



ADUR & WORTHING COUNCILS

Joint Strategic Committee
10 July 2018
Agenda Item 9

Key Decision [Yes/No]

Ward(s) Affected:

Investing for the future - our Capital Strategy 2019/22

Report by the Director for the Director for Digital & Resources

Executive Summary

1. Purpose

- 1.1 This report seeks the approval of the Council's Capital Strategy for 2019/22. The Strategy outlines the Council's approach to capital investment and how the Council ensures that capital investment is directed to the Council's Priorities. It also sets out the basis for prioritisation of capital bids included in the 3 Year Capital Investment Programme and the monitoring of the programme.

2. Recommendations

- 2.1 The Joint Strategic Committee is asked to **recommend** to the Councils that the Capital Strategy 2019/22 be approved.

3. Context

- 3.1 The Councils capital strategy reviewed annually to reflect changes in the Council's priorities and resources.
- 3.2 It is now a requirement of the Prudential Code that the Councils' have an annually approved capital strategy. This year the strategy is being reviewed to reflect new requirements emerging from the new Code. The intention is to bring together not only the capital expenditure policy and plans, but to include financing considerations in one comprehensive document. The new requirements include:

- **The impact of the capital programme on debt and borrowing including:**

- A projection of external debt and use of internal borrowing to support capital expenditure
- Provision for the repayment of debt over the life of the underlying debt.
- Authorised limit and operational boundary for the following year.
- The authority's approach to treasury management including processes, due diligence and defining the authority's risk appetite.

- **Commercial activity**

The Council's approach to commercial investment activities including processes ensuring effective due diligence and defining the authority's risk appetite in respect of these, including proportionality in respect of overall resources. Requirements for independent and expert advice and scrutiny arrangements.

For Adur and Worthing Councils, this specifically refers to the Strategic Property Investment Fund. The Property Investment Strategy elsewhere on this agenda meets these requirements and will form an appendix to the Annual Investment Strategy and the Capital Strategy.

- **Other long-term liabilities**

An overview of the governance process for approval, monitoring and ongoing risk management of any other financial guarantees and other long-term liabilities.

However, Adur and Worthing Councils do not have any significant exposure to this type of liability and so this is not addressed within the capital strategy.

- **Knowledge and skills**

A summary of the knowledge and skills available to the authority and confirmation that these are commensurate with the authority's risk appetite.

3.2 In 2017/18 the Strategy was revised to reflect the ICT investment strategy and partnership working and confirmed the following direct resource allocations for 2018/19 and 2019/20:

	Adur District Council £'000	Worthing Borough Council £'000	Total £'000
Annual ring fence from available resources to fund essential capitalised planned maintenance schemes.	75	150	225
Annual Set aside from available capital resources for any capital investment needs arising from the partnership strategy – to fund planned vehicle replacements	260	390	650
Recommended set-aside to facilitate the delivery of the digital strategy.	106	119	225
Essential replacement of ICT desktop equipment, minor software upgrades, and local network equipment in both Councils.	70	80	150
Total resources earmarked for specific purposes	511	739	1,250

3.3 The budget strategy considered elsewhere on this agenda will confirm that the resources to be made available to fund general schemes will be:

- £2.5m for Worthing Borough Council for the next 2 years. This is increased from last year's allocation of £2.0m and reflects the increasing need to invest in the Council's assets in light of emerging maintenance issues such as the requirement to deal with asbestos issues in the Council's buildings, the need to invest in public facilities such as toilets, the pressing need to replace aging plant and equipment in our main buildings with more sustainable options; and
- £1m for Adur District Council General Fund for the next 3 - 5 years and £5.2m for the HRA Housing Investment Programme in 2019/20 rising to £5.5m in 2020/21 (excluding new developments which are considered separately)

The allocations will be reviewed next year in the light of the corporate building condition survey which is currently being undertaken. These relatively low levels of investment have been recommended in light of the financial position of both councils over the next 5 years.

4. Issues for consideration

4.1 The changes proposed to the Capital Programme process and the Capital Strategy this year are detailed below:

4.1.1 Strategic Property Investment Fund:

It is recommended that the Councils limit the overall investment in Commercial Property to £75m per Council with a maximum potential spend on the 'Strategic Property Investment Fund' to £25m in any given year . The intention is to identify opportunities to procure or develop commercial property which will generate a sustainable income stream for the Councils for the future and potentially provide social and economic benefits. This is an important element of the budget strategy which will contribute to around 15% of the savings target in each financial year.

The property investment strategy included elsewhere on the agenda details how this investment will be managed, including details of the risk management approach.

Each proposal will be the subject of a detailed appraisal and the net income must exceed the cost of borrowing by at least 2% within two years (1% if the property is of strategic importance). The actual spend in each year will depend upon identifying suitable investment opportunities.

4.1.2 Increased allocation for the annual HRA programme:

A condition survey on Adur Homes housing stock was undertaken in 2016/17. In light of the outcome of this survey, which revealed that there is a need to increase the level of investment in the stock to address high priority repairs, the size of the programme was increased from £4.7m to £5.2m for 2018/19 and 2019/20. It is recommended within the report that the programme is increased again for 2020/21 to £5.5m. It is intended to progressively increase the capital programme over the next 5 years to build financial capacity to address the outcome of the condition survey.

4.2 Resource allocations for 2020/21:

The following resource allocations to key corporate strategies are recommended for 2020/21:

- The continuation of the set-aside for building maintenance which is used to address the backlog maintenance identified within the planned maintenance programme and asset management plan.

- Resources are proposed to be set aside to fund the ‘digital strategy’ and key investments required into replacement IT infrastructure and equipment.
- Sufficient resources need to be set-aside for the Adur and Worthing partnership to fund the replacement of essential vehicles planned in 2020/21.

If approved, the overall the allocations will be:

	Adur District Council £'000	Worthing Borough Council £'000	Total £'000
Annual ring fence from available resources to fund essential capitalised planned maintenance schemes.	75	150	225
Annual Set aside from available capital resources for any capital investment needs arising from the partnership strategy – to fund planned vehicle replacements	260	390	650
Recommended set-aside to facilitate the delivery of the digital strategy.	106	119	225
Essential replacement of ICT desktop equipment, minor software upgrades, and local network equipment in both Councils.	70	80	150
	511	739	1,250

4.3 The top slicing of the General Fund programme in each year to ensure funding for key strategic issues such as the planned building maintenance programme, ICT and the partnership programmes will mean that, of the overall resources of available in 2020/21, the following resources will remain for other schemes:

·	Adur District Council:	£489,000
·	Worthing Borough Council:	£1,761,000

4.4 The proposed capital strategy is attached at Appendix 1. Appendix 2 gives details of the prioritisation model to be used in 2018/19 which has been updated to reflect the priorities outlined in ‘Platforms for our Places’.

5. Engagement and Communication

- 5.1 The purpose of this report is to communicate with stakeholders on the approach to be taken to developing the Capital Investment Programmes of both Councils. The overall process for developing the new programme has been considered by the Capital Working Group

6. Financial Implications

- 6.1 The Strategy sets out recommendations for financing the future Capital Investment Programme.

Finance Officer: Sarah Gobey

Date: 22nd June 2018

7. Legal Implications

- 7.1 Part 1 of the Local Government Act, 2003 sets out the framework for capital finance and expenditure
- 7.2 The Local Government (Capital Finance and Accounting) (England) Regulations 2003 provide more detailed requirements.
- 7.3 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.
- 7.4 The statutory guidance on the flexible use of capital receipts is issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003.

Legal Officer: Susan Sale

Date: 26th June 2018

Background Papers

Report to the Joint Strategic Committee on 13th July 2016: Capital Strategy 2016/19

Report to the Joint Strategic Committee on 13th September 2016: Outline forecast 2017/18 to 2021/22 and budget strategy

The Prudential Code for Capital Finance in Local Authorities (2017 edition) – Publication by the Chartered Institute of Public Finance and Accountancy

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Sustainability & 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.



ADUR & WORTHING
COUNCILS

**INVESTING IN ADUR AND
WORTHING:
CAPITAL STRATEGY
2019-2021**

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1.0 INTRODUCTION

1.1 This document sets out the Councils' Capital Strategy, which outlines the approach to capital investment, how the Councils ensure that capital investment is directed to the Corporate Priorities and the implications of the financing strategy. It also shows how we work with partners to deliver schemes. The strategy outlines the basis for the prioritisation of all capital bids put forward for inclusion in the three-year programme, including Housing, and the monitoring and evaluation of the programme. The Capital Strategy is intrinsically linked to our Asset Management Plan as a substantial amount of capital expenditure is invested in the property assets held by the Councils.

1.2 The Council's Vision and Corporate Plan

In 2010 'Adur in Partnership' and 'Worthing Together', the Local Strategic Partnerships adopted an updated Sustainable Community Strategy 'Waves ahead'. This is a sixteen year plan, which will operate through to 2036 and

help to deliver the vision for where the two areas want to be in twenty years' time and how some of this vision will be delivered.

1

- 1.3 The Corporate Plan focuses upon the areas of the Community Strategy to which the Council can and will contribute. The Councils current Corporate Priorities are detailed in 'Platforms for our Places' which captured the Councils vision for the next 3 years.
- 1.4 In order to help deliver the Vision, the following five 'Platforms' were agreed in 2017. Each Platform has a series of commitments for the next three years. Those which may have a direct impact on the capital strategy are summarised as follows:-

Platform 1: Our Financial Economies

- Support our business sectors in providing growth
- Use the Councils' Strategic Property Investment Fund to deliver new revenue streams and support investment projects.
- Investment in and delivery of Major Projects and key infrastructure.

Platform 2: Our Social Economies

- Providing and enabling the delivery of new homes across Adur and Worthing
- Promoting the good physical and mental health of our communities

Platform 3: Stewarding our Natural Resources

- Improve environmental resilience in Adur and Worthing
- Provide infrastructure for environmental resilience.

Platform 4: Services and Solutions for our places

- Identify and maximising financial return on our services to support the Council's budgetary position.

Platform 5 – Leadership of our Places

- Developing strong partnerships.

Further details of all of the priorities and how these will be achieved are included in a programme of work called 'Platforms for our Places' which can be found on the internet at:

<https://www.adur-worthing.gov.uk/media/media,142449,en.pdf>.

1.6 Three Year Capital Investment Programme

The main purpose of the Councils' Capital Investment Programme is to provide assets for the provision of services, fund capital investment to generate income streams for the future, and to deliver the Councils' Priorities. It is prepared by considering resources available and then prioritising capital schemes in line with Corporate Objectives and other criteria. A summary of the current Capital Investment Programmes 2018/19 – 2020/21, including funding, is shown in Appendices 3, 4 and 5. Full details can be found on the Intranet and in the budget book.

Examples of where capital expenditure will help to deliver the Council's Strategic Aims over the next three years are:

i) **Delivery of the Digital and IT strategy (Total: £1,410,000 split as follows Adur: £662,700 Worthing: £747,300)**

The Councils are committed to improving how services are delivered to the public. The Councils believe that good robust strategy and systems that are easily accessible by the public ensure that the Councils provide efficient services.

ii) **Affordable housing (Adur: £3,380,600, Worthing: £2,991,900 Total: £6,372,500)**

The Councils are committed to enabling affordable housing development for the residents of Adur and Worthing. The new Housing Strategy agreed earlier this year outlined the challenges clearly for the Council clearly. The Council is committed to working with social sector landlords to support the development of homes for rent that are safe, decent, and meet the needs of residents in Adur and Worthing.

iii) **Adur and Worthing Services (Total: £2,359,000 split as follows: Adur share: £908,840 Worthing share: £1,450,160)**

The two Councils provide shared services with a view to improving service standards and reducing the cost of services to residents. Recent investments include a new vehicle fleet for street cleaning and refuse collection services at a cost of £4.2m. The Councils regularly invest in vehicles and equipment for the joint services.

iv) **Maintaining Council Homes for residents of Adur Homes**

Adur District Council has committed to maintaining Council homes with planned investments ranging from fire safety improvements to new kitchens and bathrooms. Overall the Council plans to invest £9,583,210 in the Council housing stock in 2018/19.

v) **Building a new office block in Adur District Council**

The council is currently building a new office block on the old car park site in Ham Road. This will provide 25,000 m² of modern office space.

2.0 RESOURCE ALLOCATION

2.1 Prudential Capital System

2.1.1 The Government introduced the current system for the management of capital finance in 2004/05 contained in The Local Authorities (Capital Finance and Accounting) Regulations (2003), which became operative from 1st April 2004. The act sets out the financial power for local authorities to use unsupported prudential borrowing for capital investment provided that the Council can afford the revenue consequences of any proposed borrowing.

2.1.2 The key objectives of the prudential system are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. Under the regulations local authorities have been given the freedom to determine the amount of external borrowing they are prepared to undertake when considering their own capital spending and financing decisions.

2.1.3 The most significant change under the prudential system has been the initial determination of the limits of affordability for providing capital investment, taking into account the opportunity costs of alternative financing decisions.

2.1.4 The Prudential Code has recently been refreshed. The capital strategy must now be expanded to include consideration not only of capital expenditure; but also capital investments and liabilities; and the link to treasury management. The intention is to bring together not only the capital expenditure policy and plans, but to include financing considerations in one comprehensive document. New requirements include:

- **The impact of the capital programme on debt and borrowing including:**

- A projection of external debt and use of internal borrowing to support capital expenditure
- Provision for the repayment of debt over the life of the underlying debt.
- Authorised limit and operational boundary for the following year.
- The authority's approach to treasury management including processes, due diligence and defining the authority's risk appetite.

- **Commercial activity**

The Council's approach to commercial investment activities including processes ensuring effective due diligence and defining the authority's risk appetite in respect of these, including proportionality in respect of overall resources. Requirements for independent and expert advice and scrutiny arrangements.

For Adur and Worthing councils, the key commercial investment activity is the Strategic Property Investment Fund which funds the acquisition of commercial property. The Property Investment Strategy details the Councils approach to risk management which will be added to this strategy as an appendix to the strategy once approved.

- **Other long-term liabilities**

An overview of the governance process for approval, monitoring and ongoing risk management of any other financial guarantees and other long-term liabilities.

- **Knowledge and skills**

A summary of the knowledge and skills available to the authority and confirmation that these are commensurate with the authority's risk appetite.

2.2 **Resources**

- 2.2.1 At the outset of each Capital Investment Programme planning cycle, the level of resources available to fund the programme is reassessed in light of the most recent information. The current programme is then reviewed to establish the level of resources needed to fund the committed programme. This information is then used to establish the resources available to fund new schemes.

2.2.2 The current capital financing strategy is based on a mix of funding including capital receipts, capital grants, revenue contributions, use of reserves, specific one-off external contributions and Prudential Borrowing. The Council will always opt to use capital receipts and grants ahead of any borrowing if possible. The Capital Investment Programme Strategy assumes:

For Adur District Council:

- A net overall addition to the general fund programme each year of £1.0m funded from a mix of Prudential Borrowing and capital receipts supplemented by S106 receipts and other grants and contributions.
- An annual HRA programme of £5.2m for 2018/19 and £5.5m for 2019/20 for capital maintenance. This is expected to be funded from the Major Repairs Reserve, capital receipts, prudential borrowing, revenue contributions, and any grants.

In addition, the Council will progress a new build programme funded by a mixture of grants, borrowing, retained capital receipts which have been set-aside for replacement affordable housing and other capital receipts. Each new development is to be the subject of a financial appraisal.

- The Strategic Property Investment Fund is to be continued. This is to be used to procure or develop commercial property which will generate an income stream for the Councils for the future. Each proposal will be the subject of a detailed appraisal and the net income must exceed the cost of borrowing by at least 2% over the life of the investment. The approach to managing risk, the governance arrangements and appraising individual acquisitions is set out in the Property Investment Strategy.

Furthermore, if an investment is of particular strategic merit and/or of high quality and offering a long term secure tenancy; it was agreed that a lower yield would be accepted, with the proviso that the return should always exceed the cost of borrowing by at least 1%. It is proposed that each Council invests up to £25m per year gradually building up to a portfolio of £75m each.. Funding can only be released with the approval of the Leader and the Executive Member for Resources.

For Worthing Borough Council:

- A net overall addition to the general fund programme each year of £2.5m funded from a mix of Prudential Borrowing and capital receipts supplemented by S106 receipts and other grants and contributions.
- The Strategic Property Investment Fund is to be continued. This is to be used to procure or develop commercial property which will generate an income stream for the Councils for the future. Each proposal will be the subject of a detailed appraisal and the net income must exceed the cost of borrowing by at least 2% over the life of the investment. The approach to managing risk, the governance arrangements and appraising individual acquisitions is set out in the Property Investment Strategy.

Furthermore, if an investment is of particular strategic merit and/or of high quality and offering a long term secure tenancy; it was agreed that a lower yield would be accepted, with the proviso that the return should always exceed the cost of borrowing by at least 1%. It is proposed that each Council invests up to £25m per year gradually building up to a portfolio of £75m each. Funding can only be released with the approval of the Leader and the Executive Member for Resources.

- 2.2.3 One third of new capital receipts generated in 2016/17 – 2018/19 will be set-aside to fund revenue costs which will result in a reduction in the cost of delivering services subject to a maximum of £0.5m. Such receipts can only be used in accordance with the Flexible use of Capital Receipts Strategy.
- 2.2.3 The remaining capital receipts are used to fund the prioritised capital programme unless ring-fenced for a specific purpose such as the delivery of affordable housing, the repayment of the debt associated with construction of Splashpoint Swimming Pool, and Shoreham Renaissance in Adur.
- 2.3 Of the total resources available, the following will be earmarked to fund specific council objectives:

	Adur District Council £'000	Worthing Borough Council £'000	Total £'000
Annual ring fence from available resources to fund essential capitalised planned maintenance schemes.	75	150	225
Annual Set aside from available capital resources for any capital investment needs arising from the partnership strategy – to fund planned vehicle replacements	260	390	650
Recommended set-aside to facilitate the delivery of the digital strategy.	106	119	225
Essential replacement of ICT desktop equipment, minor software upgrades, and local network equipment in both Councils.	70	80	150
	511	739	1,250

- 2.4 It is the both Councils' policy to maximise capital receipts through a review of existing property use. A rigorous approach has been adopted to the identification and disposal of surplus assets that are no longer required to meet the Corporate Priorities of the Councils and cannot be redeveloped to generate the Councils long term income streams. The Strategic Asset Management Board regularly considers the property portfolio and identifies property for sale. The Council views this as the most cost effective way to finance the capital programme. However, both Councils have a diminishing asset base and the sites remaining are some of the most difficult to sell.
- 2.5 Although the Councils have been able to fund some of its capital programme from capital receipts in recent years, asset sales are unlikely to be sufficient to fund the capital programme in the future. Therefore the Council will need to explore new sources of funding, particularly for major capital schemes. These could include extending the use of prudential borrowing, external funding from the various grant agencies including the national lottery distributors, S106 Agreements, Community Infrastructure Levy, Area Investment Framework funding and Private Finance Initiatives and Partnerships, including Public Private Partnerships Schemes. Examples of partnership funding are shown in 6.4.

2.6 External Funding

External funding is now an important source of finance for the Councils. With this in mind, the Councils will research new funding streams to ensure that the Councils are aware of upcoming opportunities.

Overall, the aim of external funding is to ensure that the Councils can continue to improve or renew community facilities whilst alleviating the cost to the public purse.

2.7 Invest to Save

Both Councils have introduced an 'invest to save' scheme. This provides capacity within the Councils to generate efficiency savings. The Councils will consider capital proposals which produce revenue savings that exceed the cost of borrowing by at least 10% over the life of the investment. The cost of these schemes can be funded from prudential borrowing as the revenue costs of borrowing will be funded by the on-going revenue savings. These schemes can be approved at any time by the Joint Strategic Committee. Examples of projects include:

- energy efficiency schemes whereby the reduction in energy costs may be sufficient to repay the borrowing costs.
- the provision of Empty Homes grants to assist people to bring properties back into use, increasing council tax revenue and also attracting additional New Homes Bonus Funding. It may also reduce homelessness costs indirectly if we are able to ensure the property is let to ADC/WBC housing applicants.
- Investment in new temporary accommodation to reduce the cost of accommodating affected residents.

Any such scheme is to be subject of a full option appraisal over the life of the asset, which should consider the whole life cost implications of the proposed investment and be considered by the Joint Strategic Committee as part of the approval to spend.

2.8 Value for Money

Getting value for money is a key priority for the Councils and the Capital Investment Programme should provide high quality, value for money public services. The Councils recognise that best value is based on whole life costs and therefore the on-going revenue implications of capital spend are identified when bids for capital resources are assessed and when schemes are approved; when a new capital project is proposed any impact on revenue expenditure is anticipated and costed. These revenue costs are used to inform the revenue budget planning process and are considered alongside other priorities in the revenue budget when the overall budget is set. Costs to be assessed include the opportunity cost of using the resources, the interest earnings foregone by utilising reserves and capital receipts, and any additional revenue costs or savings arising from the investment.

2.9 Overall funding of the programme:

Details of the overall capital expenditure budgets and planned financing as approved by Council are attached as Appendices 3 and 4. These will be the subject of revision throughout the year as updated information regarding the likely profile of the spend becomes known.

The latest forecasts of the overall borrowing required to fund the capital programmes are as follows:

Adur District Council - General Fund	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Capital Financing Requirement as at 1st April	28,500	66,172	93,885	105,448
Current estimate of new borrowing:				
General Fund Programme	13,483	4,433	426	543
For new Commercial Activities	25,000	25,000	13,421	
Less: Minimum Revenue Provision				
General Fund	-811	-1,270	-1,384	-1,437
New Commercial Activities		-450	-900	-1,142
CFR as at 31st March	66,172	93,885	105,448	103,412
Actual General Fund Debt at start of year	27,264	64,936	92,649	104,212
Estimated Borrowing to be undertaken in year	37,672	27,713	11,563	-2,036
Estimated borrowing as at 31st March	64,936	92,649	104,212	102,176
Estimated under borrowing (funded from internal resources)	1,236	1,236	1,236	1,236

Adur District Council:	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000
Housing Revenue Account				
Capital Financing Requirement as at 1st April	60,103	60,640	61,750	64,134
Current estimate of new borrowing:	537	1,110	2,384	1,463
CFR as at 31st March	60,640	61,750	64,134	65,597
Actual General Fund Debt at start of year	57,875	58,412	59,522	61,906
Estimated Borrowing to be undertaken in year	537	1,110	2,384	1,463
Estimated borrowing as at 31st March	58,412	59,522	61,906	63,369
Estimated under borrowing (funded from internal resources)	2,228	2,228	2,228	2,228
Total CFR (General Fund and HRA)	126,812	155,635	169,582	169,009
Total Borrowing as at 31st March	123,348	152,171	166,118	165,545
Total estimated under borrowing (funded from internal resources)	3,464	3,464	3,464	3,464

Worthing Borough Council	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000
Capital Financing Requirement as at 1st April	39,150	75,685	104,229	115,725
Current estimate of new borrowing:				
General Fund Programme	12,551	4,997	1,482	1,482
For new Commercial Activities	25,000	25,000	12,064	
Less: Minimum Revenue Provision				
General Fund	-1,016	-1,003	-1,150	-1,206
Commercial Activities		-450	-900	-1,117
CFR as at 31st March	75,685	104,229	115,725	114,884
Actual General Fund Debt at start of year	35,563	72,098	100,642	112,138
Estimated Borrowing to be undertaken in year	36,535	28,544	11,496	-841
Estimated borrowing as at 31st March	72,098	100,642	112,138	111,297
Estimated under borrowing funded from internal resources	3,587	3,587	3,587	3,587

The planned borrowing is within the borrowing limits approved by the Councils in February 2018. These limits are refreshed annually in the light of the new approved capital programme.

Operational boundary	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Adur District Council	£m	£m	£m	£m
Debt	105.0	140.0	163.0	185.0
Other long term liabilities	1.0	1.0	1.0	1.0
Total	106.0	141.0	164.0	186.0
Worthing Borough Council				
Debt re Worthing Homes	10.0	10.0	10.0	10.0
Other Debt	55.0	90.0	115.0	135.0
Other long term liabilities	1.0	1.0	1.0	1.0
Total	66.0	101.0	126.0	146.0

The revenue consequences of the planned borrowing are allowed for within the current General Fund revenue budget and the outline forecast. The costs of borrowing are expected to increase over the next four years, however the borrowing either associated with the Strategic Property Investment Fund or any invest to save initiatives will be funded by increased income or reduced costs. This is illustrated in the table below:

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Adur District Council*				
Total debt charges	2,581	3,636	4,906	5,089
Less: Income from				
Invest to save initiatives	0	-132	-577	-577
Income from commercial activities	-1,484	-2,984	-4,137	-4,137
Net additional cost of capital programme	1,097	520	192	375

* This excludes the HRA borrowing which is factored into the 30-year business plan

Worthing Borough Council	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000
Total debt charges	2,053	3,669	4,565	4,670
Less: Income from				
Invest to save initiatives		-228	-348	-228
Income from commercial activities	-1,535	-3,035	-4,147	-4,147
Net additional cost of capital programme	518	406	70	295

Full details of the Councils' borrowing strategy and associated prudential indicators can be found in the Councils' Treasury Management Strategy Statement which can be found on the Councils website at:

<https://www.adur-worthing.gov.uk/media/media,147643,en.pdf>

3.0 PRIORITISATION

3.1 In order to ensure that resources available for capital investment are used efficiently and effectively, all capital projects are prioritised in line with corporate objectives, priorities and other criteria using a prioritisation model, which is outlined in Appendix 2.

3.2 This is achieved by a 2 stage capital bidding process:

- Stage 1 will involve an outline business case for each scheme proposed. This will be the subject of an initial review to ensure that schemes have a realistic prospect of being included within the final programme and that proposals meet the strategic objectives of the Council. The initial bid list will be shared with the Corporate Leadership Team, Executives members and the Informal Cabinets for review.
- Stage 2 will include a full scored business case which will then be used to produce the draft programme for member consideration in December 2017. This is then subject to the Council's consideration and approval.

3.3 Bids for additional resources will only be considered where they accord with the Capital Strategy, and where the authority has taken into account ongoing commitments and conformity with Strategic Objectives, Service Plans and other criteria in relation to its capital needs and other resources. Schemes which are considered for inclusion in the capital programme outside the annual bidding process are also "priority scored" to ensure that they meet the priority score which would include them in the capital programme for the relevant year.

3.4 Each year after the 3 year capital investment programme has been agreed by the Councils, the Capital Working Group reviews the prioritisation process. If necessary, the capital bidding documents and process are amended to ensure that corporate objectives and priorities, and the benefits and impact of schemes are adequately reflected in the prioritisation procedure.

3.5 **Option Appraisal**

Option Appraisal is an essential part of the prioritisation process and enables the Councils to make informed, transparent and consistent decisions about the capital projects to be taken forward.

The Council's current policy on Option Appraisals is as follows:

- (i) Individual projects costing under £250,000 – Officers are asked to consider other options (including capital and revenue implications) as part of the Capital Bid Submission.
- (ii) Individual projects costing between £250,000 and £500,000 – Option Appraisals are completed in house by the project team. These should consider the whole life cost implications of the proposed investment and must be considered by the Joint Strategic Committee or Executive Member as part of the approval to spend process.
- (iii) Individual projects costing in excess of £500,000 – Option Appraisals are completed either using the in-house team or by using external consultants where appropriate. These should include the whole life cost of the proposals and will need to be ratified by the Joint Strategic Committee or Executive before giving approval to spend.

Grant programmes such as affordable housing and disabled facilities grant are excluded from the requirement to undertake detailed option appraisals.

3.6 **Scheme Approval**

Every year a draft 3 Year Capital Investment Programme is submitted to the Joint Strategic Committee in November/December and recommended to the Councils in December. The report identifies schemes where expenditure has been committed costing in excess of £250,000 necessitating approval as a Key Decision; schemes costing £250,000 or less where expenditure has been committed; and the future schemes for the three years under consideration. It also compares the revised outturn for the current year with the original estimate. Final amendments are made to reflect changes in timescales and cashflows, and to ensure the production of a balanced programme in accordance with the overall resources available for funding, prior to submission to the Budget Council Meeting in February each year.

- 3.7 Schemes costing £250,000 or more require a report to be prepared for the Joint Strategic Committee or Executive Member outlining details of the scheme, the method of procurement and the capital and revenue implications. The Chief Financial Officer in consultation with the relevant Executive Member has delegated approval for schemes costing under £250,000. This is achieved by Officers responsible for capital projects completing a Project Initiation Document (P.I.D.), comprising of a Capital Bid Sheet, Project Plan and Project Estimate Form. The P.I.D. is sent to the Executive Member(s) for comment with 3 days and is then approved electronically by the Chief Financial Officer and the Head of Service/Director who is responsible for the scheme. No scheme can proceed without either an approved P.I.D. or an Approval Report.
- 3.8 The programme is updated each year in July as a result of the financial outturns following the closure of the previous year's accounts, which are reported to Members in the early summer. Any slippage or works completed ahead of schedule are quantified in budget terms, and approval is sought to make the necessary financial adjustments to the approved budget.

4.0 FRAMEWORK FOR MANAGING, MONITORING AND EVALUATING THE CAPITAL PROGRAMME

- 4.1 Detailed management, monitoring and review in terms of both the delivery of Service outcomes and Corporate Objectives and financial performance is the responsibility of the Capital Working Group, working in conjunction with Heads of Service.
- 4.2 Quarterly progress reports incorporating any recommended variations to the Programme, financial monitoring reports and completed project evaluations are submitted to the Council's Leadership Team, and the Joint Strategic Committee. Any 'learning' arising from the monitoring/review process is used to inform the strategy on an ongoing basis. The Financial Regulations stipulate how the financial aspects of the capital programme and each capital scheme should be managed and the Capital Working Group ensures compliance with these requirements.

5.0 CONSULTATION

5.1 Both Councils are committed to consulting with the community, its partners and service users on the key issues affecting the quality of life within the area. It has always been important to ensure that resources and services are designed, delivered and improved to meet the changing needs and expectations of our community, our partners and our service users. To achieve this commitment the Council consults and involves the community on any major or controversial capital schemes and will make its policies, decisions and services more accessible to comment from residents, businesses, agencies and major partners. Examples of areas where recent consultation exercises have been completed include:

- Development of new or improved playgrounds
- Shoreham Harbour regeneration
- Worthing Seafront Strategy regeneration schemes

6.0 PARTNERSHIP WORKING

6.1 Both Councils recognise the importance of partnership working in delivering their own corporate priorities as well as those of many organisations, public and private and is actively developing partnership working, especially when it is considering capital expenditure to “add value” to all that it does. The Councils are aware that they do not work in isolation and that it must ensure that it looks outward to working with the community, its residents and partners, in order to identify and act on local priorities to improve the wellbeing of local communities. Tackling cross cutting issues, in particular, regeneration, community safety, social exclusion and sustainable development require a joined up approach across local authority service teams, other authorities and agencies, the private sector and also our voluntary sector partners.

6.2. The Councils have a history of working successfully together with other neighbouring Authorities on a range of activities including housing, coast protection and regeneration. The Councils continue to work closely with the Health bodies, Police and other organisations that can contribute to meeting its strategic objectives. In this regard, there has been a much closer working relationship forged with Health and Social Services to provide a more integrated service, especially in Housing.

6.3 Therefore, by working together in partnership with others the Councils seek to influence work to ensure that all opportunities are maximised to the full benefit of the residents of both areas, so that the Councils can be satisfied that they are maximising all funding opportunities and achieving efficiencies wherever possible.

6.4 The Councils have many partners with whom they currently work and the potential for many more. The following are some examples of the areas where work is currently being undertaken with other Councils and partners:

Registered Providers (Housing Associations) and Homes and Communities Agency (and developers)	Affordable Housing Programme and the provision of temporary accommodation
West Sussex County Council	Community Strategy, Family Intervention Project, Help Points, Highway matters, Youth Homelessness Prevention
West Sussex County Council and Brighton and Hove City Council	Shoreham Harbour Regeneration Project and the City Deal bid.
West Sussex County Council, Sussex Police Authority, Probation and Health Authorities	Safer Communities Partnership
Worthing Primary Care Group	Local Health Improvement Programme, Wellbeing Hub
Various maritime authorities from Selsey Bill to Beachy Head	Coast Protection – Coastal Monitoring Project for the South Downs Coastal Group
Various maritime authorities from New Forest to Thames Estuary (in conjunction with New Forest and Canterbury)	Coast Protection – Strategic Coastal Monitoring Project for the South East Region
Shoreham Port Authority	Coast Protection – Brighton Marina to River Adur Flood and Coastal Erosion risk Management Strategy
West Sussex County Council	Better Care Fund – Provision of Disabled Facilities Grants
West Sussex Local Authorities	Provision and Management Agreement of a gypsy and traveller transit site

7.0 Links to other Strategies and PLANS

7.1 The overall capital strategy stands above the more operational strategies that are needed for key services, such as Housing, Leisure, Environment, and other locally determined blocks of spending. The capital strategy does not sit in isolation but is informed by and informs other strategies. It provides a basis upon which other strategies can be developed and devised. The links between these strategies are extremely important.

7.2 The Councils have identified the following major Strategies and Plans which have been approved or developed; 'Platforms for our Places', Asset Management Plan, Accommodation Strategy, Waves Ahead (Joint Community Strategy), Community Safety Strategy, Cultural Strategy, Economic Development Strategy, Housing Strategy, Information and Communications Technology (I.C.T.) Strategy, Leisure Strategy, Local Plan, Local Transport Plan, Local Waste Management Strategy, Procurement Strategy, Emergency Plan, Shoreline Management Plan, Surface Water Management Plan, Coast Defence Strategy, Public Realm and Seafront Strategy and Civic and Cultural Hub Strategy.

7.3 Link to the Housing Strategy

The joint Adur Worthing Housing Strategy was approved by the Joint Strategic Committee in March 2017. This detailed a new three year programme of action and was developed in the light of emerging housing policy.

7.4 Link to the Asset Management Plan

The capital strategy provides the policy framework for the operational work of asset management. Corporate asset management planning covers all the Councils' assets and should result in a realistic, costed 3 - 5 year programme linked to outputs. The current Asset Management Plan is due for a complete refresh during 2018/19. The Asset Management Plan forms an important part of the Councils' Capital Strategy as it informs the investment requirement over the next 10 years.

7.5 Link to the ICT Strategy and Digital strategy

The developing ICT and Digital Strategies are critical links between the Council's Corporate Plans, Central Government Initiatives and Information Technology and are therefore an integral part of the Council's business planning process. However, future capital investment must take account of resources available for future funding and be seen to offer value for money, and is informed by the Capital Strategy.

7.6 **Link to the Property Investment Strategy**

The Property Investment Strategy outlines the approach that the Council takes to investing in Commercial Property. It details how the investment is governed, how council will manage risk, how the fund will be structured in the future.

8.0 **PERFORMANCE MANAGEMENT AND MEASUREMENT**

8.1 In addition to adopting the Property Performance Indicators as set out in the requirements for Asset Management Planning, the Council has developed a range of local performance measures to inform various aspects of the Councils' Capital Programme. The overall performance of the capital programme, including post-scheme evaluation of projects, is overseen by the Capital Working Group as detailed in Section 4.

9.0 **REVISING THE CAPITAL STRATEGY**

9.1 The Capital Strategy is reviewed annually; adapting to the review of the Councils' strategic objectives. It does not need to be overhauled annually so long as the existing documentation remains valid. However, the Councils review the allocation of its Capital Resources on an annual basis to ensure that its programme of investment is in line with the actual resources available to support its spending needs and priorities.

10.0 **SKILLS AND KNOWLEDGE OF STAFF**

10.1 All staff involved in treasury management and property investment activities are professionally qualified either. Staff have access to regular professional training to ensure skills are regularly updated. In addition, external advice is commissioned from advisors as appropriate.

11.0 **SUMMARY**

10.1 The Councils will continue to prioritise its capital spending in line with their corporate priorities and other criteria, recognising that a commitment to partnership working remains a significant part in the Councils' overall approach. The Councils will annually review their approach to capital expenditure having regard to outcomes of asset management reviews and any changes to the Corporate Plan.



ADUR & WORTHING COUNCILS

CAPITAL PRIORITISATION MODEL

Criteria for scoring points

Category	Criteria
A	<p>Revenue Implications</p> <p>Add Points – 1 point per £2,000</p> <ul style="list-style-type: none"> • Additional revenue income as measured over asset life, after payment of running costs OR • Projects result in a reduction in the revenue budget from date of completion. • Any project whose annual saving exceeds the costs of borrowing over the life of the acquisition by 10% or more will gain automatic approval under invest to save principles, subject to approval by the Chief Financial Officer and ratification by JSC.
B	<p>Deduct Points – 1 point per £2,000</p> <ul style="list-style-type: none"> • Additional annual operation costs OR • The project results in increased net revenue costs.
C	<p>Building Condition Survey</p> <ol style="list-style-type: none"> 1) Good – Performing as intended and operating effectively (0 points). 2) Satisfactory – Performing as intended, but exhibiting minor deterioration (0 points). 3) Poor – Exhibiting major defects and/or not operating as intended (1 point). 4) Bad – Life expired and/or serious risk of imminent failure (5 points) <p>(The Condition must be agreed with Derek Magee, Technical Services, before adding points). Finance will seek validation of any points awarded here.</p>


Category	Criteria
D	<p>Equipment/Vehicle Condition Survey</p> <ol style="list-style-type: none"> 1) Good – Performing as intended and operating effectively (0 points). 2) Satisfactory – Performing as intended, but exhibiting minor deterioration (0 points). 3) Poor – Exhibiting major defects and/or not operating as intended (1 point). 4) Bad – Life expired and/or serious risk of imminent failure and non-replacement will have serious operational consequences (5 points).
E	<p>Equalities Impact Assessment - Add 5 points or 1 point</p> <p>Score 5 points where the objective of the scheme is to improve equalities e.g. DDA schemes, or score 1 point for schemes which contribute to equalities, e.g. access improvements.</p> <ol style="list-style-type: none"> 1) How will the proposed project improve Equality and Diversity in the area? 2) Who will benefit from this project? Is there likely to be a positive impact on specific equality groups (whether or not they are intended beneficiaries), and if so, how? Or is it clear at this stage that it will be equality “neutral”? i.e. will have no particular effect on any group. 3) Is there likely to be an adverse impact on one or more equality groups as a result of this scheme? If so, who may be affected and why? Or is it clear at this stage that it will be equality “neutral”? 4) Is the impact of the scheme – whether positive or negative – significant enough to warrant a more detailed assessment (Stage 2 – see guidance)? If not will there be monitoring and review to assess the impact over a period of time? Give reasons for your answer and any steps you are taking to address particular issues, including any consultation with staff or external groups/agencies.
F	<p>Improvement/Betterment - Add 1 point</p> <p>Improvement beyond essential requirement to existing services, work to improve the level of service where there is a proven need and demonstrable benefit. This includes results of Business Transformation or Service Reviews.</p>
G	<p>Health & Safety (non statutory) – Points 0 - 5</p> <p>The project is considered necessary for the health and safety of the Council’s employees or the general public and has been agreed with the Corporate Health & Safety Officer:</p> <ul style="list-style-type: none"> No Risk - 0 points Low Risk - 1 point Medium Risk - 3 points High Risk - 5 points


Category	Criteria																
H	<p>Risk Register If the scheme's risks are on the Corporate Risk Register the points to be awarded are High Risk 5 points, Medium Risk 3 points, and Low Risk 1 Point. Finance will seek validation of any points awarded here.</p>																
I	<p>Partnership working – Add 5 points Projects that involve partnership working where the partner contributes to the completion of the scheme, rather than just benefits from the outcome. This could be funding, in-kind work or involvement in the design process which has a direct affect on the final project.</p> <p>Examples would be community involvement, WSCC schemes, "Better Together" (Coastal West Sussex Partnership) and the police. Full details of all partners involved and their contribution to the scheme must be provided.</p>																
J	<p>Match Funding / External Funding Utilisation of Council resources. The higher the percentage of funding expected from the Local authority, the less points can be awarded: This has an individual ranking Matrix – please see below:</p>																
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="145 1200 751 1267" style="text-align: center;">External Funding % received</th> <th data-bbox="751 1200 1453 1267" style="text-align: center;">Points to be added</th> </tr> </thead> <tbody> <tr> <td data-bbox="145 1267 751 1346" style="text-align: center;">0.1% - 24%</td> <td data-bbox="751 1267 1453 1346" style="text-align: center;">1</td> </tr> <tr> <td data-bbox="145 1346 751 1384" style="text-align: center;">25% - 49%</td> <td data-bbox="751 1346 1453 1384" style="text-align: center;">2</td> </tr> <tr> <td data-bbox="145 1384 751 1422" style="text-align: center;">50% - 65%</td> <td data-bbox="751 1384 1453 1422" style="text-align: center;">3</td> </tr> <tr> <td data-bbox="145 1422 751 1460" style="text-align: center;">66% - 75%</td> <td data-bbox="751 1422 1453 1460" style="text-align: center;">5</td> </tr> <tr> <td data-bbox="145 1460 751 1498" style="text-align: center;">76% - 89%</td> <td data-bbox="751 1460 1453 1498" style="text-align: center;">7</td> </tr> <tr> <td data-bbox="145 1498 751 1536" style="text-align: center;">90% - 99%</td> <td data-bbox="751 1498 1453 1536" style="text-align: center;">10</td> </tr> <tr> <td data-bbox="145 1536 751 1615" style="text-align: center;">100%</td> <td data-bbox="751 1536 1453 1615" style="text-align: center;">10 or Automatic Approval **</td> </tr> </tbody> </table>	External Funding % received	Points to be added	0.1% - 24%	1	25% - 49%	2	50% - 65%	3	66% - 75%	5	76% - 89%	7	90% - 99%	10	100%	10 or Automatic Approval **
External Funding % received	Points to be added																
0.1% - 24%	1																
25% - 49%	2																
50% - 65%	3																
66% - 75%	5																
76% - 89%	7																
90% - 99%	10																
100%	10 or Automatic Approval **																
**	<p>Automatic approval is subject to the scheme contributing to the Council's aims, and future financial revenue implications being accommodated with the Council's overall revenue budget. All external funding must be confirmed by source before scheme is included in the Adur or Worthing Capital Investment Programme.</p>																
K	<p>Consultation – points to be determined by Members (up to 5 points in total) Projects that are important for community/political reasons following consultation.</p>																

COUNCIL PRIORITIES


Category	Criteria	Points
<p>L</p> <p>M</p> <p>N</p> <p>O</p>	<p>Minimum works required to prevent the Council failing in its statutory duty (e.g. DDA)</p>	20
	<p>Or</p> <p>There is a mandatory legal requirement to provide the service, the proposed scheme enables the service to be provided and that obligation cannot be met in any other way</p>	20
	<p>Essential works are required to avoid serious long-term financial, operational or service consequences</p>	15
	<p>Or</p> <p>There is a demonstrable, priority need to replace the asset/ service on an essentially like for like basis (save for improvements in technology) as the existing asset is at the end of its useful life</p>	15
	<p>Other schemes, which meet the Councils priorities as laid out in the Platforms for our Places, Service Plans, Local Area Agreements, Community Strategy Priority Action Plans or the Councils' plans</p>	10
	<p>There is an expectation by the Government that the Council should undertake a particular course although it may not be currently statutory and there is a likelihood of some form of sanction being applied against the Council if that expectation is not met.</p>	5
<p>P</p>	<p>Council Priorities (Platforms): 1 point for each point achieved from each platform (max. 18)</p>	
<p>P1</p>	<p>Platform 1 - Our Financial Economies</p> <p>1.1) Projects to regenerate and activate places.</p> <p>1.2) Creating and leveraging opportunities for investment.</p> <p>1.3) Developing partnership with business sector and identify supports.</p> <p>1.4) Developing our learning and skills ecosystem.</p>	

Category	Criteria
<p>P2</p>	<p>Platform 2 – Our Social Economies</p> <p>2.1) Responding to communities’ needs in particular housing.</p> <p>2.2) Encouraging social financing and social innovation.</p> <p>2.3) Promoting the health and safety of our places.</p> <p>2.4) Exploring place-based health solutions.</p>
<p>P3</p>	<p>Platform 3 – Stewarding our Natural Resources</p> <p>3.1) Developing the environmental resilience of communities, business and infrastructure.</p> <p>3.2) Engaging the community and business in stewarding our environment.</p> <p>3.3) Developing the environment’s role in health and wellbeing.</p>
<p>P4</p>	<p>Platform 4 – Services and Solutions for our Places</p> <p>4.1) Using customer insight to develop more customer-centred services.</p> <p>4.2) Utilising the expertise in our communities.</p> <p>4.3) Responding to regulatory change and competition.</p>
<p>P5</p>	<p>Platform 5 – Leadership of our Places</p> <p>5.1) Developing strong partnerships and the capacity of our place leaders.</p> <p>5.2) Working with partners to maintain and manage platforms.</p> <p>5.3) Utilising place data and intelligence.</p> <p>5.4) Promoting Adur and Worthing.</p>

SUMMARY THREE YEAR CAPITAL INVESTMENT PROGRAMME							
 ADUR DISTRICT COUNCIL	Total Estimate £					ANNUAL REVENUE COSTS	
		2018/2019 Estimate £	2019/2020 Estimate £	2020/2021 Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
BUDGETS							
Executive Member for Customer Services	39,918,810	13,655,810	8,287,000	8,888,000	9,088,000	776,450	(56,000)
Executive Member for Environment	3,094,160	1,740,490	467,650	460,010	426,010	509,570	-
Executive Member for Health and Wellbeing	445,500	187,900	224,000	16,800	16,800	51,610	-
Executive Member for Regeneration	128,893,870	51,249,200	27,381,900	25,237,770	25,025,000	13,565,470	-
Executive Member for Resources	1,549,820	582,050	363,070	309,400	295,300	210,590	-
	173,902,160	67,415,450	36,723,620	34,911,980	34,851,110	15,113,690	(56,000)
FINANCING							
Capital Grants and Contributions							
Communities and Local Government		405,000	350,000	575,270	350,000		
Environment Agency		12,500	1,140,500	12,500	25,000		
S106 Contributions from Planning Agreements		499,680	-	-	-		
Other Contributions		3,431,500	-	-	-		
Prudential Borrowing		55,120,810	28,881,400	27,836,290	27,988,190		
Revenue Contributions and Reserves							
Revenue Contributions		81,920	81,920	81,920	81,920		
Revenue Reserves		5,823,810	4,400,000	4,400,000	4,400,000		
Usable Capital Receipts		2,040,230	1,869,800	2,006,000	2,006,000		
		67,415,450	36,723,620	34,911,980	34,851,110		

SUMMARY THREE YEAR CAPITAL INVESTMENT PROGRAMME							
 WORTHING BOROUGH COUNCIL	Total Estimate £	2018/2019 Estimate £	2019/2020 Estimate £	2020/2021 Estimate £	Future Years £	ANNUAL REVENUE COSTS	
						Interest Foregone/ Cost of Borrowing £	Net Other £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
BUDGETS							
Executive Member for Customer Services	17,861,230	5,955,400	4,057,830	3,924,000	3,924,000	575,210	(100,000)
Executive Member for Digital and Environmental Services	6,421,310	2,862,050	2,162,180	775,390	621,690	1,031,520	-
Executive Member for Health and Wellbeing	317,200	207,800	40,200	34,600	34,600	46,100	-
Executive Member for Regeneration	31,492,980	5,729,760	710,720	17,500	25,035,000	779,500	(22,585)
Executive Member for Resources	96,321,270	45,595,170	25,232,500	25,177,900	315,700	14,242,460	-
	152,413,990	60,350,180	32,203,430	29,929,390	29,930,990	16,674,790	(122,585)
FINANCING							
Capital Grants and Contributions							
Communities and Local Government		750,000	750,000	750,000	750,000		
Environment Agency		17,500	17,500	17,500	35,000		
S106 Contributions from Planning Agreements		343,570	116,500	-	-		
Other Contributions		296,500	821,800	-	-		
Prudential Borrowing		57,551,290	29,287,350	27,962,810	27,787,660		
Revenue Contributions and Reserves							
Revenue Contributions		149,080	160,280	149,080	308,330		
Revenue Reserves		108,000	50,000	50,000	50,000		
Usable Capital Receipts		1,134,240	1,000,000	1,000,000	1,000,000		
		60,350,180	32,203,430	29,929,390	29,930,990		

**ADUR DISTRICT COUNCIL AND WORTHING BOROUGH COUNCIL PARTNERSHIP SCHEMES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR & WORTHING COUNCILS	Total Estimate £ (2)	2018/2019 Estimate £ (3)	2019/2020 Estimate £ (4)	2020/2021 Estimate £ (5)	Future Years £ (6)
		Column Reference (1)			
<u>PARTNERSHIP SCHEMES</u>					
<i>Dog Warden Service</i> Replacement of one vehicle	25,000	25,000	-	-	-
<i>Grounds Maintenance</i> Rolling programme of equipment and vehicle replacements	140,000	35,000	35,000	35,000	35,000
Vehicle replacements	339,000	132,000	151,000	28,000	28,000
<i>Information and Communications Technology</i> Corporate Asset Management System	5,000	5,000	-	-	-
Corporate ICT hardware and infrastructure replacement programme	545,000	200,000	215,000	65,000	65,000
Digital Strategy General Provision to facilitate delivery of the digital strategy	975,000	300,000	225,000	225,000	225,000
Payroll System - Replacement	175,000	175,000	-	-	-
<i>Refuse/Recycling Service</i> Provision of wheeled bins	200,000	50,000	50,000	50,000	50,000
Procurement of 2 new refuse / recycling vehicles required for a new collection round due to the increase in new build properties	352,000	352,000	-	-	-
<i>Street Cleansing / Compliance Service /Clinical Waste / Trade Waste</i> Vehicle Replacements	1,888,500	607,500	336,000	472,500	472,500
	4,644,500	1,881,500	1,012,000	875,500	875,500