.

6.7 The car park currently generates net income of:

	2016/17 Actual £	2017/18 Budget £
Repairs and maintenance	17,140	8,360
Rates	5,200	5,650
Insurances	3,340	3,380
Other	1,260	0
Direct expenditure	26,940	17,390
Less: Income	-56,740	-33,600
Net direct income	-29,800	-16,210
Support services	22,150	39,240
Net expenditure / income (-)	-7,650	23,250

6.8 With the closure of the car park during the demolition and reinstatement period, the Council is likely to lose some or all of the net direct income budgeted for until such time as the car park is reinstated or an alternative car park is provided within the new development. This potential loss of income can be accommodated within the existing car park budget in 2017/18 as income is currently exceeding expectations by some £90,000. Although it may add some minor financial pressure in 2018/19 depending on when the new car park is open.

- 6.9 As part of the budget for the demolition of the Car Park, there is provision for the proposed resurfacing of the land to create a surface car park of £407,500 (£492,100 including fees and contingency). The current lease still has 77 years to run and the cost of the investment in the new surface car park to provide at least 100 spaces will be recouped over the remaining lease term and will create a saving long term as the surface car park will be more cost effective to maintain than the current structure in the longer term.
- 6.10 Clearly the expectation is that the new car park would be redeveloped in the short term. However, the investment in the new surface car park would also protect the Council's financial interests in the event of assignment or surrender of the lease. The value of the surface car park (as an income generating asset) would be significantly higher than a vacant plot and this will be reflected in the consideration received for the site.
- 6.11 It must also be noted that prior to reinstatement, the cleared site would be a valuable commodity to any potential developer and it would be open to the Council (prior to reinstatement) to assign the lease to a third party or surrender the lease back to the freeholder subject to the Council achieving '*best consideration*' in accordance with all statutory requirements and other lawful considerations. In which case the investment in the new surface car park will not be required.

7. Legal Implications

- 7.1 In advance of any work progressing, it is essential that Mosaic consent to the demolition and subsequent temporary car park layout. This could be achieved through specific consent within the terms of the current lease, or through the means of an Agreement for Surrender and Regrant, with the subsequent grant of a new lease on terms similar to the existing lease. The Council team is at an early stage with negotiations regarding the precise details of the way forward.
- 7.2 The Council has a duty to obtain 'best value' in all that it does. Best value considerations are satisfied by taking into account the cost of keeping, maintaining and repairing the car park for the remainder of the term compared with the likely achievable income. Further details of this can be found at paragraph 6.7 above.

- 7.3 The recommendation to demolish the car park is to be made solely for the purpose of benefiting the Council, and not for the benefit of any potential developer. It is not expected nor intended that use of LGF grant for the demolition will financially favour any other commercial undertaking.
- 7.4 Should the Council at any time and for any lawful reason choose to assign or surrender the Lease, (which it can only do so with Mosaic's consent), whether or not the surface car park has yet been reinstated, then the Council must comply with, the provisions of s123 Local Government Act 1972 to ensure that any such disposal meets the *best consideration* requirements having regard to current legislation and case law.
- 7.5 These proposals are recommended subject to written confirmation from the LEP approving the use of allocated LGF grant to facilitate the Council's demolition and site preparation which is likely to take place during the determination period for the planning application. A revised business case will be submitted to the LEP to enable drawdown of the funding.
- 7.6 As noted at item 6.2 above, there are relatively few season tickets granted for the Teville Gate MSCP and of those remaining at the time of temporary closure, all will be refunded or transferred to another Council operated car park.
- 7.7 Under the Council's Contract Standing Orders at paragraph 8.6.1(a) for a contract of between £25,000 and £100,000 in value, the Director or his delegated nominee shall obtain at least three sealed written quotes or three tenders from persons or bodies who in the opinion of the Director or the delegated nominee are capable of performing the Contract unless it is impracticable due to the specialist nature of supply or any warranty that exists.

Background Papers

Condition Survey for Teville Gate Car Park

Officer Contact Details:

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Sustainability & Risk Assessment

1. Economic

The project is strategically interlinked with a planned wider investment programme connected with future developments at other key sites in Worthing.

Redevelopment of Teville Gate will create a gateway to the town and will enable a new public realm and pedestrian connection from the central railway station, to the town centre and the seafront, providing an economic boost to existing businesses and encouraging an increase in investment.

2. Social

2.1 Social Value

Demolition of the underused MSCP and installation of a temporary surface car park would send a positive message to the community, visitors, commuters and business, that change is taking place in Worthing and improvements to the built environment will be seen in the near future.

The existing building does little to enhance the approach into Worthing town centre from road or rail, and its demolition will help to bring forward the redevelopment of this important gateway site to enhance the streetscene and act as a catalyst for the regeneration of the wider area.

2.2 Equality Issues

Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

In recent times the wider site has become a target for vandalism, trespass and anti-social behaviour. A decision has been previously taken to close the upper decks of the MSCP creating redundant floorspace that may attract criminal activity and safety issues that would be difficult for the Council to manage.

Demolition of the building and reinstatement to a temporary surface car park would mitigate these issues.

Works will be managed under the Construction Design & Management (CDM) Regulations 2015.

2.4 Human Rights Issues

Matter considered and no issues identified.

3. Environmental

It is intended that early demolition will bring forward redevelopment on two redundant and underused, brownfield sites at the entrance to the town centre (the MSCP and the wider site).

The demolition site is in a constrained urban area, however the site will be fully hoarded to prevent access by the public during site investigations, demolition and groundworks.

There will be an element of additional works traffic and this will be managed by the contractors, overseen by the Council and its Consultants. Similarly, noise, dust and highway obstructions will be kept to a minimum using industry standard techniques, monitored by the Council throughout the works.

4. Governance

A dedicated project board would oversee the governance of the project ensuring:

- Due diligence
- Alignment with Council policies and priorities
- Claims/reports to Coastal to Capital LEP
- Legal issues and compliance with legislation
- Risk management including health and safety
- Statutory approvals
- Stakeholder management
- Change control