



ADUR & WORTHING COUNCILS

26 February 2018

Joint Strategic Committee

Date: 6 March 2018

Time: 6:30pm

Venue: QEII Room, Shoreham Centre, Shoreham-by-Sea

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), Edward Crouch, Diane Guest, Heather Mercer 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 1 February 2018, the Worthing Executive meeting on 5 February 2018 and the Adur Executive meeting on 6 February 2018 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. 3rd Quarter Capital Investment Programme & Projects Monitoring 2017/18

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

6. 3rd Quarter Revenue Budget Monitoring 2017/18

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

7. Fairer Funding Review

To consider a report from the Director for Digital & Resources, a copy is attached as item 7.

8. Brighton Mainline Alliance - supporting our Regional Infrastructure properties

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

9. Worthing Crematorium Improvements

To consider a report from the Director for Communities and the Director for Digital & Resources, a copy is attached as item 9.

10. Redevelopment of former Adur Civic Centre - Phase II Marketing

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

11. Use of s106 Funding to enhance Sport and Recreation Facilities in Adur

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

Part B - Not for Publication – Exempt Information Reports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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The agenda and reports are available on the Councils website, please visit www.adur-worthing.gov.uk

3rd 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 made on the 2017/18 Capital Investment Programmes for Adur District Council, Worthing Borough Council. The programmes include schemes which support the delivery of services by the Joint Strategic Committee.

1.2 The following appendices have been attached to this report:

Appendix 1: Adur District Council Capital Monitoring Summary

Appendix 2: Worthing Borough Council Capital Monitoring Summary

Appendix 3: Adur District Council Reprofiled Budgets

Appendix 4: 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 phasing 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 replacements of 4 town centre CCTVs funded from underspends in the 2017/18 Capital Investment Programme, and the amendment to the 2017/18 Capital Investment Programme to include this scheme as detailed in paragraph 2.1.3 i).

EXECUTIVE SUMMARY

2. RECOMMENDATIONS

2.3 Recommendation Three

To approve the purchase of 4 vans for the delivery of the new public convenience cleaning contract funded from underspends in the 2017/18 Capital Investment Programme, and the amendment to the 2017/18 Capital Investment Programme to include this scheme as detailed in paragraph 2.1.3 ii).

2.4 Recommendation Four

To approve the amendment to the 2017/18 Capital Investment Programme to include the external funding grant of £50,000 from Sport England towards the expansion of the changing rooms at Wadurs Swimming Pool as advised in paragraph 2.1.3 iii).

2.5 Recommendation Five

To approve the additional funding of £20,000 for the Parks and Open Spaces water stand pipes upgrades funded from underspends in the 2017/18 Capital Investment Programme as advised in paragraph 2.1.3 iv).

2.6 Recommendation Six

To approve the purchase of vibration safety equipment for Parks employees at a cost of £4,900 funded from underspends in the 2017/18 Capital Investment Programme, and the amendment to the 2017/18 Capital Investment Programme to include this scheme as detailed in paragraph 2.1.3 v).

2.7 Recommendation Seven

To note the possible £50,000 overspend on the Riverside (Lower Beach) Car Park improvements scheme as detailed in paragraph 2.1.3 vi).

2.8 Recommendation Seven

To agree the amendment to the 2017/18 Capital Investment Programme to include the Environment Agency Grant of £7,442.50 for the Adur Beach Management Plan as detailed in paragraph 2.1.3 vii).

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

2.1 Recommendation One

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

2.2 Recommendation Two

To approve the replacements of 14 town centre CCTVs funded from underspends in the 2017/18 Capital Investment Programme, and the amendment to the 2017/18 Capital Investment Programme to include this scheme as detailed in paragraph 2.2.2 i).

EXECUTIVE SUMMARY

2. RECOMMENDATIONS

2.3 Recommendation Three

To approve the purchase of 4 vans for the delivery of the new public convenience cleaning contract funded from underspends in the 2017/18 Capital Investment Programme, and the amendment to the 2017/18 Capital Investment Programme to include this scheme as detailed in paragraph 2.2.2 ii).

2.4 Recommendation Four

To approve the purchase of vibration safety equipment for Parks employees at a cost of £7,300 funded from underspends in the 2017/18 Capital Investment Programme, and the amendment to the 2017/18 Capital Investment Programme to include this scheme as detailed in paragraph 2.2.2 iii).

2.5 Recommendation Five

To approve the replacement of the Town Hall fire alarms at a cost of £25,000 funded from underspends in the 2017/18 Capital Investment Programme, and the amendment to the 2017/18 Capital Investment Programme to include this scheme as detailed in paragraph 2.2.2 iv).

2.6 Recommendation Six

To note the estimated overspend of £100,000 on the removal of the asbestos from the Town Hall roof space funded from underspends in the 2017/18 Capital Investment Programme 2.2.2 v).

2.7 Recommendation Seven

To agree the amendment to the 2017/18 Capital Investment Programme to include the Environment Agency Grant of £7,442.50 for the Adur Beach Management Plan as detailed in paragraph 2.2.2 vi).

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 programmes' progress and finance, seeking to address any problems at an early stage in order for schemes to be completed within budget 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. This could be due to resourcing problems, time delays or other factors beyond the Councils' control.

1. CONTEXT

- 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 or where there are financial issues	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	▲
Schemes where progress has deteriorated	▼

- 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.

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

- 1.7.1 There are 56 schemes in the 2017/18 current capital investment programme of which 26 (46%) schemes are progressing satisfactorily or have completed. Six schemes (11%) have been identified as not progressing satisfactorily or where there are financial issues that need to be addressed, 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.

- 1.7.2 The current 2017/18 budget is £20,369,750 which has decreased by £5,615,380 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 decrease in the current budget is the reprofiling of capital budgets to 2018/19.

- 1.7.3 An underspend of £52,680 is currently forecast on the current 2017/18 Capital Investment Programme, which has mainly arisen from:

1. CONTEXT

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

i) Disabled Facilities Grants

The Council has received an increased Better Care Fund Grant (BCFG) Allocation of £588,137 in 2017/18. This allocation can be used to fund grants made in 2017/18 and the current forecast outturn is £350,000. Based on previous experience, any unused grants at the year-end will be carried forward to fund future Disabled Facilities Grant awards

The 2017/18 DFG budget of £350,000 was originally funded from a forecast BCFG of £305,000 and Council funding of £45,000. The announcement of the Council's BCFG allocation has resulted in an underspend of Council resource funding of £45,000.

ii) Contingency provision carried forward from 2016/17

A contingency provision of £60,000 was carried forward for urgent capital schemes or for additional works required to capital schemes already in the 2017/18 Capital Investment Programme. The balance remaining from this provision is £25,900.

1.7.4 **Adur Homes Capital Investment Programme**

The Adur Homes Capital Investment Programme for the two years 2017/18 and 2018/19 was approved by the Joint Strategic Committee 12th September 2017.

There has been a delay in the commencement of many of the major contracts whilst a joint review by Adur Homes and Technical Services of the capital work programme was carried out, taking into consideration the condition surveys which have recently been received. It is envisaged that the use of a professional services framework contract will assist in expediting the capital programme by project managing some of the contracts.

Programme element budgets of £4,383,210 have been reprofiled to 2018/19 to fund 2017/18 projects which have now been scheduled in 2018/19.

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

1.8.1 There are 69 schemes in the 2017/18 current capital investment programme of which 36 schemes (52%) are progressing satisfactorily or have completed. Six schemes (9%) have been identified as not progressing satisfactorily or where financial issues have been identified, and a summary of these schemes is attached as Appendix 2 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.

1. CONTEXT

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

The current 2017/18 budget is £32,424,760, an increase of £3,147,130 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 and from 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 and the reprofiling of this budget to 2018/19.

1.8.2 An underspend of £190,700 is currently forecast on the current 2017/18 Capital Investment Programme, which has mainly arisen from:

i) Disabled Facilities Grants

The Council has received an increased Better Care Fund Grant (BCFG) Allocation of £1,079,802 in 2017/18. This allocation can be used to fund grants made in 2017/18 and the current forecast outturn is £800,000. Based on previous experience, any unused grants at the year-end will be carried forward to fund future Disabled Facilities Grant awards

The 2017/18 DFG budget of £750,000 was originally funded from a forecast BCFG of £650,000 and Council funding of £100,000. The announcement of the Council's BCFG allocation has resulted in an underspend of Council resource funding of £100,000.

ii) Contingency provisions carried forward from 2015/16 and 2016/17

A total contingency provision of £160,000 was carried forward for urgent capital schemes or for additional works required to capital schemes already in the 2017/18 Capital Investment Programme. All of this provision has been ring fenced to fund essential capital works in 2018/19 as advised in the last quarter's capital monitoring report.

iii) Brooklands Park Environmental Improvements

The 2017/18 Capital Investment Programme includes a budget provision of £850,000 for Brooklands Park Environmental Improvements. The works have been tendered and the scheme costs are estimated at £520,000. Further improvements estimated to cost £50,000 have been approved from the original allocation.

However, the works are on site and although they are progressing well recent weather conditions have slowed operations and unexpected expenditure could arise at any time, and therefore the full underspend has yet to be realised.

1. CONTEXT

iv) Car Park Improvements –

Lyndhurst Road (West) Surface Car Park Extension

The 2017/18 Capital Investment Programme includes a budget provision of £269,320 for the extension works to Lyndhurst Road (West) Surface Car Park. The original design parameters changed from a stand alone car park segregated from the adjacent existing car park by fencing and a new entrance barrier with additional lighting to an extension of the existing car park with additional pay and display machines and signage.

The works have now completed creating an additional 63 parking spaces at a cost of £160,000. This has resulted in an underspend of approximately £112,000. The lighting and drainage improvements, if necessary, may be undertaken in future years and will be funded from future capital bids for resources.

2. ISSUES FOR CONSIDERATION

2.1 Adur District Council

2.1.1 Budgets totalling £25,675,170 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.

2.1.2 The following programmes of capital works have been identified as likely to be reprofiled to 2018/19.

i) Parks and Open Spaces – Southern Water compliance works to water stand pipes – Works are anticipated to commence in February 2018 with a duration of 8 weeks.

ii) Shoreham Centre – Provision of self levelling stair crawlers to enable the disabled or wheelchair users to be evacuated safely from the building – Due to the specialised nature of the equipment requested only one quote has been received. This has resulted in a delay to the procurement process. Timescales are uncertain and the purchase may be delayed to 2018/19.

2.1.3 The following amendments to the Adur District Council 2017/18 Capital Investment Programme are recommended:

i) Replacement CCTV Cameras - Adur District Council currently has 5 CCTV cameras and has a contract with Sussex Police for the maintenance and transmission of the cameras as part of the Sussex Wide partnership. The contract has just been renegotiated and included the replacement of one camera.

2. ISSUES FOR CONSIDERATION

2.1 Adur District Council

- i) Replacement CCTV Cameras - However, all cameras needed to be replaced due to their age and reliability. In addition the technology of CCTV cameras has improved significantly and new cameras would provide a much better service for the community.

As part of the new contract the Council received an offer to replace all the cameras at a competitive price due to economies of scale with other authorities in the Sussex Wide Partnership.

The deadline for inclusion in the Sussex Wide Partnership discount for the purchase of new cameras was 24th November 2017 after which time the purchase price would have increased by approximately 50%. In order not to miss the discount an order was placed for 4 new especially hardened cameras for coastal areas (One camera was replaced free of charge as part of the negotiated contract by Sussex Police on behalf of the partnership). The cameras are due to be replaced in March 2018.

Retrospective approval is requested for the purchase of 4 new CCTV cameras at a cost of £18,375 funded from general underspends in the 2017/18 Capital Investment Programme.

- ii) Public Conveniences Cleaning Contract – Purchase of 4 Vans - The public conveniences cleaning contract is to be administered by Adur and Worthing Councils from 1st March 2018. In order to provide the service 4 vans will be required.

The cost of purchasing 4 new vans is estimated at £48,000, but if relatively new second hand vehicles could be sourced the likely cost would be £36,000. The provisional cost split of the service is Adur District Council 30% and Worthing Borough Council 70%. The cost of new vehicles to each Council would be Adur £14,400 and Worthing £33,600, but second hand vehicles will be sought if possible.

It is proposed to fund the vehicles from general underspends in the Adur District Council and Worthing Borough Council Capital Investment Programmes on a 30% / 70% basis.

- iii) Wadurs Swimming Pool – Expansion of changing facilities - Impulse Leisure will be delivering this project with Technical Services overseeing the standard of works. However, the original budget of £100,000 was found to be insufficient for the works requested by Impulse Leisure, who have been exploring external funding sources to bridge the funding shortfall prior to commencing the project.

2. ISSUES FOR CONSIDERATION

2.1 Adur District Council

- iii) Wadurs Swimming Pool – Expansion of changing facilities - External funding of £50,000 has been confirmed from Sport England and needs to be added to the current budget for this scheme, making a total budget of £150,000. The 2017/18 Capital Investment Programme needs to be amended to include this grant.

Further external grants are still being sought to further enhance the expansion of the changing rooms.

- iv) Parks and Open Spaces – Southern Water compliance works to water stand pipes - This project is essential to ensure the Council's parks water supplies comply with water regulations and to avoid the potential risk of contamination of fresh water main supplies.

The scheme was originally estimated at £84,000. However, tendering has resulted in a funding shortfall of £20,000. It is proposed to fund this shortfall from overall underspends in the 2017/18 Capital Investment Programme.

The works will commence on site in February 2018 with a duration of 8 weeks.

- v) Parks – Vibration Safety Equipment - Following recent enforcement action by the Health and Safety Executive regarding our Risk Management for Vibration at work, specifically Hand Arm Vibration, the Council has had to urgently review its health surveillance and risk management policies. This led to a report being taken to the corporate health and safety board in December 2017.

The report recommended procurement of “HAVswear monitoring equipment” and software that supports this system. The equipment would be worn by staff whilst operating tools such as strimmers and hedge cutters, and would monitor the personal vibration levels to which staff are being exposed.

The cost of the equipment and software is £12,320 and Adur District Council's share of this investment is £4,900 and can be funded from general underspends on the 2017/18 Adur District Council Capital Investment Programme.

- vi) Car Park Improvements – Riverside (Lower Beach) Car Park - The majority (90%) of the enhancements to the Riverside Car Park have now completed.

2. ISSUES FOR CONSIDERATION

2.1 Adur District Council

- vi) Car Park Improvements – Riverside (Lower Beach) Car Park
However, the impact on and suspension of the contract as a result of the Coast Protection Tidal Walls Scheme (Environmental Agency Scheme) has resulted in the contractors claiming compensation for the delay and disruption to the works on the car park. The Council is currently negotiating the amount but the final settlement could result in a £50,000 overspend. A contingency overspend provision of £50,000 can be accommodated within the overall 2017/18 Capital Investment Programme underspend.
- vii) Adur Beach Management Plan – Preliminary Study to advise the Coast Protection Works Required over the next 4 years - The outline business case has been completed. Following the completion of flood and coastal erosion risk management reports for the Environment Agency, the Council has received confirmation from the Environment Agency of additional funding of £14,885 for the increased costs for this study.

As this is a joint study for both Adur and Worthing Councils the grant needs to be added to both Capital Investment Programmes on a 50/50 basis.

2.2 Worthing Borough Council

2.2.1 Budgets totalling £26,077,720 have been reprofiled to and from 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 4 to this report.

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

- i) Replacement CCTV Cameras - Worthing Borough Council currently has 17 CCTV cameras and has a contract with Sussex Police for the maintenance and transmission of the cameras as part of a Sussex Wide Partnership. The contract has just been renegotiated and included the replacement of three cameras.

However, all cameras needed to be replaced due to their age and reliability. In addition the technology of CCTV cameras has improved significantly and new cameras would provide a much better service for the community.

As part of the new negotiated contract the Council received an offer to replace all the cameras at a competitive price due to economies of scale with other authorities in the Sussex Wide Partnership.

2. ISSUES FOR CONSIDERATION

2.2 Worthing Borough Council

i) Replacement CCTV Cameras

The deadline for inclusion in the Sussex Wide Partnership discount for the purchase of new cameras was 24th November 2017 after which time the purchase price would have increased by approximately 50%. In order not to miss the discount an order was placed for 14 new especially hardened cameras for coastal areas (Three cameras were replaced free of charge as part of the negotiated contract by Sussex Police on behalf of the partnership). The cameras were replaced in January 2018.

Retrospective approval is requested for the purchase of 14 new CCTV cameras at a cost of £63,985 funded from general underspends in the 2017/18 Capital Investment Programme.

ii) Public Conveniences Cleaning Contract – Purchase of 4 Vans - The public conveniences cleaning contract is now to be administered by Adur and Worthing Councils from 1st March 2018. In order to run the service 4 vans will be required.

The cost of purchasing 4 new vans is estimated at £48,000, but if relatively new second hand vehicles could be sourced the likely cost would be £36,000. The provisional cost split of the service is Adur District Council 30% and Worthing Borough Council 70%. The cost of new vehicles to each Council would be Adur £14,400 and Worthing £33,600, but second hand vehicles will be sought if possible.

It is proposed to fund the vehicles from general underspends in the Adur District Council and Worthing Borough Council Capital Investment Programmes on a 30% / 70% basis.

iii) Parks – Vibration Safety Equipment - Following recent enforcement action by the Health and Safety Executive regarding our Risk Management for Vibration at work, specifically Hand Arm Vibration, the Council has had to urgently review its health surveillance and risk management policies. This led to a report being taken to the corporate health and safety board in December 2017.

The report recommended procurement of “HAVswear monitoring equipment” and software that supports this system. The equipment would be worn by staff whilst operating tools such as strimmers and hedge cutters, and would monitor the personal vibration levels to which staff are being exposed.

The cost of the equipment and software is £12,320 and Worthing Borough Council's share of this investment is £7,300 and can be funded from general underspends on the 2017/18 Worthing Borough Council Capital Investment Programme.

2. ISSUES FOR CONSIDERATION

2.2 Worthing Borough Council

- iv) Town Hall Fire Alarms – Replacement - A recent Fire Risk Assessment flagged up the need for the Town Hall Fire Alarms to be urgently replaced.

The cost of the replacement fire alarm system is estimated to cost £25,000 and it is proposed to fund this from general underspends on the 2017/18 Worthing Borough Council Capital Investment Programme.

- v) Asbestos Removal from the Town Hall Roof Space - The 2017/18 Capital Investment Programme includes a budget provision of £130,000 for the removal of asbestos from the Town Hall roof space.

Safe working zone works have been completed in the Town Hall, together with sampling of ceilings to simulate maintenance activities, to ensure the safety of staff and visitors in the building until the asbestos is removed.

Specialist asbestos removal consultants have advised that the estimated cost for the removal of asbestos is £230,000, an overspend of £100,000 on the budget. This overspend can be funded by the overall underspend on the 2017/18 Capital Investment Programme.

- vi) Adur Beach Management Plan – Preliminary Study to advise the Coast Protection Works Required over the next 4 years - The outline business case has been completed. Following the completion of flood and coastal erosion risk management reports for the Environment Agency, the Council has received confirmation from the Environment Agency of additional funding of £14,885 for the increased costs for this study.

As this is a joint study for both Adur and Worthing Councils the grant needs to be added to both Capital Investment Programmes on a 50/50 basis.

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. Officers of the Council have been consulted with on the progress of the schemes which they are responsible for delivering. The overall progress of the programmes have been considered by the Capital Working Group

4. FINANCIAL IMPLICATIONS

- 4.1 There are no further financial implications arising from this report 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. The issues considered in this report can all be funded from existing resources.

Finance Officer: Sarah Gobey **Date:** 08th February, 2018

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:** 20th February, 2018

Background Papers

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

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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 2017/2018								DECEMBER 2017	
Executive Portfolios	(1) Total ADC Scheme Budgets £	(2) Previous Years' Spend £	(3) 2017/18 Original Budget £	(4) Net Slippage b/f from 2016/17 £	(5) Approved Changes to Original Budget £	(6) 2017/18 Budget Reprofiles to and from 2018/19 £	(7) 2017/18 Current Budget £	(8) 2017/18 Spend to Date £	(9) Spend % of Current Budget
Customer Services	11,562,090	-	9,017,160	1,929,900	615,030	(6,963,810)	4,598,280	3,081,465	67.01%
Environment	4,085,760	507,600	3,047,670	534,720	92,770	(1,084,260)	2,590,900	1,921,163	74.15%
Health and Wellbeing	219,900	840	219,800	11,260	(10,000)	(151,300)	69,760	4,678	6.71%
Regeneration	32,302,710	750,290	13,450,500	145,880	16,391,040	(17,346,700)	12,640,720	13,210,119	104.50%
Resources	651,620	85,830	250,000	221,930	127,260	(129,100)	470,090	126,678	26.95%
TOTALS	48,822,080	1,344,560	25,985,130	2,843,690	17,216,100	(25,675,170)	20,369,750	18,344,103	90.06%

Financing of 2017/18 Programme:

Adur Homes Capital Programme:	£'000
Capital Receipts:	600
Major Repairs Reserve:	2,957
Development/Refurb Reserve:	70
Prudential Borrowing:	0
	<u>3,627</u>

General Fund Capital Programme:	£'000
Prudential Borrowing:	10,894
Capital Receipts:	222
Government Grants:	943
Revenue Reserves and Contributions	99
Other Contributions:	4,585
	<u>16,743</u>

Capital Monitoring - Summary of Progress:

Schemes not progressing satisfactorily or where there are financial issues:	6
Schemes where progress is being closely monitored:	24
Schemes progressing well:	15
Schemes completed:	11
Total Schemes:	<u>56</u>

2017/18 Current Council Resources General Fund Underspend: (52,680)
Proposed Utilisation of Underspends:

1. Replacement of Community CCTV Cameras:	18,375
2. Public Conveniences Cleaning Contract - Purchase of 4 vans	14,400
3. Parks - Health and Safety Vibration Equipment	4,900

2017/18 Remaining Council Resources General Fund Underspend: (15,005)

(1) SCHEME (Responsible Officer)	(2) Total ADC Scheme Budget £	(3) Previous Years' Spend £	(4) 2017/18 Original Budget £	(5) Budget Reprofiles to and from 2018/19 and Future Years £	(6) 2017/18 Current Budget £	(7) 2017/18 Spend to Date £	(8) Anticipated Completion Date (C) / Approval Report(D)/ P.I.D.(P)	(9) 2017/18 Anticipated (Underspend) /Overspend (Council Resources) £	(10) COMMENTS AND PROGRESS <input checked="" type="checkbox"/> Progress Beyond Council's Control £ Schemes with financial issues ▲ Scheme Progress Improved ▼ Scheme Progress Deteriorated	(11) Status
Schemes not progressing satisfactorily or where there financial issues	3,528,950	550,900	2,238,350	2,720,600	357,450	104,920		70,000	Scheme Details Below	RED
Schemes where progress is being closely monitored	39,459,330	56,180	20,932,690	23,483,970	14,386,180	14,174,561		-	Scheme Details On Intranet	AMBER
Schemes progressing well	2,907,290	536,240	1,291,900	(529,400)	2,900,850	1,389,292		(95,400)	Scheme Details On Intranet	GREEN
Schemes completed	2,926,510	201,240	1,522,190	-	2,725,270	2,675,330		(27,279)	Scheme Details On Intranet	GREEN
TOTAL: C.I.P. 2017/18	48,822,080	1,344,560	25,985,130	25,675,170	20,369,750	18,344,103		(52,680)		
Customer Services Affordable Housing 1 Partnership Schemes with Registered Social Landlords. (£477k Funded by S106) (CA)	1,380,600	-	810,000	1,380,600	-	-	T.B.C. (C) T.B.C. (D)	-	The announcement in the Budget to cut social housing rents by 1% per annum over the next four years is likely to have a significant negative impact on affordable housing over the coming years. This is due to the rent reduction impacting on registered providers' business model which was previously based on a rent increase of CPI plus 1% each year for the next 10 years. Officers are in discussion with Hyde Housing Association and Southern Housing Association regarding possible contributions to housing developments. Budget reprofiled to 2018/19 due to the likely lead in time for grant payments for housing developments.	<input checked="" type="checkbox"/>

(1) SCHEME (Responsible Officer)	(2) Total ADC Scheme Budget £	(3) Previous Years' Spend £	(4) 2017/18 Original Budget £	(5) Budget Reprofiles to and from 2018/19 and Future Years £	(6) 2017/18 Current Budget £	(7) 2017/18 Spend to Date £	(8) Anticipated Completion Date (C) / Approval Report(D)/ P.I.D.(P)	(9) 2017/18 Anticipated (Underspend) /Overspend (Council Resources) £	(10) COMMENTS AND PROGRESS <input checked="" type="checkbox"/> Progress Beyond Council's Control £ Schemes with financial issues ▲ Scheme Progress Improved ▼ Scheme Progress Deteriorated	(11) Status
<p>Housing 2 Acquisition of emergency interim or temporary accommodation for the homeless (Invest to Save Scheme) (CA)</p>	1,200,000	-	1,200,000	1,200,000	-	-	Mar 19 (C) 13.9.16 (D)	-	<p>The Council has agreed a contribution of £30,060 to Worthing Churches Homeless Project to refurbish 22 Lyndhurst Road into 37/38 units of short stay accommodation. The Council will have nomination rights to 18 of these units which will reduce the use of B&B accommodation. The project will be considered by the Planning Committee on 10th March 2018 to approve the change of use and conversion. Officers are actively seeking other properties but it is proving difficult to find suitable sites.</p>	
<p>Lancing Manor Leisure Centre - 3 Renewal of flat roof area over the entrance hall and replacement of glazing units in the entrance hall (DM)</p>	44,800	-	44,800	40,000	4,800	3,615	Aug 18 (C) 14.3.17 (P)		<p>Tenders have been received over budget and are currently being revisited. It is proposed to fund any overspend from an anticipated underspend on the replacement of the Southwick Leisure Centre roof. Works anticipated in 2018/19.</p>	£ ▼

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
SCHEME (Responsible Officer)	Total ADC Scheme Budget £	Previous Years' Spend £	2017/18 Original Budget £	Budget Reprofiles to and from 2018/19 and Future Years £	2017/18 Current Budget £	2017/18 Spend to Date £	Anticipated Completion Date (C) / Approval Report(D)/ P.I.D.(P)	2017/18 Anticipated (Underspend) /Overspend (Council Resources) £	COMMENTS AND PROGRESS <input checked="" type="checkbox"/> Progress Beyond Council's Control £ Schemes with financial issues ▲ Scheme Progress Improved ▼ Scheme Progress Deteriorated	Status
Environment Car Park Improvements 4 Enhancements to Lower Beach Road Car Park and provision of a cycle path link to Ferry Road and the Beach (Contribution of £143,000 from WSCC and £117,000 funded from S106 Receipts) (DM)	532,000	469,590	-	100,000	62,410	50,208	July 18 (C) 29.11.12 (D)	50,000	90% of the works have now completed. The remainder of the works are suspended to allow the Environment Agency Tidal Walls Coastal Protection Scheme workers access through the remaining site area until at least mid May 2018. Remaining works will be organised after this time. The remaining works are estimated to cost £85k, which is within the budget. However, the contractor's claim for the hold up is being negotiated but could be up to £100k.	£ Scheme on Hold
Park and Open Spaces 5 Southern Water compliance works to water stand pipes to ensure the Council's parks' water supplies comply with water regulations and to avoid the potential risk of contamination of fresh water main supplies (DM)	84,000	-	84,000	Possible reprofiling	84,000	4,200	Mar 18 (C) 14.3.17 (P)	20,000 (Contingency Funding)	Tenders received over budget. Request for £20,000 contingency funding from overall capital programme underspends. Works anticipated on site Spring 2018.	£

(1) SCHEME (Responsible Officer)	(2) Total ADC Scheme Budget £	(3) Previous Years' Spend £	(4) 2017/18 Original Budget £	(5) Budget Reprofiles to and from 2018/19 and Future Years £	(6) 2017/18 Current Budget £	(7) 2017/18 Spend to Date £	(8) Anticipated Completion Date (C) / Approval Report(D)/ P.I.D.(P)	(9) 2017/18 Anticipated (Underspend) /Overspend (Council Resources) £	(10) COMMENTS AND PROGRESS	(11) Status
<p> <input checked="" type="checkbox"/> Progress Beyond Council's Control £ Schemes with financial issues ▲ Scheme Progress Improved ▼ Scheme Progress Deteriorated </p>										
Resources <i>Information and Technology</i> 6 Financial Management System Replacement (Partnership Scheme with Worthing Borough Council. Total Cost £565,000) (SG)	265,550	81,310	77,550	-	184,240	46,896	T.B.A. (C) 1.9.16 (D)	-	The project is at the user acceptance stage. The progress against the project plan is slipping again due to the late provision of the new Billing and Debtors functionality which was due for completion by 1st Dec. This is approximately one month behind schedule. The current go live date of 3rd April 2018 is unachievable and the options for proceeding with the project are under review. The project spend is currently within budget, however further delay may incur additional costs.	▼
TOTAL:	3,506,950	550,900	2,216,350	2,720,600	335,450	104,920		70,000		

RESPONSIBLE OFFICERS:

CA	Cally Antill	Head of Housing
DM	Derek Magee	Engineering and Surveying Manager
SG	Sarah Gobey	Chief Finance Officer

CAPITAL MONITORING SUMMARY 2017/18								DECEMBER 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 to Date £	(9) Spend % of Current Budget
Customer Services	4,416,000	131,960	3,411,000	343,040	500,000	2,963,400	1,290,640	687,663	53.28%
Environment	8,390,340	602,090	6,355,110	752,540	429,430	2,009,630	5,527,450	3,658,261	66.18%
Health and Wellbeing	238,760	18,290	199,800	21,670	-	160,000	61,470	-	0.00%
Regeneration	35,218,120	47,810	13,909,720	372,490	20,766,500	20,374,220	14,674,490	9,531,921	64.96%
Resources	11,415,600	117,420	5,402,000	5,831,680	207,500	570,470	10,870,710	5,256,434	48.35%
TOTALS	59,678,820	917,570	29,277,630	7,321,420	21,903,430	26,077,720	32,424,760	19,134,278	59.01%

Financing of 2017/18 Programme:

	£'000
Borrowing:	22567
Capital Receipts:	5129
Revenue Contributions and Reserves:	422
Government Grants:	4062
S106 Receipts	245
Other Contributions:	
	32,425

Capital Monitoring - Summary of Progress:

Schemes not progressing satisfactorily or where there are : financial issues:	6
Schemes where progress is being closely monitored:	27
Schemes progressing well:	13
Schemes completed:	23
Total Schemes:	69

2017/18 Current Council Resources General Fund Underspend: (190,700)

Proposed Utilisation of Underspends:

1. Replacement of Community CCTV Cameras:	63,985
2. Public Conveniences Cleaning Contract - Purchase of 4 vans	33,600
3. Parks - Health and Safety Vibration Equipment	7,300
4. Town Hall - Replacement of fire alarm system	25,000

2017/18 Remaining Council Resources General Fund Underspend: (60,815)

(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 to Date £	(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 are financial issues	3,870,900	342,640	2,903,150	3,169,500	358,760	157,169		133,000	Scheme Details Below	RED
Schemes where progress is being closely monitored	39,682,180	193,310	17,054,350	22,962,320	16,406,050	9,881,518		84,630	Scheme Details on Intranet	AMBER
Schemes progressing well	11,823,540	152,200	6,289,880	170,900	11,792,630	5,777,696		(100,000)	Scheme Details on Intranet	GREEN
Completed Schemes	4,302,200	229,420	3,030,250	(225,000)	3,867,320	3,317,896		(308,334)	Scheme Details on Intranet	GREEN
TOTAL: C.I.P. 2017/18	59,678,820	917,570	29,277,630	26,077,720	32,424,760	19,134,279		(190,700)		
CUSTOMER SERVICES Affordable Housing 1 Partnership Schemes with Registered Social Landlords. (Unallocated Budget) (CA)	991,900	-	568,900	991,900	-	-	T.B.A. (C) T.B.A. (D)	-	The announcement in the Budget to cut social housing rents by 1% per annum over the next four years is likely to have a significant negative impact on affordable housing over the coming years. This is due to the rent reduction impacting on registered providers' business model which was previously based on a rent increase of CPI plus 1% each year for the next 10 years. £167,000 has been vired for the development of the Fulbeck Avenue site to provide housing. Officers are in discussion with various Housing Associations regarding possible contributions to housing developments. Budget reprofiled to 2018/19 due to the likely lead in time for grant payments for housing developments.	<input checked="" type="checkbox"/>

(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 to Date £	(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
<p>Housing</p> <p>2 Acquisition of emergency interim or temporary accommodation for the homeless (Invest to Save Scheme) (CA)</p>	1,800,000	-	1,800,000	1,800,000	-	-	Mar 19 (C) 13.9.16 (D)	-	<p>The Council has agreed a contribution of £59,940 to Worthing Churches Homeless Project to refurbish 22 Lyndhurst Road into 37/38 units of short stay accommodation.</p> <p>The Council will have nomination rights to 18 of these units which will reduce the use of B&B accommodation.</p> <p>The project will be considered by the Planning Committee on 10th March 2018 to approve the change of use and conversion. Officers are actively seeking other properties but it is proving difficult to find suitable sites.</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 to Date £	(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
3 Worthing Leisure Centre Replacement of Service Pipe Work (DM)	235,080	160,960	-	-	74,120	97,950.51	June 17 (C) 15.8.12 (P)	33,000	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. Works have completed however, additional works have been undertaken which have not been budgeted. Final account agreed which has resulted in a reduction in the forecast overspend.	£
4 Environment Durrington Cemetery Additional Burial Spaces - Initial assessment of works and extension of cemetery (DM)	369,300	71,700	300,000	247,600	50,000	6,335.00	Mar 19 (C) 8.3.12 (P) 3.12.15 (D)	Possible Overspend	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 (Cont.)	▲

(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 to Date £	(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 v Scheme Progress Deteriorated	(13) Status
<p>Durrington Cemetery Additional Burial Spaces - Initial assessment of works and extension of cemetery (Cont.)</p>									<p>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. Ecological surveys complete. Consultation with Sussex Wildlife Trust organised for Jan 18. Planning Permission to be sought following consultation with SWT. Final design / contract documentation being out sourced to consultant while at planning stage to enable tendering to progress at earliest stage. Provisional contract start date of Sept 18 dependant on outcome of consultation and planning.</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 to Date £	(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 £
Health and Wellbeing Asbestos Removal 5 Programme of works: i) Asbestos Surveys ii) Removal of asbestos from Town hall roof space (DM)	175,170	18,290	146,800	130,000	26,880	-	Mar 19 (C) T.B.A. (D)	100,000	i) Asbestos Surveys £26,880. Tender package being prepared for Thames Laboratories for asbestos management surveys. 2017/18 budget to be used to fund a pilot scheme. 2018/19 and 2019/20 budgets to be used to complete surveys on all properties. ii) Removal of asbestos from Town Hall roof space £130,000. Safe working zone works completed in main town hall and also sampling of ceilings to simulate maintenance activities. Current costings for works advised by Thames Laboratories indicate possible overspend of up to £100k.	£

(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 to Date £	(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
Resources <i>Information and Technology</i> 6 Financial Management System Replacement (Partnership Scheme with Adur District Council. Total cost £565,000) (SG)	299,450	91,690	87,450	-	207,760	52,883.03	T.B.C. (C) 1.9.16 (D)	-	The project is at the user acceptance stage. The progress against the project plan is slipping again due to the late provision of the new Billing and Debtors functionality which was due for completion by 1st Dec. This is approximately one month behind schedule. The current go live date of 3rd April 2018 is unachievable and the options for proceeding with the project are under review. The project spend is currently within budget, however further delay may incur additional costs.	▼
TOTAL:	3,870,900	342,640	2,903,150	3,169,500	358,760	157,169		133,000		

RESPONSIBLE OFFICERS:

CA	Cally Antill	Head of Housing
DM	Derek Magee	Engineering and Surveying Manager
SG	Sarah Gobey	Chief Financial Officer



ADUR DISTRICT COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Adur Civic Centre - Redevelopment	-700,000	<p>i) The demolition of the Civic Centre completed 1st June 2017.</p> <p>ii) Phase 1 North New Office Development. Planning Permission was granted on 13th November 2017. The contractors are in the process of finalising the technical design and procuring the subcontract packages. Works are anticipated to start on site by the beginning of March 2018 and will be continuing in 2018/19.</p> <p>iii) Phase II South Development of the Civic Centre Site. The current proposal is to market the site to external developers for a mixed use scheme. Details of the marketing strategy are to be worked-up in collaboration with the Property Team.</p>
Adur Homes Capital Investment Programme	2,677,600	<p>External Works Programme:</p> <p>i) Works at Bushby Court and Beachcroft Court to replace doors, porches and screens £400,000. Specification complete. Contract for the pilot scheme to be let by end March 2018 for works in 2018/19. Consultation with leaseholders to be undertaken for the remaining works.</p> <p>ii) External works at Rock Close £710,000, Locks Court £500,000 and Milfield £1.5m. These works will be progressed by professional services. The contract is currently awaiting authorisation for delivery on site 2018/19.</p> <p>iii) Window replacements at Rock Close and Locks Court £400,000 to be undertaken in 2018/19.</p> <p>iv) Investigative work on homes with non-traditional construction. Report imminent which will be followed by consideration of urgent works.</p> <p>Communal Area Works: Internal works to blocks of flats - flooring and walls £100,000. Priorities to be agreed.</p> <p>Environmental Improvements: Refurbishment of the meet-in-place at Fishersgate to create a better resident resource area £25,000. Works required being considered and will be undertaken in 2018/19.</p>



ADUR DISTRICT COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Adur Homes Capital Investment Programme (Continued)		<p>Fire Safety Works :</p> <p>i) Pilot scheme for bespoke fire doors £600,000. All doors have a 8 week lead in prior to installation. Consultation in progress. Main works in 2018/19.</p> <p>ii) Smoke detection and fire risk assessments to sheltered housing £500,000. Works being assessed for delivery in 2018/19.</p>
Adur Homes - Development and Acquisition Programme	1,705,610	<p>Cecil Norris House and Land at Beachcroft. Design work and site investigations will start in 2017/18 for works in future years.</p> <p>Albion Street. Development of 14 affordable housing units on the Albion Street site. Estimated timescales: Planning Application January 2018, Planning Consent April 2018, Appointment of Contractor May 2018, Start on Site June/July 2018, Construction Completion November 2019.</p>
Affordable Housing (LASHG) Programme 2016/2017 - Unallocated budget	1,380,600	<p>The announcement in the Budget to cut social housing rents by 1% per annum over the next four years is likely to have a significant negative impact on affordable housing over the coming years. This is because the rent reduction will impact on the registered providers' business model which was previously based on a rent increase of CPI plus 1% each year for the next 10 years.</p> <p>Officers are in discussion with Hyde Housing Association and Southern Housing Association regarding possible contributions to housing developments. Budget reprofiled to 2018/19 due to the likely lead in time for grant payments for housing developments.</p>
Asbestos Management and Removal from Council Buildings	11,300	<p>A tender package is being compiled for Thames Laboratories for asbestos management surveys. 2017/18 budget to be used to fund a pilot scheme and the 2018/19 - 2019/20 budgets to be used to complete surveys on all properties.</p>



ADUR DISTRICT COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Buckingham Park - Contribution to a replacement pavilion	172,000	Planning permission has been approved for the new pavilion which will enable the scheme to progress. However, the Rugby Club has advised there was a funding shortfall of £253,000. A meeting was held with the Club in November 2016 where it was agreed to further consider the Council's contribution in March 2018 dependent on the Club's success in raising the outstanding funding. Some additional funding has been secured since December 2016 and if sufficient funds have been raised works are likely to commence in 2018/19.
Car Park Enhancements - Lower Beach (Riverside) Car Park	100,000	90% of the works have now completed. Remainder of the works have been suspended to allow the Environment Agency Tidal Walls Coastal Protection Scheme workers access through the remaining site area until at least mid May 2018. Remaining works will be organised after this time.
Coast Protection Works - Shoreham Harbour Walls Project (Funded from the Governments Growth Deal Flexible Funding Agreement with Worthing Borough Council)	2,850,200	Grant to Sussex Yacht Club for the relocation of their club house. It was anticipated that the lump sum payment would be paid March 2018 but is now anticipated December 2018 once all the approvals have been achieved.
Compliance Service - Replacement of one operational vehicle (Partnership scheme with Worthing Borough Council)	5,200	The replacement of one vehicle is on hold due to a service restructure which might not require the vehicle to be replaced.
Corporate Asset System (Partnership Scheme with Worthing Borough Council. Total cost £80,000)	50,000	Systems currently being developed: i) Compliance System ii) Stock Condition iii) Estates Management iv) Asbestos Management Officers meeting in February 2018 to consider progress.
Corporate Buildings - Condition Surveys	10,000	Asbestos surveys for corporate buildings currently being tendered for surveys to be undertaken early in 2018/19.



ADUR DISTRICT
COUNCIL

ADUR DISTRICT COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
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 design of the scheme has been delayed due to consultation with the Environment Agency regarding the Tidal Walls CPW Project and the Port Authority regarding installation of a haul road adjacent to the fort. Start on site is anticipated March 2018 due to the avoidance of winter weather conditions and is likely to continue into 2018/19.
Housing Grants - Discretionary home repair grants	15,000	Outstanding commitments at December 2017 indicate there may be an underspend on the 2017/18 budget of approximately £15,000. However, the Council has adopted a new Housing Assistance Policy which introduces additional grants for landlords. This policy has not impacted on the 2017/18 grants budget but an increased spend could arise in future years and budget has been reprofiled as a contingency for the new policy.
Lancing Manor - Renewal of flat roof area over the entrance hall and replacement of glazing units in the entrance hall.	40,000	Tenders have been received over budget and are currently being revisited. It is proposed to fund any overspend from an underspend on the replacement of the Southwick Leisure Centre roof replacement. Works anticipated 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, but it is proving difficult to find suitable sites.
Shoreham Harbour Projects (Externally funded by the Central Government Growth Point Programme)	50,000	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. A contribution of £75,000 has also been agreed to an A259 green corridor. However the Council is awaiting the completion of a study into an A259 cycle route which may require land take from the green corridor. The study is currently in progress. The Council's contribution is likely to be to several smaller discrete projects some of which may require funding in 2017/18 but most of the funding will be required in 2018/19.



ADUR DISTRICT
COUNCIL

ADUR DISTRICT COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
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.
Play Area Improvements - Quayside	81,800	The scheme is more complicated than first envisaged. The contract for the ground slab has been awarded with start on site programmed for May 2018. This allows time for weather conditions to improve for appropriate build times for concrete slab, and for the Easter break and play equipment manufacture period. Completion estimated August 2018.
Public Conveniences - Refurbishment of Southwick Cemetery Site	15,000	The Joint Strategic Committee 17.11.17 approved the refurbishment of the Mill Lane Cemetery Public Convenience to include DDA facilities. It has subsequently been agreed with the Executive Member that Southwick Cemetery should be refurbished instead. Late approval and subsequent change to the scheme have resulted in works completing in 2018/19.
Shoreham Air Crash Memorial	131,500	The Joint Strategic Committee 4th April 2017 approved the creation of a lasting memorial for the Shoreham Air Crash. The design stage has been completed. Planning and drafting the Stage 2 contract for production and installation is progressing. It is anticipated that the works will commence in 2017/18 and will continue in 2018/19 to have 3 elements (lights, arches and seating) installed before the third anniversary of August 2018.

**ADUR DISTRICT COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS**

Scheme	Reprofiled Budgets	Reason
Shoreham Centre - Provision of Solar Panels	55,000	<p>The Council is currently awaiting quotes with energy and return on investment potential from suppliers on the following options to enable informed decisions to be made:</p> <ul style="list-style-type: none"> i) PV on back roof only. ii) PV on back and centre roof plus centre roof deck replace. iii) PV on back and centre roof, centre roof replacement plus battery storage. iv) Replacement on roof deck plus PV install on centre roof.
Southwick Leisure Centre - Replacement of the eastern set of three tennis courts with an outdoor all weather pitch for football / tennis / netball.	322,000	<p>The original budget was to replace the outdoor courts with an all weather pitch for football / tennis / netball. Discussions have been held with the Lawn Tennis Association regarding an upgrade of the tennis courts instead of the provision of an all weather pitch and the possibility of an external funding bid. However, the Council and Leisure Trust are now planning a review of all the leisure facilities.</p>
Southwick Recreation Ground - Refurbishment of hard surfaces	32,500	<p>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.</p>
Street Cleansing - Replacement of 2 vehicles	62,250	<p>Vehicles have taken longer than anticipated to order and delivery is now anticipated in 2018/19 due to delivery lead in times.</p>
Strategic Property Investments - Investments in commercial property to generate income	15,000,000	<p>The Council is actively seeking properties to purchase and are applying due diligence to maximise the Council's investment.</p>



ADUR DISTRICT
COUNCIL

ADUR DISTRICT COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Street Lighting - Enhancements to WSCC street lighting in conservation areas or near heritage sites	28,000	<p>The scheme was originally delayed by confirmation from WSCC of the areas included in their PFI. Following liaison with SSE (the WSCC contractor) regarding the WSCC PFI contact inclusions and further discussions with the planning department, orders were placed for upgrades from standard units to heritage style lanterns at Southdown Road, John Street, Middle Street and St Mary's Lane.</p> <p>However, WSCC are now considering upgrading their street lighting to LED fittings but this will require a new lighting design to check the column spacings which SSE are currently carrying out. Works are unlikely to complete in 2017/18.</p>
Street Scene - Rolling programme of works to improve the environment of Adur District.	130,000	<p>Scheme was initially delayed by agreement of works and initial approval and some works may continue into 2018/19.</p> <p>i) Planters and Street Scape Improvements (West Adur). 5 new trees have been ordered in partnership with WSCC for planting in 2 locations in Crabtree Lane, Lancing, along with provisions for initial seasonal planting.</p> <p>ii) Planters and Street Scape Improvements (East Adur). A new community sign has been ordered for Southwick Square, repairs are to be undertaken to brick planters and provision made for the repair to mosaic columns in the square.</p> <p>iii) Replacement of bus shelters' information boards and advertising panels. 13 new information boards are being purchased for installation at key locations across Adur. Existing broken information boards are being removed with a further 12-13 of these to be repaired and installed in bus shelters in locations across the District. The total number of new/repaired boards to be circa 25 and will allow for the reinstatement of the free information service to Adur community groups and similar.</p>
Wadurs Swimming Pool - Expansion of changing facilities	95,510	<p>Impulse Leisure will be delivering this project with Technical Services overseeing. The original budget was found to be insufficient for the works requested by Impulse Leisure. External funding of £50,000 has been secured from Sport England and Impulse Leisure are still seeking further grants. Works are now anticipated Spring / Summer 2018.</p>
Total Reprofiled Budgets:	25,675,170	



WORTHING BOROUGH
COUNCIL

WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Affordable Housing (Partnership Schemes with Registered Social Landlords) Unallocated Budget	991,900	<p>Officers are in discussion with various Housing Associations regarding possible contributions to housing developments. Budget reprofiled to 2018/19 due to the likely lead in time for grant payments for housing developments.</p> <p>The announcement in the Budget to cut social housing rents by 1% per annum over the next four years is likely to have a significant negative impact on affordable housing over the coming years. This is because the rent reduction will impact on the registered providers' business model which was previously based on a rent increase of CPI plus 1% each year for the next 10 years.</p>
Asbestos removal from Town Hall roof space	130,000	Safe working zone works and sampling of ceilings to simulate maintenance activities has been undertaken. Current costings for works have advised a possible overspend of £100,000 which can be accommodated within the overall 2017/18 Capital Investment Programme . Works to be undertaken in 2018/19.
Boundary Signs - Replacement of existing boundary signs on main entry routes into Worthing and additional signs on the A27	40,000	<p>The scheme was initially delayed by decisions regarding corporate branding, and has been further delayed by the departure of the officer over-seeing the project.</p> <p>Consultants have provided designs and an option has been chosen. The designer is now liaising with potential manufacturers about compliance with safety and lighting regulations. Installation anticipated in 2018/19.</p>
Brooklands Park - Phase 2 Environmental Improvements	50,000	Phase 2 Environmental improvements to be undertaken after the completion of the contaminated land works.
Brooklands Park - Replacement of Par 3 Club House	225,000	The Club House is currently closed until reinstatement works following the EON cabling works, which have overrun, have been completed. Officers have requested a condition report on the building to advise any reinstatement works prior to the re-opening of the building.
Construction and installation of 5 beach huts	34,220	The scheme is awaiting decisions from Parks regarding design and materials and works are unlikely to be undertaken in 2017/18.



WORTHING BOROUGH
COUNCIL

WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Car Parks - Lyndhurst Road (West) Surface Car Park - Extension of parking facilities on to the tennis court areas	(225,000)	Budget was bought forward in order to complete the works in 2017/18. Works have now completed and the new extended car park opened on 14th December creating 63 new parking spaces.
Multi Storey Car Parks - Provision for essential maintenance	1,000,000	Officers are considering the consultants' budget cost report prior to decisions being taken on the final scope of works, which will continue in 2018/19 and 2019/20.
Compliance Service - Replacement of one operational vehicle (Partnership scheme with Worthing Borough Council)	7,800	The replacement of one vehicle is on hold due to a service restructure which might not require the vehicle to be replaced.
Corporate Buildings - Condition Surveys	60,000	Asbestos surveys for corporate buildings currently being tendered for surveys to be undertaken early in 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	187,180	Report submitted to the March 2018 Joint Strategic Committee to approve a change to the scope of the works and approve additional funding. Works to be undertaken in 2018/19.
Crematorium - Replacement and resiting of car park attendant's kiosk	11,300	Scheme on hold pending the results of a usage audit to be undertaken over the winter to ascertain volumes, movements and recommendations for the best solution based on the site layout. Survey and reports due back March 2018 for main works in 2018/19.
Disability Discrimination Act Improvements - Rolling programme	30,000	Works under consideration: i) Connaught Theatre back door. ii) Town Hall - accessible toilet and shower facilities. In addition existing access audits being reviewed for further DDA works.



WORTHING BOROUGH
COUNCIL

WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Durrington Cemetery - Additional burial spaces	247,600	Works delayed by the need to obtain ecological surveys, which have now been completed. Consultation to be undertaken with Sussex Wildlife which will be followed by Planning Permission. Provisional contract start date of September 2018 is dependent on outcome of consultation and planning.
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 commence in 2018/19.
Fulbeck Avenue - Development of site to provide new housing	50,000	The Joint Strategic Committee April 2018 approved the development of this site to provide new housing and this budget is to prepare and submit an outline planning application for the proposed housing. Planning approval to be submitted April 2018. Budget profiled to 2018/19 to pay for the final reports and planning application fees.
Homefield Park - Refurbishment of tennis courts	200,000	The Joint Strategic Committee July 2017 approved the transfer of the budget from the Homefield Park Multi Use Games Area to the refurbishment of the tennis courts in Homefield Park. The works are anticipated on site April 2018.
Housing Grants - Discretionary home repair grants	25,000	Outstanding commitments at December 2017 indicates there may be an underspend on the 2017/18 budget of approximately £25,000. However, the Council has adopted a new Housing Assistance Policy which introduces additional grants for landlords. This policy has not impacted on the 2017/18 grants budget but an increased spend could arise in future years and budget has been reprofiled as a contingency for the new policy.



WORTHING BOROUGH
COUNCIL

WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Museum and Art Gallery - Conversion of ground floor area vacated by Tourist Information Centre into useable accommodation/exhibition space	26,500	The museum development project "let the light in" is moving forward with three applications completed to Independent Trusts. The Heritage Lottery Bid has now been moved to the national rather than the regional portfolio and a meeting is in place with HLF to discuss the maximum possible funding available. The Local Enterprise Partnership bid was unfortunately not successful but the feedback for the project was very positive and has led to further interest.
Properties - Montague Street Site Essential Repairs	242,470	Full scope of works still to be confirmed and planning permission will be required. Some works to cladding scheduled for early 2018/19.
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.
Play Area Improvements - West Park	70,000	The scheme was initially delayed by receipt of the final brief from Parks. Works are anticipated on site April 2018 with an estimated completion June 2018.
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.
Solar Renewable Energy Projects	252,100	Installation of solar panels on the roof of Portland House was completed April 2017. External consultants are currently considering other Council sites which may be suitable and which have a payback within a reasonable time frame.
Strategic Property Investments - Investments in commercial property to generate income	20,000,000	The Council is actively seeking properties to purchase, but due to lead in times, purchases are likely to be completed in 2018/19.



WORTHING BOROUGH
COUNCIL

WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Street Cleansing - Replacement of 2 vehicles	95,750	Vehicles have taken longer than anticipated to order and delivery is now anticipated in 2018/19 due to delivery lead in times.
Theatres - Capital improvements to Worthing Theatres	120,000	<p>Ticketing software - The procurement process is in progress and a decision regarding the chosen supplier should be made by the end of January 2018. Installation is anticipated April / May 2018.</p> <p>Pavilion Theatre Toilet Refurbishment - The scheme has been tendered but insufficient tenders were received and the scheme is to be re-tendered. Works are anticipated in 2018/19.</p>
Worthing Leisure Centre - Refurbishment of athletics track	100,000	Patching works have been undertaken in September 2017, but the main works will not commence until Summer 2018 after the athletics season.
Total Reprofiled Budgets:	26,077,720	



3rd REVENUE BUDGET MONITORING 2017/18 (Q3)

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).

The projected outturn positions as at quarter 3 are underspends of £14,000 in Adur District Council and £46,100 in Worthing Borough Council. This is lower than was anticipated in quarter 2 when underspends of £176,000 and £117,000 were being forecast in Adur and Worthing respectively. The areas that have contributed to the net movement are highlighted in the report and appendix 4(b) and include; External borrowing costs, investment income, Minimum Revenue Provision, Homelessness and income from Environmental Services, Development Management, Building Control, and property investments. Income and expenditure will continue to be monitored against budget.

Whilst the 'spend to date' will be the position as at the 31st December 2017, the forecast position will reflect the latest information available as at 31st January 2018 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 | (a) | Table of Variations over £20,000 |
| | | (b) | Quarterly Comparison |

2. RECOMMENDATIONS

- 2.1 The Joint Strategic Committee is asked:

- To note the report and projected outturn position for the Joint, Adur and Worthing Revenue Budgets and proposed use of reserves (Appendix 1b and 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, 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.
- 3.3 The 2017/18 budgets approved in February 2017 addressed 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.
- 3.4 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.

4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST

- 4.1 This report represents the 3rd quarter of the monitoring cycle. The projected outturn is reported three times during each year with a final analysis of the variances at the end of the year when the outturn figures are reported.
- 4.2 This means that the net expenditure is fully allocated out to the two councils and the overall projected outturn for the JSC at the yearend will be zero.
- 4.3 The current year-end forecasts indicate that both Adur and Worthing are broadly in line with the budget set. Considering the extensive commitments included in the current year's budgets, overall, services are successfully achieving these targets by reviewing their services, thinking more commercially and changing how these are delivered.

4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST

In summary the overall revenue outturns reported for Q3 are as follows:-

Summary of 3rd Quarter Budget Monitoring Report			
	Joint	Adur	Worthing
	£000s	£000s	£000s
Current Budget 2017/18	20,743	9,708	15,632
Projected outturn	20,831	9,694	15,586
Projected Forecast over/ (underspend)	88	(14)	(46)
Projected over/(underspend) percentage	0.4%	(0.1%)	(0.3%)

Comparison to the Q2 forecast outturn:-

	Joint	Adur	Worthing
	£'000	£'000	£'000
Forecast Over / (Under) spend Q3	88	(14)	(46)
Forecast Over / (Under) spend Q2	297	(176)	(117)
Change from Q2 to Q3: (Improvement) / Deterioration	(210)	162	71

The JSC budgets are held separately and operate as holding accounts. They represent pooled budgets of Adur and Worthing Councils. All expenditure and income in the JSC budgets are recharged back to the respective authorities. 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:-

- 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

4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST

- Development Control and Building 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 **Car Parks**

Worthing

Income from off street parking is exceeding the budget and currently additional income of £150,000 is being forecast for the year. The increase is in part due to the increased take up of the Town Centre Workers deal allowing customers working in the BN11 area to park for £4 per day. The application process has been simplified and the scheme promoted by the team resulting in increased uptake. More customers are also choosing to pay using the RingGo app in surface car parks.

The fees increased in January, the impact of this is yet to be analysed and therefore not included in the current forecast.

Adur

There is a forecast shortfall in on street PCN income of £40,000, but this is offset by additional income forecast from the off street car parks.

Parking income is subject to external factors including the weather and the economy and it will continue to be monitored closely.

4.7.2 **Housing Management**

The cost of providing emergency and temporary accommodation continues to increase and 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. Currently there are 79 cases in emergency accommodation in Worthing and 40 cases in Adur, this compares with 76 cases and 35 cases respectively in quarter 2.

Emergency accommodation (EA) is where we place individuals / families that meet certain initial criteria whilst we fully assess our duty to house the household.

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

4.7.2 **Housing Management**

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 also 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 recent months the Councils have expanded its supply of EA by securing additional leasehold units. Additionally, Worthing Council's Planning Committee has approved plans put forward by Worthing Housing department in conjunction with Roffey Homes and Worthing Churches Homeless Project, to convert a former NHS building into a 37 bedroom temporary accommodation centre. The Council will have nomination rights for 18 of the accommodation units which will provide a saving of £160 per week per unit compared to the cost of bed and breakfast. There is very real competition in the housing market for suitable properties; however the team is committed to continuing to explore options to increase the supply of suitable emergency accommodation.

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 in the local area. Officers are continuing to actively appraise other potential property purchases 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 is meeting regularly to appraise and progress these schemes as quickly as possible, while ensuring the Councils are spending their investment wisely.

A further budget pressure has resulted from a government change in housing benefit subsidy. Previously councils received a payment of a management fee per temporary accommodation placement via housing benefit; this has been replaced by a grant. The initial impact of this was a predicted shortfall of £75,000 for Worthing in 2017/18. With ever increasing demand and an increasing number of households remaining in temporary accommodation, the shortfall for Worthing Borough Council in 2017/18 is now estimated at £134,000. This could increase further if demand continues to rise. Adur District Council is not being affected to the same extent as the basis of the grant funding is closer to the current demand in the area.

4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST

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

4.7.2 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	248	452	204	318	681	363
ETA rental income	(100)	(175)	(75)	(101)	(250)	(149)
Grant funding	-	(42)	(42)	-	(184)	(184)
	148	235	87	217	247	30
WORTHING						
ETA Expenditure	355	1,130	775	748	1,745	997
ETA rental income	(120)	(532)	(412)	(259)	(966)	(707)
Grant funding	-	(295)	(295)	-	(120)	(120)
	235	303	68	489	659	170
	383	538	155	706	906	200

Housing Management - Comparative Financial position at December						
	2016/17- Year to Date			2017/18 Year to Date		
	Budget to P9	Actual income P9	Variance for Year Over / (Under)	Budget to P9	Actual income P9	Projected Variance for year Over / (Under)
	£'000	£'000	£'000	£'000	£'000	£'000
ADUR						
ETA Expenditure	207	358	151	212	485	273
ETA rental income	(83)	(154)	(71)	(68)	(187)	(119)
Grant Funding	-	-	-	-	(184)	(184)
	124	204	80	144	114	(30)
WORTHING						
ETA Expenditure	199	901	702	498	1,284	786
ETA rental income	(100)	(464)	(364)	(172)	(668)	(496)
Grant Funding	-	-	-	-	(120)	(120)
	99	437	338	326	496	170
	223	641	418	470	610	140

4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST

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

4.7.3 Development Management & Planning Policy

Worthing Development Management income is slightly lower than budget and is predicted to underachieve by only £8,000, this is a significant improvement since quarter two when the forecast was an underachievement of £80,000. Adur's Development Management is forecast to be on target, this is a change from quarter 2 when it was forecast to overachieve by £50,000. These movements reflect both a review of the allocation of the staff and support costs between the councils since the last report to Committee, the split now more accurately reflects activity and a significant increase in the number of planning applications received in Worthing. The situation will be further improved by the increase in planning fees by 20% which took effect on the 17th January 2018 (it was originally expected to be implemented last June).

Adur's Planning policy team is currently forecasting an overspend against its budget by £65,000; this is due to additional costs arising from the progression and examination of the Adur Local Plan.

4.7.4 Waste and Cleansing

Commercial Waste income is exceeding the budget and it is estimated there will be an achievement of £7,000 in Adur and £55,000 in Worthing above the budgeted income target by the end of the financial year. Disposal costs however, are exceeding budget due to a price increase notified after budget was set, for Adur this is £51,000 and for Worthing £196,000.

Agency staff costs continue to be higher than budget due to a combination of the higher minimum wage, long term sickness, extra crew required to cope with the increasing numbers of properties and an increase in the take up of the green bin service. Also some of the staff savings identified in the saving plan haven't materialised due to workload, and the delay in the delivery of the new fleet. The expenditure is necessary to enable the smooth running of the service.

West Sussex County Council have now finalised the 2016/17 income figures from the sale of recycling materials. The Adur and Worthing service will receive a share of this totalling £97,000. This is partially offset by the underachievement of an £50,000 income target at Commerce Way depot which is included in the 2017/18 budget.

Although still early days but the new fleet are showing a saving on diesel costs of around £46,000.

The 2017/18 budget includes savings from additional income generation and expenditure reduction of £435,000. Overall the service will overspend by £192,000 and so has only partially achieved this target in the current year. Looking ahead to 2018/19, the budget for tipping charges has now been corrected and the issues with

staffing are being resolved so it is expected that the service will deliver on budget in the forthcoming year.

4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST

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

4.7.4 Waste and Cleansing

	Adur £'000	Worthing £'000	Total £'000
Additional Agency Staff costs	36	64	100
Additional tipping charges	51	196	247
Reduction in fuel costs	-17	-29	-46
Total net additional costs	70	232	301
Net additional income from recycling credits	-15	-32	-47
Additional income from trade waste	-7	-55	-62
Total additional income	-22	-87	-109
Net additional costs	48	144	192

4.7.5 Environment

The Crematorium generates a net income to the council of £1.4m. It is forecast to underachieve its £2.5m gross income budget by £60,000. This is a £40,000 improvement on the shortfall reported to committee for quarter 2. The underachievement is due to an increase in the number of delivery only cremations, (where there is no family or other service associated with the cremation), a reduced Cameo abatement contribution of £12,000 and a rebate paid relating to last year of £18,000. Work is currently being undertaken by the service to review projected future demand and fee structure across the bereavement service as a whole.

Parks & Open Spaces – There is a £23,000 underachievement of Beach Hut income for new huts due to a delay in applying for planning approval. In Parks there is an income shortfall forecast of £17,400, this is as a result of income budgets remaining in the service where the business has been transferred to new franchise/concessions. These income budgets have been removed for 2018/19.

Brooklands Par 3 Golf course has been closed since the works started on the Rampion wind farm in 2016. It was expected that the course would be returned to Council use in 2017/18 and the income budget of £98,000 was reinstated. There has been a delay in the return of the course to the Council and consequently no income is being generated, an estimated shortfall of £50,000 has been included in the outturn forecast. A claim for loss of income is under negotiation with Rampion and they have indicated that a determination will be made once the figures have been scrutinised by their finance department.

4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST

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

4.7.6 Strategic Property Investments

Additional commercial rent income is anticipated from new Strategic Investments in properties, and rent reviews. (Adur £69,000 and Worthing £50,000). This is a reduction in what was reported in quarter 2 and is due to a review and write-off of current debts outstanding.

4.7.7 Building Control and Land Charges

Building Control income is not predicted to meet its income budget. The service is under increasing levels of competition from the private sector albeit it has increased fee income compared to last year. In response to the budget shortfall and to secure savings for next year a restructure of the service has been undertaken and a new Building Control Partnership Manager has been appointed.

Land Charges has moved to Planning and Development as a result of the recent restructure. Fee income is down for the service but this is due to fluctuations in the property market. The service has been affected by delays in implementing a new digital platform and this has affected performance and customer satisfaction. As this service is also in competition with the private sector it is important that the technical issues with the new digital provider are resolved as quickly as possible and an action plan is in place to resolve these issues.

4.7.8 Revenues and Benefits

Overpayments are expected to exceed its budget for Worthing; the current forecast is £175,000. 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. There is the possibility of an underachievement in the recovery of court costs in both Adur and Worthing as a result of changes in the process, which takes a more customer focused approach in engaging with customers earlier in the process prior to Court action being instigated. Some one-off grants have been received that contribute towards the costs of work required for changes in legislation related to data sharing and reporting real time information.

On 1st October 2017 Adur's Revenues & Benefits team joined the Worthing service. There have been some additional set up costs/curtailment costs due to the merging of the teams; it is anticipated that these costs will be contained within the current budget.

4.7.9 Elections

During work on the current claim for election expenses to Central Government (Police and Crime Commissioner and General elections) an error relating to VAT has been identified associated with prior year claims. The VAT on supplies has been reclaimed from HM Revenues and Benefits (HMRC) by Adur and Worthing however this should have been done by Central Government who reimburse gross

costs to Councils. (Adur £32,000 and Worthing £40,000). A declaration will need to be made to HMRC.

4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST

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

4.7.10 External Borrowing Costs, Investments and Minimum Revenue Provision

Both Councils have an underspend on MRP due to a lower than anticipated borrowing requirement. Adur will underspend by approximately £272,000 and Worthing by approximately £305,000 (previously £400,000). This is due to re-profiling of the 2016/17 capital programme which reduces down the MRP required in the current financial year. The Worthing projection allows for a reduction in the previously reported MRP underspend of £95,000. This element of the underspend is being used to fund the marketing and associated costs for the Grafton site development.

In respect of returns on investments, Adur is projecting additional income of £10k and Worthing of £16k. Adur is projecting an underspend on interest payments on borrowing of £4k and Worthing an underspend of £61K, but this will depend upon the progress of capital schemes which may necessitate additional borrowing towards the year-end.

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

There are no future risks to report at quarter 3.

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. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST

4.11 Vacancy Savings and Pay Award

The councils have a total vacancy saving target of £760,150 for 2018/19. As at Quarter 3 it is anticipated that the vacancy saving will not be met by £85,500. This is an improvement on the position in quarter 2, when a forecast £224,000 shortfall was reported. The vacancy saving will continue to be monitored and the position may improve depending on future staff changes.

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	3,850,390	3,800,390	(50,000)
Annual Revenue Maintenance costs	2,883,030	2,778,030	(105,000)
Capital Financing costs & Depreciation	6,729,160	6,679,160	(50,000)
Contribution to Reserves	-	-	-
Provision for Bad Debt	50,000	50,000	-
Total Expenditure	13,512,580	13,307,580	(205,000)
Less Income	(13,330,660)	(13,275,660)	55,000
			-
Net (Surplus) / Deficit	181,920	31,920	55,000
Funded from Reserves	(181,920)	(181,920)	
Overall position	-	(150,000)	(150,000)

4.12.2 The HRA is forecasting a surplus for 2017/18 where it was previously predicting to break even position. The improvement is due to revised projections for Management and revenue costs and a reduction in the anticipated capital costs. A number of income shortfalls have arisen during quarter 3 but these can be covered by reductions in expenditure elsewhere in the budget.

4.12.3 A programme of work is 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 3rd Quarter of the revenue budgetary cycle, it is anticipated that the Joint Committee will have an overspend of £87,500 whilst Adur District Council and Worthing Borough Council will have an underspend of £14,000 and £46,100 respectively.

Finance Officer: Sarah Gobey

Date:

7. LEGAL IMPLICATIONS

- 7.1 Consult with legal services as early as possible identify any legal issues and the statutory power or duty that the Councils will use to carry out the proposal.

Legal Officer: Susan Sale

Date:

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>

Officer Contact Details:

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Chief Accountant

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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 - 3rd 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	3,111,650	44,000
1,009,226	CM for Health & Wellbeing	907,600	907,600	907,600	-
431,074	CM for Customer Services	642,150	642,150	742,150	100,000
728,107	Leader	626,870	626,870	658,870	32,000
2,377,935	CM for Regeneration	2,312,750	2,312,750	2,373,750	61,000
2,244,842	CM for Resources	1,960,440	1,960,440	1,981,440	21,000
(0)	Holding Accounts	190,140	190,140	190,140	-
10,072,487	Total Cabinet Member	9,707,600	9,707,600	9,965,600	258,000
(1,295,885)	Credit Back Depreciation	(1,378,220)	(1,378,220)	(1,378,220)	-
889,148	Minimum Revenue Provision	818,480	818,480	546,480	(272,000)
538,342	Non ring fenced grants	-	-	-	-
2,163	Financial Instruments Adjustment Account	-	-	-	-
10,206,255		9,147,860	9,147,860	9,133,860	(14,000)
	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	-	-	14,000	14,000
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)		(39,188)		
Redundancy costs (24/04/17 JAW/8/16-17)		(59,310)		
Carry forward from 2016/17 approved at JSC 11 July 2017: Fishersgate caretaker		(8,000)		
Budgeted contribution to/(from) revenue			4,000	
Balance				69,534
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 Reserve	7,880			7,880
Special and Other Emergency Reserve Redundancy costs (22/06/17 JAW/1/17-18)	86,103	(25,850)		60,253
Projected Underspend/(Overspend) (Reserve to be identified at outturn)			14,000	14,000
General Fund Reserve	408,171			408,171
TOTALS	1,319,295	(211,117)	48,000	1,156,178

SUMMARY - 3rd 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	3,031,640	141,400
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	5,475,580	50,000
982,769	Leader	1,054,600	1,054,600	1,094,600	40,000
2,561,959	CM for Regeneration	2,621,670	2,621,670	2,673,670	52,000
2,705,754	CM for Resources	2,519,070	2,519,070	2,494,570	(24,500)
-	Holding Accounts	(165,700)	(165,700)	(165,700)	-
15,485,516	Total Cabinet Member	15,631,670	15,631,670	15,890,570	258,900
(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	767,620	(305,000)
(108,209)	Non ring fenced grants	-	-	-	-
13,224,067		13,380,910	13,380,910	13,334,810	(46,100)
	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	-	-	46,100	46,100
14,038,620	Total Budget requirement before External Support from Government	13,468,630	13,468,630	13,468,630	-

 WORTHING BOROUGH COUNCIL EARMARKED REVENUE RESERVE ACCOUNTS	Opening Balance 2017/18	Estimated Decrease 2017/18	Estimated Increase 2017/18	Projected Closing Balance 2017/18
	£	£	£	£
Capacity Issue Reserve - Marketing/legal costs re disposal of High St & Civic Centre car park sites (28/02/12 JSC/094/11-12) up to £50k each - Funding for Decoy Farm survey (22/7/14 JSC/031/14-15) - Redundancy costs (24/04/17 JAW/8/16-17)	846,341	(100,000)		
Expenditure funded from approved carry forwards from 2016/17 - Worthing carry forwards from 2016/17 agreed Joint Strategic Committee 11th July, 2017 - Budgeted contribution to/(from) revenue		(150,000) (87,460) (128,560)	1,470	
Balance				381,791
Insurance Reserve	388,949	(38,870)	30,700	380,779
Joint Health Promotion Reserve	9,910	(9,910)		0
Leisure Lottery & Other Partnerships - 01/02/18 JSC/078/17-18 for Museum Costume Research Centre	77,166	(50,000)		27,166
Museum reserve - 12/09/17 JSC/037/17-18 release of funds to support grant bid	114,012	(77,000)		37,012
Theatre Ticket Levy	63,821	(60,000)	90,000	93,821
Special and Other Emergency Reserve Redundancy costs (22/06/17 JAW/1/17-18)	41,827	(38,775)		3,052
Grants & Contributions	574,292			574,292
Capital Expenditure Reserve Brooklands Environmental Scheme	73,158	(43,500)		29,658
Projected Underspend/ (Overspend) (Reserve to be identified at outturn).			46,100	46,100
General Fund Working Balance	843,625			843,625
TOTAL	3,033,101	(784,075)	168,270	2,417,296

HOUSING REVENUE ACCOUNT QUARTER 3 BUDGET MONITORING
APPENDIX 3

	ORIGINAL ESTIMATE	PROJECTED OUTTURN	PROJECTED OVER/ (UNDERSPEND)
	2017/18	2017/18	2017/18
	£	£	£
EXPENDITURE			
General Management	3,616,390	3,566,390	(50,000)
Special Services	191,170	191,170	-
Rent, Rates, Taxes & Other Charges	42,830	42,830	-
Repairs & Maintenance	2,883,030	2,778,030	(105,000)
Depreciation	4,406,760	4,406,760	-
Bad/Doubtful Debt	50,000	50,000	-
Capital Financing Costs			
Interest charges	2,322,400	2,272,400	(50,000)
Revenue Contributions to Capital	-	-	-
TOTAL EXPENDITURE	13,512,580	13,307,580	(205,000)
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	31,920	(150,000)

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		-	(150)	Income from car parking is exceeding the budget for Worthing (mainly from surface car parks)
Total Net Trading	-	-	(150)	
Service Area	Joint £000s (under)/ over-spend	Adur £000s (under)/ over-spend	Worthing £000s (under)/ over-spend	Significant Variations
INCOME:				
Growth - Commercial Income		(69)	(50)	Net income after borrowing costs, re investments
Development Management - Fee Income	-	65	8	Projected shortfall for Worthing Development Management income. Unbudgeted costs incurred by Adur's Planning Policy Team relating to Adur Local Plan.
Building Control & Land Charges	-	65	94	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 forecast a shortfall in income.
Environment - Bereavement Services			60	Income shortfall relating to Crematorium (delivery only cremations lower income £48,000)
Environment - Parks & Open Spaces			90	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. Loss of income due to closure of the Par 3 golf course estimated at £50,000
Revenues & Benefits		70	(120)	ADC - old grant income budget, to be removed. WBC - Net Additional income from the recovery of housing benefits overpayments above budget and a grant income budget that won't be realised.
Total Income	-	131	82	

Service Area	Joint £000s (under)/ over-spend	Adur £000s (under)/ over-spend	Worthing £000s (under)/ over-spend	Significant Variations
COSTS:				
Business & Technical Services	10	-		Overspend net of various minor overspends - salaries, travel expenses
Elections		32	40	VAT liabilities on all Elections going back several years
Waste Services	7	44	141	Increased Agency staff costs. Overspend on Trade Waste disposal costs due to increase after the budget was set (offset partially by increased income). Savings on diesel costs.
Homelessness	-	30	170	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. Review and reduction of the anticipated income to be received by Adur.
Telephony	(40)			Overspend on Telephony - BT & Vodafone, as old systems contracts are cancelled, this should mitigate any further overspend (60k), Offset by a projected underspend on Census ICT Budgets of £100k.
Finance	-	(272)	(305)	Savings on MRP
Finance	-	(14)	(77)	Net savings due to changes in interest rates on borrowing and additional interest income on investments
Wellbeing	25			Adur -Security and other costs associated with Fishersgate Community Centre whilst the centre has remained empty, will result in a year end overspend. A new occupant is being sought
Vacancy Provision	86			Underachievement on Vacancy Provision forecast.
Allocation of Joint Variance		35	53	Share of joint services allocated 40:60 to Councils
Total costs	88	(145)	22	
Total Variance	88	(14)	(46)	

Movement between quarters greater than £50,000 are detailed below

Service Area	Joint £000s (spend decrease)/ spend increase	Adur £000s (spend decrease)/ spend increase	Worthing £000s (spend decrease)/ spend increase	Significant Variations
Growth - Commercial Income	-	-	50	Review of current outstanding debt.
Development Management	-	115	(72)	Review of the cost allocation between councils to ensure apportionment reflects activity. Worthing has received some significant planning application fee income.
Building Control	-		54	Building Control and Land charges are suffering from increasing levels of competition and Land charges are bedding in a new digital platform
Benefits	-		80	Reduction in forecast income from overpayments. Court cost income expected to reduce as process changes to engage with customers at an earlier stage.
Homelessness	-	81		Increased emergency accommodation to meet demand. Previous overestimation of income to be received by Adur.
ICT (Census)	(100)			Underspend in Census costs forecast
Finance	-		107	£95,000 MRP underspend being transferred to the Grafton Development project.
Vacancy Provision	(139)	-	-	Improvement in the underachievement of the vacancy target.



Joint Strategic Committee
6 March 2018
Agenda Item 7
Key Decision: No
Ward(s) Affected: All

ADUR & WORTHING COUNCILS

FAIRER FUNDING REVIEW

REPORT BY THE DIRECTOR FOR DIGITAL AND RESOURCES

EXECUTIVE SUMMARY

1.0 PURPOSE

- 1.1 Funding allocations to Local Government as outlined in the local government finance settlement are based on an assessment of individual council's relative needs and resources. The current allocations are based on formulas which were introduced over 10 years ago and which have not been updated since the introduction of the 50% business rate retention system in 2013/14. Consequently the allocations are now significantly out of date.
- 1.2 In the intervening time, changes to demographic pressures has impacted on the cost of delivery of services, particularly those services aimed at older persons. The Government announced a review last year to address concerns about the fairness of the local government funding allocations in recognition of the fact that the allocation of funding no longer reflected current demography and cost pressures,
- 1.3 The funding allocations not only influence the amount of Revenue Support Grant that the Councils receive, but also the amount of business rate income that can be retained via the Business Rate Retention Scheme (BRSS).
- 1.4 The report outlines the proposed response of the technical consultation on the fairer funding review (FFR). The consultation focuses specifically on potential approaches that have been identified to measure the relative needs of local authorities. The consultation was released on the 19th December 2017 as part of provisional settlement and closes 12th March 2018.

2.0 RECOMMENDATIONS

- 2.1 The Joint Strategic Committee is recommended to approve the draft consultation response detailed in Appendix 1 and delegate any final amendments to the Chief Financial Officer in consultation with the Executive Members for Resources.

3.0 CONTEXT

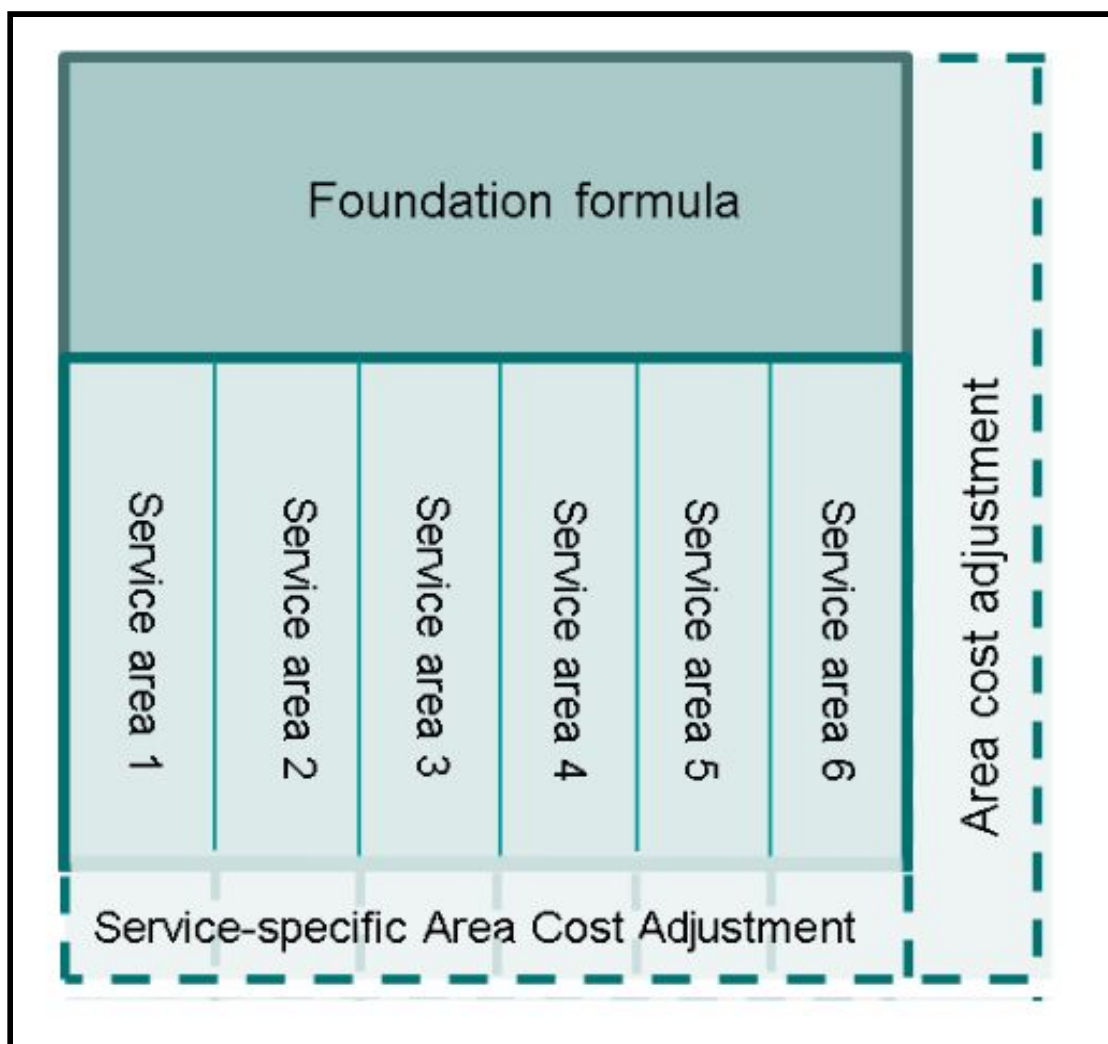
- 3.1 Local Government delivers a wide range of important services used by residents every day and provides support to the most vulnerable people in society. The Government is clear in its aim that the reformed funding system for local government must offer appropriate levels of stability and assurance to the sector to support financial planning whilst giving greater control over the money raised locally. Any proposed new system should provide strong incentives to deliver services efficiently and in a way that promotes local economic growth. The paper outlines 6 core principles for the new funding system:

- Simplicity
- Transparency
- Contemporary
- Sustainability
- Robustness
- Stability

- 3.2 The current consultation document deals mostly with the overall structure of the funding formulae, and with the possible indicators that might be used to allocate funding. It is proposed that there will be a Foundation Formula to provide a simplified funding methodology, and for there to be separate funding formulae for specific services where it is necessary to reflect a more complex set of variables. Examples of services where a separate funding formula may be required include:

- Adult Social Care
- Children's Services
- Highways maintenance and public transport
- Waste collection and disposal
- Fire and rescue services

3.0 CONTEXT



Source: Briefing note from CIPFA

The consultation in effect rules out a separate funding formula for each type of service, as this would require many tens if not hundreds of separate funding formulae and undermines the fundamental principle of simplicity. However comment is invited on whether any further services should be subject to separate funding arrangements.

- 3.3 Three blocks of indicators are proposed for the Foundation Formula. They are population, deprivation and rurality. This simplified approach will benefit authorities with lower needs. Those Councils with higher needs will broadly gain from complex formula which reflect the differing demands on service provision. More complex formulae tend to have a larger number of different indicators to measure different types of need, or to measure need in different ways.
- 3.4 Unfortunately the formulae for the major needs blocks are not very far advanced at this time, and there is no clear indication of how they will be developed, or even the broad direction of travel.

3.0 CONTEXT

- 3.5 The current consultation is limited to dealing with methods for assessing “needs”. The way that the Fair Funding Review (FFR) deals with the overall funding allocated to each element of the system, adjusts for resources raised locally (council tax) and any implements any transition arrangements will be at least as important and the funding formula for many authorities. These will be the subject of future consultation papers.
- 3.6 The Government is now clearly working towards an implementation for the 2020-21 financial year. The mechanics of developing the new funding formulae make this the earliest practical deadline for implementation.
- 3.7 Another consultation paper on the FFR is expected in late 2018 or early 2019. The Councils should be concerned that they will not start to see the potential outcomes of the FFR until shortly before we set our 2020-21 budgets. Consequently, 2020/21 will present distinct challenges in developing the budget.
- 3.8 It is unclear whether the New Homes Bonus Scheme will be phased out as part of the Fairer Funding Review or whether this will continue to be dealt with separately.

4.0 ISSUES FOR CONSIDERATION

- 4.1 Outlined at Appendix 1 is the Councils’ proposed response to the consultation. Members are asked to consider the responses and approve if appropriate.

5.0 ENGAGEMENT AND COMMUNICATION

- 5.1 A joint response is being prepared on behalf of the County-area although at the time of drafting this report, the joint response has not yet been compiled. The approach to be taken in developing the combined response is to advocate areas which maximise the gain across the whole County area. Where appropriate, the outcome of this exercise will be reflected within the final individual responses from Adur and Worthing Councils.
- 5.2 In addition, a number of joint responses are currently being prepared by representative bodies such as the Society of District Treasurers.

6.0 FINANCIAL IMPLICATIONS

- 6.1 The Fairer Funding Review affects not only how much Revenue Support Grant that a Council receives, but also the amount of business rates that Council can keep via the Business Rate Retention Scheme.

6.0 FINANCIAL IMPLICATIONS

- 6.2 The amount of funding that the Councils will eventually receive (or keep via the BRRS) will depend not only on the formula but on the amount of funding allocated to each element of the funding arrangements. Once Adult's and Children's Services are given specific formulae, well over 50% of funding is likely to be in a specific service blocks, leaving the minority of funding to go through the Foundation Formula. It is possible that district councils might find that most or even all their funding comes via the Foundation Formula. The only current possible exceptions for District Councils are elements of funding for waste collection and legacy capital financing payments.
- 6.3 The outcome of the fairer funding review will change the level of business rates that the Council will retain from 2020/21 onwards, although at this time it is not possible to quantify the final impact of the review. Current expectations are that the Councils will see significant reductions in the overall amounts of funding as a result of the proposed changes with Adur losing potentially £491,000 and Worthing losing £844,000.

7.0 LEGAL IMPLICATIONS

- 7.1 The proposed changes to the allocation of government funding have no legal implications for the Council.

Background Papers

Fairer funding review: A review of relative needs and resources - DCLG technical consultation document.

Fairer Funding Review - Consultation paper (December 2017) - CIPFA and Pixel Financial Management

Officer Contact Details:-

Sarah Gobey

Chief Financial Officer

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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

3.0 ENVIRONMENTAL

Matter considered and no issues identified

4. GOVERNANCE

Matter considered and no issues identified

CONSULTATION QUESTIONS:**Question 1):**

What are your views on the Government's proposals to simplify the relative needs assessment by focusing on the most important cost drivers and reducing the number of formulas involved?

Proposed response:

The Council is broadly supportive of the move towards a simpler system. However, the viability of the proposal depends on the amount of funding that will be allocated via the service specific blocks and the foundation formula...

The Councils would like an objective assessment of the amount of funding that should be allocated via each element of the new funding arrangements

Question 2):

Do you agree that the Government should use official population projections in order to reflect changing population size and structure in areas when assessing the relative needs of local authorities?

Note:

Population growth varies considerably between the regions. Population growth in England as a whole was 0.9%, however this ranged from 0.2% in the North East of England to 1.6% in London.

The dilemma for the Councils is whether to support the mid-year estimates which are generally two years out of date when they are used in the funding formula or whether to support the use of projections which are less accurate but which will reflect the growth trends. Both datasets are produced by the ONS.

However, given the growth in populations, and the regional variations in growth, the use of projections is preferable but with the caveat that these are regularly refreshed so that any flawed projections are not baked into the system for a number of years. Whilst annual funding allocations would change as a result, the annual variation is unlikely to be significant.

Proposed response:

The Council is supportive of the use of population projections provided that these are regularly updated.

CONSULTATION QUESTIONS:

Question 3):

Do you agree that these population projections should not be updated until the relative needs assessment is refreshed?

Proposed response:

The Council believes that it would be preferable to update the key data sets annually to reflect the most up-to-date information about local need.

Question 4):

Do you agree that rurality should be included in the relative needs assessment as a common cost driver?

Note:

Lobbying by rural authorities has been very successful in recent years as a consequence this now features in the proposed new formula. However, there has been some research undertaken by rural Councils that supports the contention that rural councils experience higher costs. The inclusion of this factor will benefit many of the Councils within West Sussex, but not necessarily Adur or Worthing as we are not rural Councils.

Proposed response:

The Councils agree to rurality being included as a common cost driver.

However, the Council would observe that within rural areas it can be easier to deliver housing growth and consequently to benefit from both New Homes Bonus and additional Council Tax revenue streams.

The interrelationship between the different funding streams will need to be considered in the overall design of the funding system including New Homes Bonus.

Question 5):

How do you think we should measure the impact of rurality on local authorities' 'need to spend'? Should the relative needs assessment continue to use a measure of sparsity or are there alternative approaches that should be considered?

Proposed Response:

The Councils have no view on the most appropriate measures for rurality.

CONSULTATION QUESTIONS:

Question 6):

Do you agree that deprivation should be included in the relative needs assessment as a common cost driver?

Proposed response:

The Councils agree with the inclusion of deprivation in a future funding formula. The Councils are interested to see how deprivation will be addressed within the new formula.

Question 7):

How do you think we should measure the impact of deprivation on ‘need to spend’? Should the relative needs assessment use the Index of Multiple Deprivation or are there alternative measures that should be considered?

Proposed response:

The Councils support DCLG’s proposal to look more widely for non-income related deprivation indicators and would support the use of the Index of Multiple Deprivation.

Question 8):

Do you have views on other common cost drivers the Government should consider? What are the most suitable data sources to measure these cost drivers?

Note:

The old formula allowed for some other cost pressures to be adjusted for:

- Density - Density is a very significant top-up and is very important indeed for inner-city authorities, particularly those in London and in the major conurbations. There is very little research on the costs associated with density (in contrast to the research on sparsity).
- Additional population top-up (net in-commuters and day visitors). The purpose of this top-up is to compensate for the additional costs incurred by authorities receiving large numbers of in-commuters and/ or visitors. This tended to benefit the City areas.
- Fixed Cost Amount. It is of particular benefit to smaller authorities and to district councils. There is a strong argument that this should continue as there is a core cost to running a Council irrespective of size.

CONSULTATION QUESTIONS:

Proposed response:

The Government should consider continuing with the Fixed Cost Amount which reflects that there is a fixed element of cost associated with running a Council irrespective of size.

Question 9):

Do you have views on the approach the Government should take to Area Cost Adjustments?

Note:

The current Area Cost Adjustment (ACA) compensates authorities with higher labour costs and higher business rates.

The DLCCG is considering whether the ACA should be widened to include other running costs, and whether rurality/ sparsity should be included (on the grounds that sparsity can lead to higher unit costs).

Proposed response:

The Council thinks that the Area Cost Adjustment should be widened to allow for the impact of higher labour and business rate costs on the cost of supplies and services purchased locally by the Council.

Question 10a):

Do you have views on the approach that the Government should take when considering areas which represent a small amount of expenditure overall for local government, but which are significant for a small number of authorities?

Proposed response:

The Council considers that Coastal Defence should be separately funded. Coastal Defences not only benefit the coastal area that funds them but can have regional significance.

Question 10b):

Which services do you think are most significant here?

Proposed response:

Coastal defence

CONSULTATION QUESTIONS:

Question 11a):

Do you agree the cost drivers set out above are the key cost drivers affecting adult social care services?

Proposed response:

The Council has no opinion on this question as it does not deliver adult social care services.

Question 11b):

Do you have views on what the most suitable data sets are to measure these or other key cost drivers affecting adult social care services?

Proposed response:

The Council has no opinion on this question as it does not deliver adult social care services.

Question 12a):

Do you agree that these are the key cost drivers affecting children's services?

Proposed response:

The Council has no opinion on this question as it does not deliver children's services.

Question 12b):

Do you have views on what the most suitable data sets are to measure these or other key cost drivers affecting children's services?

Proposed response:

The Council has no opinion on this question as it does not deliver children's services.

CONSULTATION QUESTIONS:

Question 13a):

Do you agree that these are the key cost drivers affecting routine highways maintenance and concessionary travel services?

Proposed response:

The Council has no opinion on this question as it does not deliver routine highways maintenance and concessionary travel services.

Question 13b):

Do you have views on what the most suitable data sets are to measure these or other key cost drivers affecting routine highways maintenance or concessionary travel services?

Proposed response:

The Council has no opinion on this question as it does not deliver routine highways maintenance and concessionary travel services.

Question 14a):

Do you have views on what the most suitable cost drivers for local bus support are?

Proposed response:

The Council has no opinion on this question as it is not responsible for support to local bus services.

Question 14b):

Do you have views on what the most suitable data sets are to measure the cost drivers for local bus support? -

Proposed response:

The Council has no opinion on this question as it is not responsible for support to local bus services.

CONSULTATION QUESTIONS:

Question 15a): Do you agree that these are the key cost drivers affecting waste collection and disposal services?

Proposed response:

Waste Collection – The indicators listed in the consultation (Number of households, types of property, travel times, and deprivation) all appear relevant cost drivers for waste collection. Alternatively road length could be used in the place of travel time.

The Council has no opinion on the cost drivers to be used for disposal as it is not responsible for Disposal which is a County responsibility.

Question 15b):

Do you have views on what the most suitable data sets are to measure these or other key cost drivers affecting waste collection and disposal services?

The Council considers that the most important cost drivers affecting waste collection services are the number of households and the travel time (or potentially road length as a proxy for travel time as this would be easier to collect)

Question 16a):

Do you agree these remain the key drivers affecting the cost of delivering fire and rescue services?

Proposed response:

The Council has no opinion on this question as it is not responsible for fire and rescue services.

Question 16b):

Do you have views on which other data sets might be more suitable to measure the cost drivers for fire and rescue services?

Proposed response:

The Council has no opinion on this question as it is not responsible for fire and rescue services.

CONSULTATION QUESTIONS:

Question 17a):

Do you agree these are the key cost drivers affecting the cost of legacy capital financing?

Note:

Until April 2004, the Government used to provide support to the capital programme through the issue of 'credit approvals' which were a permission to borrow. The government would then support the cost of this borrowing through the Revenue Support Grant. The Government continued to offer some support for revenue impact of borrowing through the Revenue Support Grant system until 2011. After this time, support was provided exclusively in the form of capital grants.

The Government is proposing to continue to support these legacy payments via the finance system using outstanding debt and assumed rates of interest as cost drivers in the new formulas.

The Councils did not really benefit from this adjustment as we received little in the way of capital financing support in the previous system.

Proposed Response:

The Council agrees that the use of debt charges and interest rates are reasonable cost drivers in the new system.

Question 17b):

Do you have views on what the most suitable data sets are to measure these or other key cost drivers affecting legacy capital financing?

Proposed Response:

The Council believes that both factors are relevant in determining support for capital legacy payments. Although this support should be phased out gradually as the 'debt' is repaid.

CONSULTATION QUESTIONS:

Question 18a):

Are there other service areas you think require a more specific funding formula?

Proposed response:

The Councils believe that consideration should be given to Housing Services being allocated specific funding. The drivers behind homelessness are complex and the pressures are not seen equally across the Country

Question 18b):

Do you have views on what the key cost drivers are for these areas, and what the most suitable data sets are to measure these cost drivers?

Potential cost drivers for assessing the impact of homelessness include:

- Population
- Deprivation
- The cost of market rents compared to the Local Housing Allowance.
- The number of residents in receipt of housing benefit

Question 19):

How do you think the Government should decide on the weights of different funding formulas?

Note:

Principle and good practice strongly suggest that funding blocks should be set with reference to the actual local expenditure on the relevant services. To allow too much ministerial judgement would reduce the credibility of the new formulae, and would make it more difficult for authorities to predict how funding formulae would be updated after 2020-21.

Proposed response:

The Government should use actual expenditure on the relevant funding blocks to determine the weights of the different funding formulas

CONSULTATION QUESTIONS:

Question 20):

Do you have views about which statistical techniques the Government should consider when deciding how to weight individual cost drivers?

Proposed response:

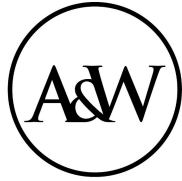
The Council is supportive of the use of a range of statistical methods in developing appropriate formula. However in the absence of any detail regarding the output from these methods, it is difficult to comment on which statistical technique would be most appropriate.

Question 21):

Do you have any comments at this stage on the potential impact of the options outlined in this consultation document on persons who share a protected characteristic? Please provide evidence to support your comments.

Proposed response:

The Council has no comment on the potential impact of the options outlined as it is impossible to predict the impact of the changes on the level of funding available.



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
6 March 2018
Agenda Item 8

Key Decision No

Ward(s) Affected: All

Brighton Mainline Alliance - supporting our Regional Infrastructure properties

Report by the Director for the Economy

Executive Summary

1. Purpose

- 1.1. The Coast to Capital LEP area, which runs from South London to Brighton and across the coast to Chichester, needs significant long-term rail investment to support a growing regional economy and maintain its competitive advantage, protecting the economic potential of the region and the contribution it makes to the wider economy.
- 1.2. Network Rail has identified the Brighton Mainline (BML) as the top priority for investment in the region and proposed upgrades that include enhancement to the Windmill Bridge Junction, just outside East Croydon Station, and a major redevelopment for the station itself.
- 1.3. The Windmill Bridge Junction scheme would deliver a significant increase in regional rail capacity. Unlocking the bottleneck at Windmill Bridge Junction will enhance connectivity, capacity and resilience, and drive growth and productivity through the region. Greatly improving links to London as well and international connectivity.

- 1.4. Coast to Capital LEP is leading a regional campaign to target Government investment in the rail infrastructure in Croydon, specifically targeting a Government commitment to the detail of the project at Budget 2019. The campaign, called the Brighton Mainline Alliance, has strong cross-party support and is backed by regional businesses and business organisation. Included within these is the Greater Brighton Economic Board.
- 1.5. The Scheme is costly, complex and of national significance, and Government has recently commissioned further work to develop the business case. Funding cannot be taken for granted, with many other regions in the UK proposing their own railway schemes for development. A joined up commitment to the development of the region through local authority and business voices, via the BMA, will encourage the Government to support economic growth in the Coast to Capital area.

2. Recommendations

- 2.1. That Adur & Worthing Councils adds its support to the Brighton Mainline Alliance in their advocacy for vital investment to infrastructure through the Windmill Junction Scheme.
- 2.2. There are no resources required in the Councils' support of the Brighton Mainline Alliance.

3. Context

- 3.1. With a population of 1.9 million and a contribution of £49.7bn GVA to the UK economy, the Coast to Capital area is the 7th largest regional economy in the country. Greater Brighton forms a significant part of both the LEP area's population and output, with a population of around 820,000 and GVA contribution of £21.1bn. As a key part of the net-contributing South-East economy, the Greater Brighton City Region and wider LEP region are vital to overall UK growth and prosperity.
- 3.2. Part of the reason for this high economic contribution is the LEP region's high levels of employment, with around 90,000 businesses offering more than 800,000 jobs to a well-educated workforce (45% of

the working age population is educated to degree level or above, compared to a national average of 38%).

- 3.3. Businesses in the Coast to Capital region currently benefit from several competitive advantages. As well as an educated workforce, businesses also benefit from the international connectivity provided by Gatwick Airport. Proximity to London and a mobile population (33% commute over 10km to get to work) also contribute to the region's economic success.
- 3.4. The London-Gatwick-Brighton Growth Corridor has been recognised as one of nine corridors in England that have been at the heart of growth over the last decade and are likely to maintain a pivotal role in shaping growth in the future. The Corridor, which stretches along the BML and M23/A23 routes, creates key strategic linkages between Croydon, Crawley, Gatwick and Brighton & Hove – the benefits of which cascade across to Adur and Worthing.
- 3.5. However, recent growth has been slower than other parts of the South East, with 16.5% GVA growth since 2010, compared to 19.5% across the South East. Raising GVA per head from £24,900 to £28,000 (South East average) would add around £5.7bn to the Coast to Capital (and national) economy. There is strong evidence to suggest poor rail infrastructure is suppressing growth in the region and negatively influencing strategic investment decisions from business.
- 3.6. Achieving the Coast to Capital region's economic potential depends on securing fit-for-purpose rail infrastructure and services that will drive growth.
- 3.7. Passenger journeys on Southern and Thameslink services have risen by 10% to 105 million per annum in the past five years and Network Rail predicts increasingly severe crowding on trains, driven by the region's growing economy.
- 3.8. The BML is central to the infrastructure of the region, with passengers accessing key interchange points. The line acts as a commuter route, but also as a driver of economic growth for the entire region.
- 3.9. Railways are always complex but the service in the Coast to Capital region suffers particularly badly from disruption caused by operational, maintenance and renewal issues (as highlighted in the Gibb Report).

Understandably these are serious problems but it is important that they do not obscure the need for major long-term investment in the railway to build in the capacity that the region needs to support predicted future growth.

- 3.10. Significant work from Network Rail, backed up by independent analysis commissioned by the Government, confirms the strong business case for investment in the Brighton Mainline: The upgrade programme is the “highest priority investment in the corridor” and should be progressed during a window of opportunity in Control Period 6 (from 2019) Central Croydon is developing quickly, and land needed to deliver the necessary scheme is under pressure for alternative development. Without beginning the Transport and Works Act process, it is possible that the land will be lost to developers. Long lead times for schemes of this nature mean if key decisions are taken now, the main works could commence in the early 2020s. Increasing demand to travel will exceed capacity of the new rolling stock within 10 years, unless improvements are made. Commuters along the route will increasingly need to stand, and demand will quickly reach 150% of available capacity at key stations in Croydon, Surrey and Sussex.
- 3.11. The fundamental obstacle to increased capacity and resilience on the BML is the bottleneck in the Windmill Bridge Junction area to the North of East Croydon Station. With the lines from Victoria and London Bridge joining a number of suburban lines, the complexity of the junctions in the Selhurst Triangle area means that trains are often required to stop and wait for each other before continuing their progress. This adds delays to existing services and inhibits the capacity of the entire line.
- 3.12. Therefore, the main focus of the upgrade programme is the Windmill Bridge Junction redesign, which would introduce grade separation (flyovers) for the major junctions and increase throughput and efficiency on the line. Further, the addition of two new platforms at East Croydon will reduce congestion there and provide a major development opportunity above the station.
- 3.13. Upgrading the line will result in a number of direct and tangible benefits:

Capacity:

- More trains per hour at peak times (from 36 today increased to 42-44)

- More trains at peak times would result in a significant increase in capacity

Connectivity:

- Opportunity to run new services
- More options in timetable development

Resilience:

- Increased reliability, addressing the “poor and unreliable condition” of the network as identified in the Gibb Report

Productivity:

- Value for money (estimated benefits of £2.40 for every £1 spent)
- Commercial opportunities to redevelop and improve stations
- Encouraging growth in the C2C region by bringing business out from

4. Issues for consideration

- 4.1. The Brighton Mainline is the key transport and infrastructure priority for Greater Brighton. Council presence at like-minded forums ensures a continuity in our message through a series of channels.
- 4.2. The alternative option is for Adur & Worthing Councils not to lend its support to the Brighton Mainline Alliance. As stance which would see the council as odds with our regional and business cousins. The Windmill Bridge Junction scheme offers a fit-for-purpose solution through much needed, new infrastructure with the Brighton Mainline Alliance being the voice through which regional investment may be secured by Coast to Capital LEP.

5. Engagement and Communication

- Details of the recommendation have been discussed with Martin Randall - Director of Economy and Alan Higgins - Chief Executive's Policy Officer.
- Greater Brighton Economic Board tabled an agenda item (28) at the 6 February 2018 board meeting recommending their support for the Brighton Mainline Alliance
- The Adur & Worthing Councils' decision will be communicated to the Coast to Capital LEP.

6. Financial Implications

- 6.1. There are no direct financial implications arising from supporting the campaign.

7. Legal Implications

- 7.1. s1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation.
- 7.2. Under Section 111 of the Local Government Act 1972, the Council has the power to do anything to facilitate or which is conducive or incidental to the discharge of any of its functions.

Background Papers

- Coast to Capital LEP Campaign - Unlocking The Brighton Mainline [Link here](#)
- Greater Brighton Economic Board - 6 February 2018, Agenda Item 27 Page 56, Subject Brighton Mainline Alliance [Link here](#)
- Southern Rail Network: Gibb Report [Link here](#)

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Sustainability & Risk Assessment

1. Economic

- In lending support to the Brighton Mainline Alliance, in particular the Windmill Junction scheme, the vital improvements to rail infrastructure should positively impact Adur and Worthing's regional economy.

2. Social

2.1 Social Value

- Improved rail connectivity and capacity would further support the positive effects of the longshore drift in improved well-being for regional commuters.

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

- Network Rail's resultant improvements to infrastructure may result in a positive contribution to the environment by promoting and enabling a cleaner travel option within the region.

4. Governance

- Supporting better connectivity through the Brighton Mainline Alliance evidences a commitment to business sector growth across Adur and Worthing. In addition it enhances our role as a 'trusted partner' for local business. Platforms for our Places - Platform 1, Our Financial Economies

Appendix One

Current members of the Brighton Mainline Alliance:

1. Adur & Worthing Business Partnership
2. Assurity Consulting
3. B&CE
4. Brighton & Hove Chamber of Commerce
5. British Airways
6. Brighton Business Improvement District
7. Chichester Chamber of Commerce & Industry
8. Chichester College Group
9. Coast to Capital LEP
10. Crawley Borough Council
11. Crawley Happy Times
12. Crickmay Chartered Surveyors
13. Croydon Business Improvement District
14. Croydon Chamber of Commerce & Industry
15. Develop Croydon
16. ETI
17. FD Outsourcing
18. Friends of the Elderly
19. Gatwick Airport Consultative Committee (Gatcom)
20. Gatwick Airport
21. Gatwick Diamond
22. Gatwick Diamond Business
23. Greater Brighton Metropolitan College
24. Horley Town Council
25. MacConvilles Surveying
26. Manor Royal Business District
27. Newhaven Enterprise Zone
28. Railfuture
29. Red River
30. Reigate & Banstead Borough Council
31. Ricardo
32. Robinsons Low Francis
33. Strike a Light
34. Triangle Community Services
35. University of Brighton
36. University of Sussex
37. Urban Edge Environmental Consulting
38. Wates
39. Wired Sussex

Appendix Two

MPs who have confirmed their support for the Brighton Mainline Alliance:

1. Caroline Lucas MP - Brighton Pavilion
2. Chris Philp MP - Croydon South
3. Crispin Blunt MP - Reigate
4. Gillian Keegan MP - Chichester
5. Henry Smith MP - Crawley
6. Jeremy Quin MP - Horsham
7. Lloyd Russell-Moyle MP - Brighton Kemptown & Peacehaven
8. Maria Caulfield MP - Lewes
9. The Rt Hon Sir Nicholas Soames MP - Mid Sussex
10. Nick Herbert MP - Arundel & South Downs
11. Nusrat Ghani MP - Wealden
12. Sir Peter Bottomley MP - Worthing West
13. Peter Kyle MP - Hove
14. Sarah Jones MP - Croydon North
15. Steve Reed OBE MP - Croydon North
16. Tim Loughton MP - East Worthing and Shoreham



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
6 March 2018
Agenda Item 9

Key Decision: Yes

Ward(s) Affected:

Worthing Crematorium Improvements

Report by the Director for Communities and the Director for Digital & Resources

Executive Summary

1. Purpose

- 1.1. To approve the virement of underspends from this year's Capital investment programme to the scheme for improvements to Worthing Crematorium.
- 1.2. Following consultation with the Head of Environment and Crematorium staff the original remit was revised to take into account the future needs of the service. A revised estimate was subsequently carried out by external consultants also taking into account out of hours working, which has indicated a shortfall of £144,500 within the current approved budget.

2. Recommendations

- 2.1 The Joint Strategic Committee recommendation to
 - i. To approve the virement of £144,500 from the underspends in the current 2017/18 Capital Investment Programme as detailed in paragraph 4.3

3. Background

3.1. To ensure the Worthing Crematorium site remains competitive and services are future-proofed as much as possible. There is a requirement for investment to improve the facility and service.

3.2. The first PID in May 2016 related to just a refurbishment of the main office, to include revised internal layout and reception entrance. The budget approval request was £143.6k

May 2016 Capital Costs	Design Stage
Construction costs	£125,000
Technical Consultants fees	£18,600
Total Capital Costs	£143,600

3.3. It was identified in this PID that a recent access audit had highlighted a number of recommendations that needed to be factored into the office and site refurbishments. The access audit highlighted that the office space and reception were not DDA compliant, nor were the cloister toilets or some of the critical facilities, such as access to the Children's Memorial Garden.

3.4. The second PID in August 2016 PID incorporated office redevelopment, a new showroom for memorialisation, DDA access to cloister toilets and DDA access to Children's Memorial Garden. The budget approval request was increased to £173.7k. The DDA access to cloister toilets was completed February 2018 and the DDA compliant path are due for completion by the end of the April 2018.

August 2016 Capital Costs	Design Stage
Construction costs	£155,150
Technical Consultants fees	£18,600
Total Capital Costs	£173,750

3.5. A minor reconfiguration of the main office at the Crematorium to improve accessibility, aesthetics, including a new 'showroom' for memorialisation (to

increase revenue raised from memorial sales), and accommodation of additional employees within the workspace, was approved as part of the Capital investment programme for this financial year and the PID was approved on 3rd August 2017.

- 3.6. The original remit was to provide additional office space alongside an improved reception area. This work was to be carried out in conjunction with a toilet conversion to the existing, currently non-compliant facility. It was anticipated that all the works would be undertaken during normal office hours.
- 3.7. Following consultations with the Head of Environment and Crematorium staff, the original remit significantly changed to include for a fully revised office layout (with kitchenette), a relocated, larger reception area (with memorialisation display), and conversion of existing store area and Vestry into a large waiting room. A new store room and Vestry, to be created within the existing external courtyard, were also proposed. At the time of writing, renewal of existing high-level glazed units remains a consideration, with discussions ongoing with Building Control.
- 3.8. Further allowances have been necessary for working outside of normal office hours, the relocation of staff into temporary accommodation, and the potential for asbestos removal.
- 3.9. The revised scheme has been re-evaluated by external consultants and based upon their estimate the current budget needs increasing by £144,500.
- 3.10. The utilisation of the West Sussex County Council surfacing contractors for the resurfacing of the crematorium driveway secured competitive rates based on 16/17 prices and some value engineering over the amount of reconstruction to the carriageway required meant the final costs were significantly less than the original estimated costs.
- 3.11. Within the driveway's original estimated costs there was an allowance for protection to Gas main which runs adjacent to this access to prevent vehicular overrun. Following on-site survey works to establish the alignment of this main it was evident that partial protection was required rather than the entire length resulting in a saving.

4. Financial Implications

4.1 The revised scheme has been estimated at £337,500, including professional fees.

4.2 The current budget allocation in the Capital Investment Programme is £192,930.

4.3 It is proposed that the budget shortfall on the revised crematorium improvements scheme is funded from the underspend on the Crematorium driveway resurfacing works of £140,000, and the remainder is funded from underspends carried forward from 2016/17 as a contingency for scheme overspends in this financial year.

5. Legal Implications

5.1 Section 19 Local Government (Miscellaneous Provisions) Act 1976 allow the Council to provide recreational facilities as it thinks fit and that includes the power to provide buildings, facilities, equipment, supplies and assistance of any kind, either without charge or on such payment as the authority thinks fit.

5.2 Section 111 of the Local Government Act 1972 allows the Council to do anything which is intended to facilitate or is conducive to or ancillary to any of its functions.

5.3 The Council must comply with its contract standing orders in spending the approved funds.

Background Papers

None.

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Sustainability & Risk Assessment

1. Economic

- A redevelopment of the main office at Worthing Crematorium to improve accessibility, aesthetics, including a new 'showroom' for memorialisation (to increase revenue raised from memorial sales) together with accommodation for additional employees within the workspace will ensure the site remains competitive and compliance with DDA Regulations are met.

2. Social

2.1 Social Value

- The face-to-face customer service is vital to the bereavement industry especially on site at Worthing Crematorium. It is therefore paramount that access is available and the service is operational to facilitate customer advocacy and excellence.
- Improved access to the main office and vital areas of the site along with improved toilet facilities and the ability to work anywhere on site will accommodate all that visit or work on site. In addition it will cater for the demographic that frequent the site i.e. the elderly visitors.

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 & WORTHING
COUNCILS

Joint Strategic Committee
6 March 2018
Agenda Item 10

Key Decision: ~~Yes~~/No

Ward(s) Affected: St Mary's

Redevelopment of former Adur Civic Centre - Phase II Marketing

Report by the Director for the Economy

Executive Summary

1. Purpose

- 1.1 This report seeks approval to allocate a valuation, appraisal and marketing budget to facilitate the disposal and redevelopment of the former Adur Civic Centre site, south of Ham Road, Shoreham.

2. Recommendations

- 2.1 The Joint Strategic Committee is asked to recommend to Adur District Council that it approves a valuation, appraisal and marketing budget of £150,000 which will be funded from the capital receipt generated from the sale of the site.

3. Context

- 3.1 In July 2016 the Joint Strategic Committee approved the demolition of the former Adur Civic Centre (ACC) buildings and the redevelopment of the former staff car park for office use, this strand of development being known as Phase I.

- 3.2 Phase I has been funded in part using a Local Growth Fund (LGF) allocation granted to bring forward redevelopment of the entire site, with the remaining finance obtained via the Public Works Loan Board (PWLB).
- 3.3 The terms of the Funding Agreement with Coast to Capital Local Enterprise Partnership (the LEP) state that the Council will progress both Phases I and II of redevelopment. It has been agreed that the best way for the Council to do this is to seek approved/conditional redevelopment via a disposal to a Developer.
- 3.4 Demolition of the former Civic Centre is now complete, and Planning Permission for Phase I, a new office building, has been granted, with construction works due to commence in March.
- 3.5 An Agreement for Lease has been signed with a local business, Focus under a Full Repairing Lease, meaning that the Council will enjoy 100 percent occupancy of the new premises following completion.
- 3.6 During the construction works for Phase I, the former ACC site to the south of Ham Road, will be utilised for operatives' welfare facilities and vehicles, allowing better access and logistics for construction.
- 3.7 Current Phase I construction works are scheduled to complete in May 2019, when the main site will, once again, become vacant. The proposal is for Adur District Council (the Council) to market the main site for redevelopment, in the interim period, ensuring that the second phase of redevelopment can start soon after the first is completed.
- 3.8 Design and feasibility work to RIBA Stage 1/2 has completed for Phase II.

4. Issues for consideration

- 4.1 Bringing the site to a national market will provide the greatest opportunities for private sector engagement and the highest quality proposals from partner Developers for a mixed-use redevelopment of the site. Given the potential interest by Hotel operators this could form the basis of any potential bid. This will require the Council to commission a professional marketing agent with contacts across the whole of the UK.
- 4.2 Marketing Agents typically work on a commission of up to 2% of the final disposal value (the percentage fee varies on the value of the land).

Therefore working on the assumption that the site could be valued at up to £5,000,000 the fee is likely to be in the region of £100,000.

- 4.3 The Council will also require a valuation and development appraisal budget of £50,000 in order to address issues of 'Best Consideration' through the conditional disposal of the site.

5. Engagement and Communication

- 5.1 Informal reports on the redevelopment of the site are provided to Members and Officers via the Adur Major Projects Board meetings which are regularly attended by the following:

- Cllr Neil Parkin - Leader of the Council
- Cllr Brian Boggis - Exec. Member for Regeneration
- Cllr Stephen Chipp - Chair of Joint Overview and Scrutiny Committee
- Cllr Carol Albury - Chair of Adur Planning Committee
- Alex Bailey - Chief Executive of Adur and Worthing Councils
- Martin Randall - Director for the Economy
- James Appleton - Head of Planning and Development
- Representatives of the Council's Legal Services

- 5.2 As part of the Coast to Capital, Local Growth Fund business case for redevelopment, letters of support for the proposals were obtained from:

- Tim Loughton - MP for East Worthing & Shoreham
- Cllr Neil Parkin - Leader of the Council
- Geoff Edwards - Chair of Coastal West Sussex Business Partnership

The bid for supporting funds from the LEP was also shared with the Greater Brighton Economic Board (GBEB) and West Sussex County Council (WSCC).

- 5.3 Any Planning applications submitted as part of the redevelopment will be subject to Public Consultation.

6. Financial Implications

- 6.1 As noted at point 4 above, the expenditure required to effectively bring the site to the wider market via a specialist agent is likely to be in the region of £100,000 which will be paid upon disposal. In addition, a further budget figure of £50,000 be required to cover valuations, development appraisals and marketing of Phase II.

6.2 Under the The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, the use of capital receipts was confined to two purposes:

- i) To fund new capital expenditure
- ii) To repay debt.

Under statutory guidance up to 4% of the receipt can be used to fund disposal costs which will be sufficient to fund the costs identified.

6.4 The disposal of the land will generate a significant capital receipt for the Council. This receipt will be used to fund initiatives to generate an on-going savings for the Council. Options for the use of the receipt include:

- i) Funding initiatives such as service redesign to generate ongoing revenue savings for the Council using the capital flexibilities regulations.
- ii) Repaying the existing debt on the Adur Civic Centre Phase 1 project. Each £1m repaid will generate a saving of £40,000 per year for 40 years. If the full net receipt is used to fund the new office block, the potential annual saving will be £194,000 per year after allowing for the disposal costs of £150,000.
- iii) Funding the acquisition of new commercial property to generate annual returns of at least 5% which would generate income of £242,500.

6.5 Whilst, this does not rule out an option to take some revenue funding, possibly from any commercial element provided within a mixed use scheme, the benefits of securing a large capital receipt are quite compelling.

7. Legal Implications

7.1 s1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation.

7.2 S1 Local Government (Contracts) Act 1997 allows the Council to enter into a contract in relation to any of its functions

- 7.3 In addition to the power under s1 above, the Council must comply with its Contract Standing Orders and the Public Contract Regulations 2015 when instructing a third party as recommended in this Report.
- 7.2 Section 123 Local Government Act 1972 places an obligation on local authorities to dispose of land for best consideration, which is not limited to the monetary purchase price, but may include other elements in the transaction, provided those have a quantifiable commercial or monetary value.

Background Papers

- Report to JSC July 2016 - 'Redevelopment of the Adur Civic Centre Site'
- Coast to Capital Local Growth Fund - Outline Business Case 06.01.17
- Adur and Worthing Councils Corporate Priorities
- Adur and Worthing Economic Plan 2013 - 2023
- Platforms for our Places
- Adur Employment Land Review 2014
- Statutory Guidance on the Flexible Use of Capital Receipts

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Sustainability & Risk Assessment

1. Economic

The proposal to market the site for a mixed use scheme accords with the Adur and Worthing Economic Plan 2013 - 2023 where the Economic Priorities are named as Support Business, Develop Growth, Enhance Business Environment, Advance Local Skills, Encourage Sustainability and Promote Health and Wellbeing.

The Economic Plan also states “*It is vital that Adur and Worthing provides foundations for business to operate effectively*” and promotes the following aims:

- Support Business
- Develop Growth
- Enhance Business Environment
- Advance Local Skills
- Encourage Sustainability
- Promote Health and Wellbeing

2. Social

2.1 Social Value

Conditional disposal and redevelopment of the site with mixed use will enhance the town and help to support the economic prosperity of the District.

2.2 Equality Issues

Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

Development of the site once the construction compound has vacated, will prevent unauthorised encampments on the site.

2.4 Human Rights Issues

Matter considered and no issues identified.

3. Environmental

Marketing the site for a conditional disposal will bring forward development of the remaining, redundant brownfield site as identified as the strategy for Shoreham within Platforms for our Places.

4. Governance

An internal officer board consisting of representatives from key departments essential to successful delivery will meet and review the programme at key stages of the marketing exercise.

Officers involved will include:

- Director for the Economy
- Chief Financial Officer
- Solicitor to the Council
- Senior Solicitor
- Asset Portfolio Manager
- Head of Planning and Development

The board will collaborate on decision making and will require regular updates from the Major Projects project manager who will advise the board on a regular basis, highlighting any changes to the status of the proposals.



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
6 March 2018
Agenda Item 11

Key Decision [~~Yes~~/No]

Ward(s) Affected:

Use of s106 Funding to enhance Sport and Recreation Facilities in Adur

Report by the Director for the Economy

Executive Summary

1.0 Purpose

- 1.1 This report recommends allocating £15,000 of the s106 funding secured in connection with the Brighton and Hove Albion Training Ground as a contribution towards the provision of a covered swimming pool at the Globe School, Lancing.
- 1.2 The School has been fund raising for some time and the financial contribution would help to deliver the project to benefit children at the school but also the local community. The report considers whether this is a good use of the funding and the extent to which the local community would benefit from the facility.
- 1.3 The report also recommends the allocation of a further £5,000 towards the provision of CCTV cameras at Sir Robert Woodard Academy to improve security in connection with the new 3G pitch currently under construction at the site.
- 1.4 The report also provides an update on other projects which have secured funding and the funding still available to be allocated to worthwhile projects that enhance sport and leisure activities across the District.

2.0 Recommendations

- 2.1 The Committee agrees to the request for a £15,000 contribution towards the provision of a covered swimming pool (subject to the school entering into a community use agreement as part of any grant funding agreement) and a grant of £5,000 towards CCTV at Sir Robert Woodard Academy and agrees to amend the Capital Investment Programme accordingly; and,
- 2.2 That the decision to enter into the relevant grant funding agreements be delegated to the Head of Planning and Development in consultation with the Executive Member for Regeneration.

3.0 Background

- 3.1 In 2013 planning permission was granted for Brighton and Hove Albion FC (B&HAFC) to build a new First Team Training and Academy Facility on land originally passed to Adur District Council for use as sports pitches. This land was originally transferred to Adur's ownership in connection the granting of planning permission for an 18 hole golf course on adjoining land. To compensate for the loss of formal open space a s106 agreement was entered into with the Club requiring community use of the new Training Facility and a financial contribution of £1.35 million towards improving sports facilities across the District.
- 3.2 The s106 agreement entered into with the Club provides £700,000 towards the provision of a 3G pitch (Third Generation Artificial Grass Pitch) to include fencing, floodlighting and changing rooms and £650,000 towards the cost of provision/enhancement of other off site leisure facilities in Adur.
- 3.3 Since the grant of planning permission the Club has obtained permission for an additional 3 pitches on land to the east of the training facility (two AGP's and one grass pitch). One of the AGP's is used predominantly as a community pitch and obtained permission for floodlighting. The Community Use Agreement required by the original s106 secures 86 hours of community use of the extended training facility.
- 3.4 A Working Group consisting of the Leader and Executive Members for Regeneration and the Environment was set up following the grant of permission for the training facility to discuss the optimum location of the

off-site AGP and to assess other projects to benefit sport and leisure facilities across the District.

3.5 The Committee, following the recommendations of the Working Group, has subsequently agreed to spend the s106 on the following schemes:

- ❑ Sir Robert Woodard Academy - £700,000 towards the off-site training facility. Works nearing completion.
- ❑ Croshaw Recreation ground changing rooms - £25,000. Clubhouse built.
- ❑ Buckingham Park Pavilion - £150,000. Match funding proposal with Shoreham Rugby Club - funds still being raised for new Clubhouse.
- ❑ Wadurs changing rooms - £100,000 to secure improvements. started?
- ❑ Southwick Tennis Courts £150,000 towards improvements of courts and possible floodlighting. Options still being assessed.
- ❑ Southwick Cricket Club - £10,000 towards the provision of new cricket nets. Completed?
- ❑ Lancing Parish Council for provision of skateboard park - £100,000. Skateboard Park completed.

3.6 Following the above awards there is **£115,000** unallocated. This has not been allocated up to now pending confirmation of the final costs of the schemes in progress.

4.0 Proposals

4.1 The Head of the School approached the Chair of Planning Committee who then asked the Leader to see whether there would be funds available to contribute towards its fund raising activities to cover the schools outside swimming pool. Planning permission was granted for the pool cover in October 2017. Subsequently the Working Group visited the site and has supported the request for a contribution of £15,000 towards the pool cover subject to further details of the level of community use.

4.2 The Head has recently submitted a draft schedule of community use which is attached as **Appendix 1**. Whilst, it is in draft form it highlights the Heads commitment to maximise the use of the facility to benefit the local community.

- 4.3 As indicated above the 3G pitch is nearing completion. Discussions with the Academy have identified concerns regarding security for the pitch given its distance from the main school buildings. A request has been made for a further £5,000 as a contribution towards the cost of CCTV cameras. The remainder of the funding (approximately £15,000) would be met by the Academy.

5.0 Issues for consideration

- 5.1 The Working Group has been keen to ensure that a range of projects are supported across the District and that the funding where possible is used as match funding to increase the overall level of investment to support sport and leisure activities. The benefits of promoting physical activity to increase health and wellbeing are well known and so far a wide range of sports activities have benefitted from the funding.
- 5.2 The existing outside pool at the Globe School is under utilised and causes maintenance issues for the School. The proposed cover would be a significant benefit to the children attending the School as well as helping others in the community to learn to swim as well as allowing for community use. A grant funding agreement would be beneficial and this could help to ensure that the community use envisaged is delivered as indicated.
- 5.3 The off site 3G facility under construction at Sir Robert Woodard Academy is funded fully from the s106 funding from the B&HAFC Training facility. However, the facility has been enhanced by further funding from the Academy to provide floodlit 100 metre track adjacent to the pitch and new long jump facility. These facilities would also be available to other schools and the local community.
- 5.4 The request for a contribution towards CCTV is reasonable and will help to maintain security and help to avoid vandalism that might affect the long term maintenance costs of the facility. As Members will recall Adur DC will benefit from revenue generated from the community use of the facility and therefore a contribution towards improved security is appropriate.

6.0 Engagement and Communication

- 6.1 The Globe School has been actively engaging with its parents and the local community to raise funds and it is a good example of a community led approach which maximises the scope for local fund raising from various sources.

6.2 The current funding position is that the School needs a total of £128,489 and it has already raised £73,000 with local fundraising and small grants including from Lancing Parish Council, Sompting Big Local and Tesco Bags for Life. With the Councils contribution and an outstanding bid to the Rampion Community Fund the total would be reached and the project would be able to start on site.

7.0 Financial Implications

7.1 There are no ongoing financial implications for the Council as all ongoing maintenance costs for the projects would fall to the School and Academy.

7.2 The Council has £115,000 of S106 receipts which remain unallocated. These grants would reduce the remaining total held to £95,000.

8.0 Legal Implications

8.1 s1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation.

8.2 A grant is a gift of funds for specific purposes. The use of the s.106 monies as proposed in this Report is not prohibited by any pre-existing legislation and is in accordance with the provisions of the s.106 Agreement entered into with the Club.

8.2 The Council may approve an award of grant funding for specific purposes as recommended in this report, although the Council must ensure that the provisions of the grant funding agreement do not create a public contract as defined by the Public Contract Regulations 2015.

8.3 The Council must ensure that the arrangement with the grant recipients does not offend the rules against state aids, which prohibit public bodies from favouring certain undertakings and distorting competition and ought to reasonably enquire into any previous aid received by the intended grant recipients and assess each recipients previous grand aid on an individual basis..

Background Papers

S106 Agreement signed with Brighton and Hove Albion FC (AWDM/0205/12).
Planning permission for covered swimming pool at The Globe School, Lancing
(AWDM/1204/17).

Adur and Worthing Open Space, Sport and Recreation Study (2014)

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Sustainability & Risk Assessment

1. Economic

- 2.1 The financial contribution together with other local fundraising will provide investment into school facilities and help generate funds to maintain the pool in the future.

2. Social

- 2.1 **Social Value** - the provision of improved leisure facilities will enhance educational provision, help develop new skills and promote healthy living.
- 2.2 **Equality Issues** - These have been taken into account by the school and the proposal would include facilities to enable access by all.
- 2.3 **Community Safety Issues (Section 17)** - the proposed has been designed to take into account crime issues and the school has ensured that public access to the school grounds are restricted.
- 2.4 **Human Rights Issues** - any impacts on human rights for those living near the pool were covered through the planning process.proposed

3. Environmental

- 3.1 The covering of the pool would reduce the costs of maintaining the facility and help to retain heat

4. Governance

- 4.1 There are no Governance issues with the proposed funding requests.