



ADUR & WORTHING  
COUNCILS

28 August 2020

<b>Joint Strategic Committee</b>	
<b>Date:</b>	<b>8 September 2020</b>
<b>Time:</b>	<b>6.30 pm</b>
<b>Venue:</b>	<b>Remote meeting via Zoom</b>

**Committee Membership:**

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

**Worthing Borough Council:** Councillors; Daniel Humphreys (Worthing Leader), Kevin Jenkins (Worthing Deputy Leader), Edward Crouch, Heather Mercer, Elizabeth Sparkes and Val Turner

## Agenda

### Part A

#### 1. Declarations of Interests

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 7 July 2020, copies of which have been previously circulated.

## 3. Public Question Time

To receive any questions from the public.

In order for the Committee to provide the fullest answer, questions from the public should be submitted by **noon on Friday 4 September 2020**.

Where relevant notice of a question has not been given, the person presiding may either choose to give a response at the meeting or respond by undertaking to provide a written response within three working days.

Questions should be submitted to Democratic Services, [democratic.services@adur-worthing.gov.uk](mailto:democratic.services@adur-worthing.gov.uk)

*(Note: Public Question Time will operate for a maximum of 30 minutes)*

## 4. Items Raised under Urgency Provisions

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

## 5. 1st Revenue Budget Monitoring Report (Q1) (Pages 1 - 32)

To consider a report by the Director for Digital and Resources, copy attached as item 5

## 6. 1st Quarter Capital Investment Programme & Projects Monitoring 2020/21 (Pages 33 - 54)

To consider a report by the Director for Digital and Resources, copy attached as item 6

## 7. Annual Treasury Management Report 2019-20 Adur District Council and Worthing Borough Council (Pages 55 - 80)

To consider a report by the Director for Digital and Resources, copy attached as item 7

## 8. Collaboration on the climate emergency - update on the success of Adur & Worthing Climate Conference 'Zero 2030' and next steps (Pages 81 - 180)

To consider a report by the Director for Digital and Resources, copy attached as item 8

## 9. Purchase of New Salts Farm, Lancing (Pages 181 - 188)

Report by the Director of Digital and Resources, copy attached as item 9

**10. COVID-19 Response to ACL Insolvency - Adur Leisure Sites** (Pages 189 - 198)

To consider a report by the Director for the Economy, copy attached as item 10

**11. COVID - 19 Financial Support - South Downs Leisure Trust** (Pages 199 - 206)

To consider a report by the Director for the Economy, copy attached as item 11

**12. Investing in sports and recreation - Football pitches at Palatine Park** (Pages 207 - 218)

To consider a report by the Director for Communities, copy attached as item 12

**13. Exclusion of the Press and Public**

In the opinion of the Proper Officer the press and public should be excluded from the meeting for consideration of items 16. Therefore the meeting is asked to consider passing the following resolution:

'that under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting from the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in the paragraph of Part 3 of Schedule 12A to the Act indicated against the item'

**Part B - Not for Publication – Exempt Information Reports**

**14. COVID - 19 Financial Support - South Downs Leisure Trust - Exempt appendix** (Pages 219 - 222)

To consider an exempt appendix relating to item 11

**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).

For Democratic Services enquiries relating to this meeting please contact:	For Legal Services enquiries relating to this meeting please contact:
Neil Terry Democratic Services Lead 01903 221073 neil.terry@adur-worthing.gov.uk	Susan Sale Solicitor to the Council and Monitoring Officer 01903 221119 Susan.sale@adur-worthing.gov.uk

**Duration of the Meeting:** Four hours after the commencement of the meeting the Chairperson will adjourn the meeting to consider if it wishes to continue. A vote will be taken and a simple majority in favour will be necessary for the meeting to continue.



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Joint Strategic Committee  
8 September 2020

Key Decision: No

Ward(s) Affected: All

## 1st Revenue Budget Monitoring Report (Q1)

### Report by the Director for Digital & 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 2020/21, compared to the Revenue Budget approved by both Councils in February. Whilst the 'spend to date' will be the position as at the 30th June 2020, the forecast position will reflect the latest information available to ensure an up-to-date forecast is presented.

As at quarter 1, the current projection for the 2020/21 financial year are net operational budget overspends of £912,000 in Adur and £2,779,000 in Worthing. Government funding in the form of grants and the Income Guarantee Scheme will offset this and it is currently estimated that the outturn position will be a net underspend of £54,000 in Adur and an overspend of £362,000 in Worthing. A breakdown is set out in section 4.4 of the report.

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 Reserves
- (iii) **Appendix 3** HRA Summary
- (iv) **Appendix 4**
  - (a) Table of Variations over £20,000

## **2. Recommendations**

- 2.1 The Joint Strategic Committee is asked to note the report and projected outturn position for the Joint Committee, Adur District Council and Worthing Borough Council against the approved revenue budgets and proposed use of reserves (Appendix 1b and 2b).

## **3. Context**

- 3.1 The Joint Strategic Committee considered the 5-year forecast for 2020/21 to 2024/25 on 3rd December 2019.
- 3.2 The report outlined the financial context, and updated the outline 5 year forecast, the key budget pressures and the savings proposals for addressing the budget gap for Adur and Worthing Councils. The report built on the strategy first proposed in 2016/17 whose strategic aim was to ensure that the Councils would become community funded by 2020 reliant, by then, only on income from trading and commercial activities, council tax income and business rate income.
- 3.3 The successful delivery of the strategy is fundamentally changing how the Councils are funded. The Councils are moving increasingly away from ever reducing government funding towards funding from the local community via Council Tax and Business Rates, and will become increasingly reliant on income from commercial activities.

## **4. Issues for consideration - Revenue 2020/2021 Forecast**

- 4.1 As part of the 2020/21 budget the Councils committed to savings of £1.379m for Adur District Council and £2.483m for Worthing Borough Council to produce a balanced budget and to address the reduction in Government support. Services were required to carry out efficiency, procurement and base budget reviews to identify where income could be increased or expenditure reduced. Current budget monitoring indicates that the majority of these savings are being delivered as expected.
- 4.2 However, the financial landscape has changed due to the emergence of the Coronavirus. The impact of the measures implemented to manage the pandemic has been visible in both the fall in income and the additional cost pressures falling on the Council. The Government has provided support to

Councils in the form of some grant funding, some grants are designated for specific use, such as homelessness support, other grants are non specific. Then in July the government recognised the pressures faced by local authorities related to lost income from fees and charges, and announced its support in the form of an income guarantee scheme. Within this scheme the Council is expected to bear the impact of the first 5% of lost income but will then receive 75p in every £1 thereafter. However, the scheme only covers income from fees and charges, it excludes any rental, commercial or investment income.

In summary the current government funding forecasts for Adur and Worthing are:

	Adur £	Worthing £	Total £
General Government Funding:			
Covid-19 Emergency Grant:			
- Tranche 1	31,123	47,421	78,544
- Tranche 2	635,277	1,099,477	1,734,754
- Tranche 3	102,440	175,159	277,599
New Burdens Funding	130,000	130,000	260,000
Income Guarantee Scheme	182,000	920,000	1,102,000
<b>Total non specific funding</b>	<b>1,080,840</b>	<b>2,372,057</b>	<b>3,452,897</b>
Specific - Within Service:			
Homelessness support	1,500	9,750	11,250
Re-opening High Streets Safely	56,760	98,170	154,930
<b>Total service specific funding</b>	<b>58,260</b>	<b>107,920</b>	<b>166,180</b>
<b>Total</b>	<b>1,139,100</b>	<b>2,479,977</b>	<b>3,619,077</b>

The amount that the council will receive from the income guarantee scheme is an estimate based on assumed loss of income from fees and charges.

- 4.3 The forecast year end position is a net operational overspend by services, before general government Covid-19 related funding, of £912k in Adur and £2.779m in Worthing. This includes meeting the challenges of the impact of the covid-19 pandemic on cost pressures and levels of income together with the significant savings requirements to balance the 2020/21 budget. The main factors influencing the level of spend are discussed in detail in section 4.11 of the report.

4.4 The current year-end forecasts are comprised of a number of elements as set out in the table below:

<b>2020/21 Forecast Outturn</b>	Adur £000	Worthing £000
Over/(under)spend in operational services – including share from Joint	912	2,779
Reduced borrowing requirement: A lower than forecast call on the MRP (provision to repay debt) and net interest in 2020/21, due to reprofiling of the capital programme.	(135)	(262)
Strategic Investment Property	450	467
Use of property void allowance	(200)	(250)
Section 31 - additional grant	(500)	(700)
<b>Net over/(under) spend before Transfer to Reserves</b>	<b>527</b>	<b>2,034</b>
Transfer to Business Rates Smoothing Reserve	500	700
<b>Net over/(under) spend before Government funding support</b>	<b>1,027</b>	<b>2,734</b>
Government Grant Funding	(899)	(1,452)
Income Guarantee Scheme	(182)	(920)
<b>Forecast net over/(under) spend</b>	<b>(54)</b>	<b>362</b>

4.5 The key factors underpinning the current financial position include:

- The financial impact of the Coronavirus pandemic, both additional cost pressures and reduced income levels, net of financial support from the government.
- An underspend in the Minimum Revenue Provision (MRP) and net interest budgets for Worthing Borough Council. The budgets are calculated on both the historic financing of previous years capital programmes and the impact of financing the current years capital spend. Changes to the expected spend, interest rate forecasts, and the associated level of borrowing have reduced the expected cost in 2021/22.
- Shortfall in commercial property income with the requirement to use the property void allowance to manage the pressure.



- Government section 31 grants received to compensate Councils for HM Treasury decisions relating to Business Rate reliefs. A number of additional reliefs have been introduced in 2020/21 to help businesses during the Covid-19 emergency. Although additional grants are paid in 2020/21 the impact of these decisions on business rates income will not hit the general fund until 2021/22. It will therefore be prudent to transfer these additional funds to the business rates smoothing reserve. The purpose of this reserve is to smooth the effect of the cash flow volatility within the Business Rates mechanism in future years.

Once the above items are taken into account, the operational position is a net overspend by services of £912k in Adur and £2.779m in Worthing. This projection demonstrates the pressure on the Councils finances as a result of Covid-19 and the need for funding support from the government.

4.6 In summary the overall revenue outturn projections reported for Q1 are as follows:

<b>Summary of 1st Quarter Budget Monitoring Report</b>			
	<b>Joint</b>	<b>Adur</b>	<b>Worthing</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Current Budget 2019/20	24,004	7,582	13,995
Projected outturn	24,868	8,109	16,029
Projected Forecast over/ (underspend) before Government support packages or any transfer to reserves	864	527	2,034
Transfer to Reserves - s31 additional grant		500	700
MHCLG - Government Grant Funding (Actual)		(899)	(1,452)
MHCLG - Income guarantee funding (Estimated)		(182)	(920)
Projected Forecast over/ (underspend) after Government funding and proposed transfer to reserves	864	(54)	362

The Adur and Worthing projected forecasts in the table above include the respective share of the Joint Services projected overspend.

4.7 In the table below, projections have been separated between authority and by Income and Expenditure, to indicate the level of overall under/overspend of costs and the over/under achievement of income targets.

	<b>Expenditure</b>	<b>Income</b>	<b>Net Total</b>
<b>Joint</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Budget	29,173	(5,169)	24,004
Forecast	30,020	(5,152)	24,868
Projected Forecast (Under)/ Overspend	847	17	864
Forecast variance % before Government funding	2.90%	-0.33%	3.60%
<b>Adur</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Budget	35,477	(27,895)	7,582
Forecast	35,639	(27,875)	7,764
Authority Projected Forecast (Under)/ Overspend	162	20	182
Share of Joint (Under) / Overspend	339	7	345
Authority Projected Forecast (Under) / Overspend	501	26	527
Forecast variance % before Government funding	1.41%	-0.09%	6.95%
<b>Worthing</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Budget	64,802	(50,807)	13,995
Forecast	65,458	(49,947)	15,511
Authority Projected Forecast (Under)/Overspend	656	860	1,516
Share of Joint (Under) / Overspend	508	10	518
Authority Projected Forecast (Under)/ Overspend	1,164	870	2,034
Forecast variance % before Government funding	1.80%	-1.71%	14.53%

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

- the current projections of variances in the two Councils' General Fund Revenue Budgets;
- the current projections of variances 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;

4.9 We adopt a more structured approach to services which have more volatile budgets or hard to predict income streams. For 2020/21, these services are:-

- Car Parking
- Crematorium
- Development Control
- Homelessness
- Commercial Waste
- Cross cutting services including maintenance and utilities

4.10 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.

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

4.11.1 Car Parks

Car park income has been directly and significantly impacted by the Covid-19 pandemic and the imposed lockdown. This is more significant in Worthing where income was 85% below budget in the first 3 months of the year and the projected overall shortfall for 2020/21 estimated at £1.1m. In Adur the car parks have seen demand return at a faster pace due to their type and location, however in the first quarter the shortfall in income was £100,000 with an overall shortfall forecast of £250,000 against budget. The full year projections assume a gradual increase from July to October to full performance from November, this position will be monitored and estimates adjusted as we progress through the year.

Shortfalls in car park income will be covered by the income guarantee scheme. The Council will be compensated by 75% of loss over and above the first 5%. However there will still be a loss of an estimated £315,00 to be managed within the Worthing budget and £75,000 in Adur.

In addition, there is a shortfall in the budget for maintaining the parking ANPR equipment for the three MSCPs.

#### 4.11.2 Housing Needs

In Worthing there has been a direct impact seen from Covid-19 with the caseload numbers being typically between 170 and 186 during the first quarter of the year, up from a figure of 133 in March with an associated overall additional net cost pressure of £219,000. The service may see another increase in caseload later in the Autumn when the current prohibition on evictions comes to an end, together with an increase in Domestic Abuse which has resulted in the commissioning of a temporary additional refuge by West Sussex County Council for use by all West Sussex Districts and Boroughs.

However, additional contingency of £100,000 had been built into the budget to address ongoing costs pressures, the Local Housing Allowance rate has increased since April 2020 and the Housing Service has successfully sourced cheaper temporary accommodation. Therefore the current prediction is that the costs can be partially mitigated within the existing budget with an overspend of £128,000 projected.

In Adur the service is projected to underspend the budget by £129,000. The combination of higher LHA rates, the sourcing of cheaper temporary accommodation and caseload figures remaining static, means the full budget may not be required, however the issues delayed possession proceedings may impact and reduce the current forecasted underspend.

Housing Management - Full Year forecast						
	2019/20			2020/21 - 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
<b>ADUR</b>						
ETA Expenditure	907	648	(259)	890	689	(200)
ETA rental income	(379)	(293)	86	(379)	(308)	70
Grant funding	(140)	(139)	1	(140)	(139)	1
	387	217	(170)	371	243	(129)
<b>WORTHING</b>						
ETA Expenditure	1,814	1,949	135	1,845	2,329	484
ETA rental income	(689)	(858)	(170)	(689)	(1,050)	(360)
Grant funding	(150)	(156)	(6)	(152)	(148)	4
	976	935	(41)	1,004	1,131	128
	1,363	1,151	(211)	1,376	1,374	(1)

Housing Management - Comparative Financial position at June						
	2019/20 Year to Date			2020/21 Year to Date		
	Budget to P3	Actual to P3	Variance to P3 Over / (Under)	Budget to P3	Actual to P3	Variance to P3 Over / (Under)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>ADUR</b>						
ETA Expenditure	227	168	(59)	222	161	(61)
ETA rental income	(95)	(74)	20	(95)	(69)	26
Grant Funding	(140)	(139)	1	(140)	(139)	1
	(8)	(45)	(37)	(12)	(46)	(34)
<b>WORTHING</b>						
ETA Expenditure	453	471	18	461	652	191
ETA rental income	(172)	(207)	(35)	(172)	(293)	(121)
Grant Funding	(150)	(152)	(2)	(152)	(148)	4
	131	113	(19)	137	211	73
	123	67	(56)	125	163	39

The Council has been allocated a small amount of funding for homelessness issues, Adur £1,500 and Worthing £9,750 which are factored into these projections.

In addition to the above there is Homelessness Reduction Grant allocated to Adur £75,000 and Worthing £124,000. This is new burdens funding associated with the Homelessness Reduction Act. In Worthing this may be utilised to offset the current overspend.

Looking forward we expect increased pressure on housing as we see the impact of the end of furlough and we will need to work to mitigate this in the next quarter and beyond.

#### 4.11.3 Environment - Waste and Recycling

Income for green waste has increased with an increase in demand during the first quarter, a probable explanation being that more people were at home during the lockdown period. Currently it is predicted that the refuse and recycling income will be £203,000 above budget. However, there are overspends anticipated of £111,000 which will partially offset this mainly related to repair and maintenance of vehicles, a particular pressure arises from warranty periods are due to expire. In addition there will be projected staff overspends of £147,000 which are included within the vacancy provision monitoring. There has been a need for agency staff to cover resource gaps resulting from self isolation and shielding during the pandemic.

Commercial Waste income has seen a drop in income due to the impact of Covid-19 on businesses and their demand for the service. Business has started to pick up again at the latter end of the first quarter but the service is likely to feel the legacy of the last few months, the prediction is a shortfall of £114,000 in Adur and £185,000 in Worthing. Disposal costs are currently projected to be under in both Adur and worthing by £31,000 and £71,000 respectively. In addition there are vehicle savings of £16,000 estimated. This is a demand led service and sensitive to changes in customer need, there has been, and continues to be, additional volatility due to the Covid-19 pandemic as businesses react to the changeable situation. The position will continue to be closely monitored.

#### 4.11.4 Environment - Bereavement Services

The Bereavement Service is projecting to be on budget overall for 2020/21.

The crematorium income is above budget due to the increase in demand but this is offset by a shortfall in memorial income, which is due to the Coronavirus Act 2020 requiring cremation and burial authorities to focus solely on cremation and burial during the pandemic. Forecasts indicate that there will be £89,000 extra income from cremations due to increased demand during the year but the memorial income will be £127,000 below budget as a result of availability and statutory limitations due to Covid -19 and cost pressures for the media system of £26,000.

The crematorium has made a number of changes recently which include restructuring the pricing for direct cremations, effective from 11 May, which

ensures that Worthing Crematorium charges the same at an entry level with neighbouring crematoriums in the county and reduces the gap between the different subscription bands. In addition the time between services has been extended to allow for thorough cleaning between services during the pandemic. This has been a popular change with the length of the service remaining the same at 40 minutes and 20 minutes for cleaning, it also provides a buffer between services entering and exiting the chapels. Engineers have been engaged to progress the hard landscaping for the extension to the private garden, which will provide approximately 280 rockery plots, 412 burial capacity in ribbon gardens and 912 capacity in private gardens.

#### 4.11.5 Environment - Parks and Open Spaces

The Parks service is forecast to have net additional income in both Adur £43,000 and Worthing £18,000 with additional income projected from allotments and recreation grounds receipts.

Within the Foreshores service there is a projected shortfall of income from beach huts and chalets in Adur £39,000 and Worthing £80,000 for 2020/21. This is due to a number of factors;

- the impact of Covid-19 - refunds have been issued to customers for periods where the units could not be utilised,
- unachieved budget reductions (Adur £18,000 and Worthing £13,000) which were based on an anticipated increase in the number of beach huts that have not yet been built.

#### 4.11.6 Planning & Development

Current projections are that the 2020/21 budgets will be achieved in the Planning and Development service areas. Development Management is currently exceeding its budget estimate due to an increase in recent planning applications (particularly larger applications). It is worth noting that despite the increased workload, planning performance has increased by approximately 10% compared to the sametime last year.

The increase in Development Management income is due to increase further with a number of other major applications expected in the next few months and this will help address the current shortfall in Building Control and Land Charges. Building Control income is gradually increasing as more construction firms are mobilising.

#### 4.11.7 Place and Economy

The Worthing Observation Wheel is now back and operational on Worthing seafront. The attraction's return was delayed due to the Coronavirus but it is now open for business and ready for customers during the summer period. However, the council has had discussions with the operator and agreed a lower payment for 2020/21 to reflect the reduced period of operation. The income shortfall is expected to be £50,000. Seasonal concessions, although couldn't operate during lockdown, have seen an increase in applications during the easing of conditions with income back to the same levels.

In Adur, income from bus shelter advertising and markets is currently projected to be £43,000 below budget. During the period of lockdown markets were not able to take place, and those that are now taking place include a reduced number of stalls to ensure the required social distancing measures are met. Due to trader interest the operation is being reviewed to establish whether a greater number of markets can operate in the next quarter to offset lost income during lockdown.

#### 4.11.8 Major Projects and Investment

The Major Projects team has actively been working on a number of development sites and investments across the areas. The nature of these projects inevitably spans over a number of budget years and commissioning timetables vary according to projects' complexity and challenges that arise from market forces, public engagement, and viability issues. The effect of this is that projects have an uneven spend profile often with large amounts of money being paid over short time periods, currently it is anticipated that the expenditure within this area will be on budget.

Commercial property income has seen the impact of the Covid 19 pandemic with a forecast shortfall in income within Adur of £200,000 and Worthing £437,000. Current forecast assumptions indicate that any rental shortfalls can be managed initially through use of the in year budgeted void allowance (Adur £200,000, Worthing £250,000) and any further shortfall by use of the property void reserve. Of the strategic Investment Portfolio, Adur has seen one of its tenants announce they have gone into administration (this tenant makes up 2.6% of the total portfolio income) and work is under way to re-let this premises. In addition it is forecast that there will be costs associated with void periods including rates and costs of refurbishment prior to re-let.

In Worthing, whilst rent collection has performed well to date, the council owned retail premises on Montague Street continue to present a risk to



income. Of the five retail premises, two have closed through entering administration and one has re-opened having left administration. Work is underway to activate and occupy these spaces with new tenants, without prejudicing and wider regeneration plans for the Grafton Multi Storey Car Park.

Pressure across both portfolios is being felt on car parking investment assets leased to third party operators. This is not dissimilar to the councils own car parking income. Whilst no agreements have been reached, with the increase in parking demand and the ongoing active dialogue with the tenant's representative, officers are keeping the rent payment position under constant review in light of government guidance (The Code of Practice for the Commercial Property Sector) and the Coronavirus Act 2020

Across both councils a number of tenants have approached the Council requesting rent free periods and payment support. The Estates team are in dialogue with clients where possible and reviewing all the information available to form any decisions, supporting local businesses where possible with moves to monthly payments, lease regears that provide value to both parties deferred payments and where necessary rent holidays and waivers.

#### 4.11.9 External Borrowing Costs, Investments and Minimum Revenue Provision

The Minimum Revenue Provision (MRP) is a statutory charge to the revenue budget to provide for the repayment of debt. The calculation is based on the level of historic capital spend that has been financed from borrowing. Consequently, once the accounts have been closed and the calculation has been updated for the capital spend in 2019/20, there is certainty about the charge for the forthcoming year.

Worthing has an underspend on its MRP budget of £262k and Adur has an underspend of £135k due to the reprofiling to 2020/21 of a proportion of the 2019/20 Capital Programmes and the impact of changes to planned financing due to increased levels of capital receipts and capital grants both of which offset the need to borrow.

Interest receivable from treasury investments will be below budget for both Councils due to the significantly lower than forecast rates available in the market. For Adur there is the additional loss due to the delayed capital receipt from the sale of the Civic Centre site in Shoreham. However the interest payable on borrowing will also be reduced, again due to the reprofiling of capital budgets. For Worthing there is a forecast net underspend of £121k and for Adur there is a forecast net overspend of £76k.

#### 4.11.10 Revenues and Benefits

There has been a significant impact on court cost recovery income due to the Covid-19 pandemic with Courts not currently operating and recovery action suspended by the Councils. The estimated income shortfalls for Adur and Worthing is £75,000 and £225,000 respectively.

Overpayment income is also below budget in both councils with projected year end positions currently £20,000 in Adur and £68,000 in Worthing. The assumptions are based on activity to date but the position will continue to be monitored as the year progresses.

There were some additional system, staff and printing costs incurred to

- Implement and administer the changes in business rates and council tax reliefs announced by the government in response to the pandemic
- Respond to a significant increase in the volume of notifications received from the Department for Work & Pensions in relation to residents claiming Universal Credit, plus additional claims for Council Tax Support

There has been some Covid-19 Emergency funding to meet these pressures as mentioned in section 4.4 of this report.

#### 4.11.11 Leisure Provision

In Adur, the leisure provider ACL have now gone into voluntary liquidation. The buildings are under the responsibility of the liquidator to secure any assets for the creditors and following this they will be returned to the Council to secure a temporary provision pending a full procurement exercise. The cost of mothballing the facilities (including staffing costs) is estimated at £30k per month, rising to £45k per month in 2021/22 once the temporary business rates reliefs are removed. In addition, we do not know whether or not we will have to subsidise the temporary provision of leisure activities. Overall we have allowed an additional cost of £0.5m in the current financial year and a further £0.2m in 2021/22. A report to Committee is planned for September to release the budgets for temporary closure and to chart the further steps required to reactivate the centres.

For Worthing Borough Council, the request from South Downs Leisure is for additional funding of £0.6m in this current year which includes additional support to enable the re-opening of the swimming pool. The key issue facing the Council is the unknown timeline for the current pandemic. If the

Social Distancing measures stay in place for the longer than expected or quarantine measures are reintroduced, then this would increase the subsidy required. A report is planned for September JSC to discuss future support for SDLT.

There is the possibility that the Government will step in to support Leisure Trusts via DCMS. Currently there is an inconsistency in the Government's approach. Those Councils who provide leisure directly will be covered by the income guarantee, whereas Councils who have chosen to outsource their leisure services will not receive the same level of support.

#### 4.11.12 Business Rates

Additional net income is anticipated in relation to Business Rates S31 grants by Adur £500,000 and Worthing £700,000. The variance is due to the timing difference between when the budget was set and decisions made by Treasury in relation to reliefs where compensation is funded through section 31 funding. Additional reliefs have been awarded in 2020/21 following the expansion of the retail discount to include some previously excluded business categories, the government implemented these changes to support businesses in a year where the Covid-19 emergency has impacted on their ability to trade normally.

Business Rate income is volatile and can be affected by many factors: government decisions, changing use of commercial properties, valuations, appeals. It will therefore be recommended to members that where there is available capacity at outturn, they agree to put any additional business rates income into reserves. The reserves can then be used, when required, to smooth the effect of the business rates volatility in future years.

#### 4.11.13 Pay Award

The pay award currently with the union for consultation is 2.75% which is an additional 0.75% above the increase built into the 2020/21 budget. This translates to an extra £198,000 cost pressure in the current year across the Councils.

#### 4.12 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

#### 4.13 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 materials
- Postage
- Printing stationery and office supplies
- Consultancy costs
- Travel costs

Utilities expenditure overall is currently forecast to be on budget. These areas of expenditure will continue to be monitored and the impact of any new contracts reviewed as the year progresses

A cost pressure has been identified in Worthing of £134,000 for business rates which relates to a number of buildings where there is insufficient budget, such as Cannon House, and legacy a budget that will not be achieved. The legacy credit budget was created a number of years ago ahead of the planned revaluation round by the Valuation Office, the actual valuations were higher than estimated. This will be resolved as part of the 2021/22 budget preparation.

#### 4.14 Future Risks

Current forecast estimates assume gradual recovery of services, in most cases to normal levels by March 2021. Should there be any further periods of lockdown this will need to be factored into the assumptions and the forecasts re-modelled. The projection for the recovery of the leisure services provision is assumed to be at a slower rate beyond 2020/21.

Worthing Theatre and Museum depend to a large extent on the income generated from the annual pantomime. If the current restrictions relating to Coronavirus continue and it is not operational or financially viable for the

2020 pantomime to take place, it is anticipated that the trust will require support from Worthing Borough Council of £500,000.

The budget includes a vacancy target of £758,530 and there is a risk that this will not be met. Currently recruitment is being tightly controlled with director approval required for any new appointments, however current projections are that the target will not be met with pressures particularly in waste and Cleansing where agency staff continue to be required to fill resourcing gaps . The position will be monitored closely on a monthly basis.

#### 4.15 Housing Revenue Account

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

4.15.2 The HRA is forecast to overspend against the budget for 2020/21 by £287,320 the main variances being a shortfall of rental income and repairs and maintenance expenditure. The approved budget includes the use of HRA reserves of £526,500 which is required to meet the cost pressures from rent limitation and maintenance and repair work required to the housing stock resulting from the condition survey.

### **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 this early stage at the end of the first quarter of the revenue budgetary cycle, we can already see the financial impact the Coronavirus pandemic has had on the Councils. This is a changing situation and the assumptions used to forecast a full year performance will need to adapt as the monitoring cycle continues throughout 2020/21. Currently, operational overspends are anticipated in Adur District Council £912,000, and Worthing Borough Council £2,779,000, included within these projections is a forecast overspend within the Joint Committee of £864,000. The Government has recognised the pressure on Councils and has committed grant funding to help support, additionally the Councils are expected to benefit from the income guarantee compensation scheme. Nevertheless there is still a budget pressure that needs to be managed. Overall the projected outturn positions net of funding and reserve transfers is an underspend in Adur of £54,000 and an overspend in Worthing of £362,000.

## 7. Legal Implications

- 7.1 Section 151 of the Local Government Act, 1972 requires the Councils to make arrangements for the proper administration of their financial affairs. Further, 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.

### Background Papers

Joint Overall Budget Estimates 2020/21

<https://democracy.adur-worthing.gov.uk/documents/g226/Public%20reports%20pack%2011th-Feb-2020%2018.30%20Joint%20Strategic%20Committee.pdf?T=10>

Adur District Council Budget Estimates 2020/21 and Setting of the 2020/21 Council Tax

<https://democracy.adur-worthing.gov.uk/documents/b4175/2020.02.20%20-%20Adur%20Council%20-%20Revenue%20Budget%202020-21%20complete%2020th-Feb-2020%2019.00%20Adur%20Council.pdf?T=9>

Worthing Overall Budget Estimates 2020/21 and Setting of 2020/21 Council Tax

<https://democracy.adur-worthing.gov.uk/documents/b4180/Supplementary%20WBC%20Budget%20Pack%2018th-Feb-2020%2018.30%20Worthing%20Council.pdf?T=9>

Financial Performance 2019/20 - Revenue Outturn

<https://democracy.adur-worthing.gov.uk/documents/g1484/Public%20reports%20pack%2007th-Jul-2020%2018.30%20Joint%20Strategic%20Committee.pdf?T=10>

### Officer Contact Details:-

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## Sustainability & 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

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**SUMMARY - 1ST QUARTER PROJECTED OUTTURN 2020/21**

**APPENDIX 1a**

Actual Previous year 2019/20	ADUR CABINET MEMBER PORTFOLIOS	Original Estimate 2020/21	Current Estimate 2020/21	Projected Outturn to 31st March 2021	Forecast Over/ (Under)
2,474,696	CM for Environment	2,555,220	2,555,220	3,347,320	792,100
1,218,545	CM for Health & Wellbeing	1,274,720	1,288,710	1,288,710	0
1,442,175	CM for Customer Services	1,443,050	1,443,050	1,364,050	(79,000)
677,922	Leader	638,050	638,050	608,050	(30,000)
1,803,786	CM for Regeneration	1,734,060	1,734,060	2,027,060	293,000
795,344	CM for Resources	(118,450)	(51,720)	(365,720)	(314,000)
0	Holding Accounts	55,670	55,670	55,670	0
<b>8,412,468</b>	<b>Total Cabinet Member</b>	<b>7,582,320</b>	<b>7,663,040</b>	<b>8,325,140</b>	<b>662,100</b>
(1,401,117)	Credit Back Depreciation	(1,326,600)	(1,326,600)	(1,326,600)	0
1,391,306	Minimum Revenue Provision	2,356,630	2,356,630	2,221,630	(135,000)
(525,336)	Non ring fenced grants	0	0	0	0
<b>7,877,321</b>		<b>8,612,350</b>	<b>8,693,070</b>	<b>9,220,170</b>	<b>527,100</b>
0	<b>Government Grant funding</b>	0	0	(1,080,840)	(1,080,840)
	<b>Transfer to/from reserves</b>				
0	Contribution to/(from reserves)	0	0	500,000	500,000
(477,561)	Transfer from reserves to fund specific expenditure (inc carry forwards)	0	(80,720)	(80,720)	-
1,078,490	General Fund Working balance	0	0	0	0
180,609	Net Underspend/(Overspend)	0	0	53,740	53,740
	Recommended For Transfer To/ (From) Reserves				
<b>8,658,859</b>	<b>Total Budget requirement before External Support from Government</b>	<b>8,612,350</b>	<b>8,612,350</b>	<b>8,612,350</b>	<b>0</b>

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 ADC ADUR DISTRICT COUNCIL  <b>EARMARKED REVENUE RESERVE ACCOUNTS</b>	Opening Balance  2020/21	Estimated Transfers Out  2020/21	Estimated Transfers In  2020/21	Projected Closing Balance  2020/21
	£	£	£	£
<b>Capacity Issues Reserve including approved Carry Forward budgets</b>  Friends of Shoreham Fort (JSC 6 May 2014)  <b>Adur carry forwards from 2019/20 underspends</b> , agreed Joint Strategic Committee 7th July, 2020  Budgeted contribution (to)/from revenue  Balance	337,445	(10,000)  (80,700)	-	246,745
<b>Insurance Fund</b>	153,344	(30,250)		123,094
<b>Business Rates Smoothing Reserve</b>	110,735			110,735
<b>Grants and Contributions held in Reserves</b>	622,769			622,769
<b>Election Reserve</b>	7,880			7,880
<b>Special and Other Emergency Reserve</b>	60,254			60,254
<b>Property Investment Risk Reserve</b>	100,000			100,000
<b>Projected Underspend/(Overspend) (Reserve to be identified at outturn)</b>			53,740	53,740
<b>General Fund Reserve</b>	1,597,172	-	-	1,597,172
<b>TOTALS</b>	2,989,599	(120,950)	53,740	2,922,389


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**SUMMARY - 1ST QUARTER PROJECTED OUTTURN 2020/21**

**APPENDIX 2a**

Actual Previous year 2019/20	WORTHING CABINET MEMBER PORTFOLIOS	Original Estimate 2020/21	Current Estimate 2020/21	Projected Outturn to 31st March 2021	Forecast Over/ (Under)
3,736,134	CM for Digital & Environment	3,020,850	3,020,850	3,903,650	882,800
1,739,403	CM for Health & Wellbeing	1,729,360	1,729,360	1,729,360	0
5,406,394	CM for Customer Services	5,266,890	5,266,890	5,511,890	245,000
770,406	Leader	810,290	810,290	765,290	(45,000)
2,885,345	CM for Regeneration	2,050,920	2,160,920	3,576,920	1,416,000
859,966	CM for Resources	727,290	774,790	572,390	(202,400)
-	Holding Accounts	389,570	389,570	389,570	0
<b>15,397,648</b>	<b>Total Cabinet Member</b>	<b>13,995,170</b>	<b>14,152,670</b>	<b>16,449,070</b>	<b>2,296,400</b>
(3,638,521)	Credit Back Depreciation	(3,195,320)	(3,195,320)	(3,195,320)	0
1,456,805	Minimum Revenue Provision	2,472,600	2,472,600	2,210,600	(262,000)
(395,355)	Non ring fenced grants	0	0	0	0
<b>12,820,577</b>		<b>13,272,450</b>	<b>13,429,950</b>	<b>15,464,350</b>	<b>2,034,400</b>
0	<b>Government Grant funding</b>	0	0	(2,372,057)	(2,372,057)
	<b>Transfer to/from reserves</b>				
0	Contribution to/(from reserves)	86,250	86,250	786,250	700,000
(260,900)	Transfer from reserves to fund specific expenditure (inc carry forwards)	0	(157,500)	(157,500)	0
836,843	General Fund Working balance	0	0	0	0
307,491	Net Underspend/(Overspend) Recommended For Transfer To/(From) Reserves	0	0	(362,343)	(362,343)
<b>13,704,011</b>	<b>Total Budget requirement before External Support from Government</b>	<b>13,358,700</b>	<b>13,358,700</b>	<b>13,358,700</b>	<b>-</b>

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 WORTHING BOROUGH COUNCIL  <b>EARMARKED REVENUE RESERVE ACCOUNTS</b>	Opening Balance 2020/21	Estimated Transfers Out 2020/21	Estimated Transfers In 2020/21	Projected Closing Balance 2020/21
	£	£	£	£
<b>Capacity Issues Reserve including approved Carry Forward budgets</b>  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)  Development of Natural Burial Area (5 March 2019 JSC/105/18-19)  <b>Worthing carry forwards</b> from 2019/20 underspends, agreed Joint Strategic Committee 7th July, 2020  Budgeted contribution (to)/from revenue  <b>Balance</b>	1,361,700	(40,560)  (108,404)  (100,000)  (157,500)	-	955,236
<b>Insurance Reserve</b>	247,687	(30,250)	26,250	243,687
<b>Joint Health Promotion Reserve</b>	1,485			1,485
<b>Leisure Lottery &amp; Other Partnerships - 01/02/18 JSC/092/17-18 for Museum Costume Research Centre</b>	27,766			27,766
<b>Museum reserve - 12/09/17 JSC/037/17-18 release of funds to support grant bid</b>	106,396			106,396
<b>Theatres Capital Maintenance Reserve</b>	108,733			108,733
<b>Special and Other Emergency Reserve</b>	3,053			3,053
<b>Business Rates Smoothing Reserve</b>	633,515			633,515
<b>Property Investment Risk Reserve</b>	200,000			200,000
<b>Grants &amp; Contributions</b>	805,648			805,648
<b>Capital Expenditure Reserve</b>	29,658	(29,658)		0
<b>Projected Underspend/ (Overspend) (Reserve to be identified at outturn).</b>		(362,343)		(362,343)
<b>General Fund Working Balance</b>	1,705,459			1,705,459
<b>TOTAL</b>	5,231,100	(828,715)	26,250	4,428,635

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## HOUSING REVENUE ACCOUNT SUMMARY

Appendix 3

	ORIGINAL BUDGET	YTD ACTUALS	FORECAST ACTUALS	FORECAST VARIANCE
	£	£	£	£
<b>EXPENDITURE</b>				
General Management	4,285,500	382,442	4,314,014	28,514
Special Services	685,670	74,533	636,481	(49,189)
Rent, Rates, Taxes & Other Charges	32,320	1,597	41,116	8,796
Repairs & Maintenance	2,693,680	597,180	2,799,445	105,765
Bad/Doubtful Debt	50,000	0	100,000	50,000
<b>Capital Financing Costs</b>				
Depreciation and Revenue Contribution to Capital	4,102,190	0	4,102,190	0
Interest charges	2,228,460	(100,246)	2,228,460	0
<b>TOTAL EXPENDITURE</b>	<b>14,077,820</b>	<b>955,506</b>	<b>14,221,706</b>	<b>143,886</b>
<b>INCOME</b>				
Dwelling Rents	(12,163,820)	(2,761,551)	(12,010,925)	152,895
Non-Dwelling Rents	(591,380)	(151,152)	(574,789)	16,591
Heating and Other Service Charges	(512,710)	(123,308)	(534,981)	(22,271)
Leaseholder's Service Charges	(255,410)	(12,650)	(259,191)	(3,781)
Interest Received	(28,000)	0	(28,000)	0
<b>TOTAL INCOME</b>	<b>(13,551,320)</b>	<b>(3,048,661)</b>	<b>(13,407,886)</b>	<b>143,434</b>
<b>NET (SURPLUS)/DEFICIT -TFR (TO)/FROM HRA GENERAL RESERVE</b>	<b>526,500</b>	<b>(2,093,155)</b>	<b>813,820</b>	<b>287,320</b>

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Service Area	Joint £000s (under)/over spend	Adur £000s (under)/over spend	Worthing £000s (under)/over spend	Description of Significant Variations
<b>Director of Communities</b>				
<b>Env Health - Housing</b>	-	(11)	(82)	HIA fee income expected to exceed budget (ADC £16k, WBC £64k)
<b>Housing Needs</b>	-	(129)	128	Adur: homeless caseload decreased from 47 households at end March down to 43 at end June, additional budget that was built into the budgets in 2019/20 has not been required. Worthing: Covid-19 has had large impact on Worthing caseload, homeless households increased from 146 end March up to 157 end June but with caseload typically around 170-186 for much of the first quarter. However success in sourcing accommodation at a relatively affordable nightly rate has meant that much of the additional costs are almost covered by the rent charge.
<b>Housing Needs Grant</b>	-	(75)	(124)	MHCLG Homelessness Reduction Grant in respect of New Burdens associated with the Homelessness Reduction Act. Funding will be carried forward to 2021/22 if not spent in year.
<b>Parks &amp; Foreshore</b>	19	(4)	62	£36k Adur Beach hut rental income shortfall (£18k due to Covid refunds and £18k overestimated budget). £79k Worthing Beach hut rental income shortfall (£66k due to Covid refunds and £13k overestimated budget as planned new beach huts not built). Offset by Joint £23k Grounds Mntce external customer income shortfall. Adur £45k addtl rental income (Allotments £15k, Recreation Grounds £31k). Worthing £24k parks receipts (incl rental, fees & reimbursements).
<b>Environmental Services (Waste)</b>	(105)	(13)	(4)	Although we continue to monitor the repair cost the budget doesn't cover the repair costs, also costs are expected to rise due to age of fleet and warranty ending. In the last month we have also seen increase pressure on the cleansing teams due to the increase numbers of visitors to the beach.
<b>Commercial Waste</b>	(15)	83	114	Tipping underspend due to COVID Worthing £70.8k Adur £30.5k (less £41.6k virement outstanding) Vehicle underspend Joint £17k. Trade waste income estimated shortfall COVID Worthing £184.5k, Adur £113.6k (less £41.6k virement outstanding).
<b>Bereavement Services (Crematorium)</b>	-	-	64	Crematorium Media system additional costs £26.5k offset by savings in other supplies and services. Memorials - £32k income shortfall as Coronavirus Act limits work to funeral services only. Memorial garden -£95k income shortfall due to availability and the Coronavirus Act limitations, offset by £89k additional crematorium income due to demand.
	(101)	(149)	158	
<b>Director of Digital and Resources</b>				
<b>Elections</b>	-	(30)	(45)	Elections were due to be held for both Adur & Worthing Councils on 7 May 2020. Due to the pandemic, all scheduled elections have been postponed until 6 May 2021.
<b>Parking Services</b>	-	217	1,149	We do not have a budget to cover the maintenance for the parking ANPR equipment for the three MSCPs, the contract expires September 2021. There is low usage across the surface car parks and multi-storey car parks due to covid and the demand is currently low which is impacting on car park revenue. There has been an impact of covid on season tickets and companies have cancelled their season tickets which has and will impact on finance. Teville Gate has very low usage, this will improve once HMRC leases the site. Slight decrease in monthly costs from NSL.
<b>Digital &amp; ICT</b>	189	-	-	Non renewal of the Salesforce CRM contract saved £40k but overall. The Salesforce product is being replaced by an app on our own Netcall (MATs) platform. It will have enhanced functionality and avoid increases in Salesforce costs which would have been incurred had we chosen to enhance the Salesforce functionality to meet our future needs. Overall expenditure patterns are changing as we move to a cloud hosting model, there may be some duplication of costs during the transition period
<b>Revenues</b>	-	95	323	Due to the COVID-19 situation there is already an increase in Live CTS caseloads. Every time a CTS claim is adjusted a Council Tax adjustment notice is produced so it is highly likely that the print & postage budgets will be over-spent. Recovery action is currently suspended and therefore no Court costs are being raised; the Courts are also not currently operating. It is therefore highly likely that Court costs income for 2020/21 will be below the income achieved for 2019/20.

<b>Benefits</b>	-	41	-	Due to Covid-19 it is highly likely that the print & postage budgets will be over-spent by 14k. Overpayments income has seen a downturn due to COVID19.
<b>Finance</b>	78	(94)	23	Adur: 46K Overspend on service costs for pensions, 39K underspend on internal audit fees, 27k overspend for severance pay, General service costs to be 84K underspent, 44K underspend of Miscellaneous Expenses. Joint: 108K overspend on grants & Subscription contributions and 30K underspend on Computer costs plus various small transaction. Worthing: Various savings in Miscellaneous expenses to budget with a 50K insurance access fee overbudget.
<b>Business Rates - S31 Grant</b>	-	(500)	(700)	Additional grant compensation for additional business rate reliefs.
<b>Finance:Treasury Interest</b>		(76)	(121)	Net interest for both councils is projected to be favourable Adur £76k and Worthing £121k, interest receivable is expected to be below budget but this is offset by a reduction in the estimated interest payable on borrowing due to the re-profiling of the capital program for both authorities.
<b>Finance:Treasury MRP</b>	-	(135)	(262)	MRP: Adur £135k and Worthing £262k both forecast underspends due to changing profiles within the capital programme.
	<b>267</b>	<b>(483)</b>	<b>367</b>	
<b>Director of the Economy</b>				
<b>Major Projects and Investment (Estates)</b>	-	250	217	Costs of NNDR and refurbishment of empty investment properties, mainly TM Lewin Uxbridge and Montague Street Worthing. To manage and offset the shortfall in income during the year budgeted transfer to the void reserves in both ASDC and WBC not forecast to be possible. Loss of rental income from TM Lewin and Luton complex (Adur), Montague Street (Worthing). To manage and offset the shortfall in income during the year budgeted transfer to the void reserves in both ASDC and WBC not forecast to be possible.
<b>Place and Economy (Economic Development)</b>	-	43	50	Loss of Bus Shelter advertising and market income (Adur), Observation Wheel (Worthing).
<b>Business &amp; Facilities</b>	140	-	-	Additional cost pressure due to Covid -19 emergency including security costs, PPE and food bank.
<b>Admin Buildings</b>	52	-	-	JOINT : Town Hall income under-achieved by £27k, Rates under spent against budget of £36k, additional spend on new asbestos software of £8k, Portland House overspend in rates of £21k, £14k underspend in equipment under the TH and £10k overspend on pool cars. Shortfall in income - car parking and rental payments.
<b>Leisure</b>	-	550	594	ADC: ACL to cease operating in Adur and closing centres temporarily. WBC: Support package to SDL - not paying service fee for 2 years and Grounds maintenance and £38k p/m for pool to end of March 2021.
	<b>192</b>	<b>843</b>	<b>861</b>	
<b>Cross Cutting services</b>				
<b>Vacancy Provision</b>	272	(28)	-	Vacancy provision not currently meeting target but following request to delay some recruitment due to COVID 19 pressures this may improve during the year.
<b>Corporate Budgets</b>	198	-	-	Cost impact 2.75% pay award currently under consultation, this is 0.75% above the budgeted pay inflation.
<b>Rates</b>	(14)	(15)	134	Small variances between Adur and Joint, Worthing: £48K to cannon house (investment PO with no budget in place) plus small other variances.
<b>Other</b>	50	13	(4)	
	<b>506</b>	<b>(30)</b>	<b>130</b>	
Allocation of Joint Variance		346	518	Share of joint services allocated 40:60 to Councils
<b>Total Variance</b>	<b>864</b>	<b>527</b>	<b>2,034</b>	



ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
8 September 2020

Key Decision : No

Ward(s) Affected: All

## 1st Quarter Capital Investment Programme & Projects Monitoring 2020/21

### 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 2020/21 Capital Investment Programmes for Adur District Council, Worthing Borough Council. The programmes include schemes which support the delivery of services by the Joint Services 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

2.1 The Joint Strategic Committee is asked:

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

i) To note the reprofiling of the Adur District Council capital schemes as advised in paragraphs 7.2.1 and Appendix 3.

ii) To approve the transfer of funding within the Adur Homes Capital Investment Programme to include the Fire Safety Inner Rooms Project within the 2020/21 Capital Investment Programme as detailed in paragraph 7.2.3.

- iii) To approve the virement of £13,200 to fund urgent Disability Discrimination Act access works at Commerce Way as detailed in paragraph 7.2.4.
- iv) To approve the virement to fund the current overspend on the purchase of wheeled bins for the alternate weekly collection as detailed in paragraph 7.1.2.
- v) To note the award of external funding of £50,000 from Sompting BIG Local toward play area improvements at Sompting Recreation Ground as detailed in paragraph 7.2.5.

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

- i) To note the reprofiling of the Worthing Borough Council capital schemes as advised in paragraphs 7.3.1 and Appendix 4.
- ii) To approve the virement to fund the overspend on the purchase of wheeled bins for the alternate weekly collection service as detailed in paragraph 7.1.2.
- iii) To note the award of £100,000 from Sussex Community Foundation towards the new cafe in Brooklands Park as detailed in paragraph 7.3.2.
- iv) To approve the virement of £72,000 to fund emergency works at Worthing Crematorium as detailed in paragraph 7.3.3.
- v) To approve the addition of the urgent replacement of the audio and visual equipment at Worthing Crematorium to the 2020/21 Capital Investment Programme as detailed in paragraph 7.3.4.
- vi) To approve the addition of the Fish Sculpture Waste Bin to the 2020/21 Capital Investment Programme as detailed in paragraph 7.3.5.

### 3. CONTEXT

- 3.1 In accordance with the Councils' Capital Strategy, the Capital Working Group oversees the implementation and progress of both Councils' Capital Investment Programmes.
- 3.2 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.

- 3.3 Full summaries of the progress of all the schemes in the 2020/21 Capital Investment Programmes are prepared each quarter highlighting:

Schemes with significant challenges	<b>Red</b>
Schemes where progress is being closely monitored	<b>Amber</b>
Schemes progressing well	<b>Green</b>
Schemes where progress is beyond officers' control	▣
Schemes with financial issues	£
Schemes where progress has improved	↑
Schemes where progress has deteriorated	↓

- 3.4 The Capital Working Group also ensures that capital schemes are approved within financial regulations.

- 3.5 Financial Regulations require officers to report each project on completion.

#### **4. SUCCESSES AND CHALLENGES IN THE 2020/21 CAPITAL INVESTMENT PROGRAMMES**

- 4.1 The following schemes are progressing well:

##### **4.1.1 Adur Homes Capital Investment Programme**

The Adur Homes Capital Investment Programme for 2020/21 was approved by the Joint Strategic Committee 9th October 2018.

Delivery of the Capital Improvement Programme continues to be shaped by guidance issued to local authorities by the Regulator of Social Housing in the aftermath of the Grenfell fire and better knowledge of our stock.

The appointment of a Fire Safety Officer has allowed us to focus on fire safety remedial works. Several fire remedial works are now being implemented across our stock. This includes the front entrance fire door replacement programme which has already seen the replacement of 181 'critical' doors in tenanted properties. Engagement with leaseholders to identify and support them to bring their doors into compliance with the current legislation, has also commenced.

The upgrade of the Community Alarm Systems in our sheltered housing schemes is now at the implementation stage.

#### 4.1.2 Adur Homes External Works Programme

The external capital works programme is being revised in light of the need to re-profile fire safety works and also critical health and safety works. However the following is underway:

- The project to undertake external works to Rocks Close and Locks Court was tendered but due to Covid 19 restrictions the contract was not awarded
- The project to undertake external works to Beachcroft Place and Bushby Close was tendered but due to Covid 19 restrictions the contract was not awarded. The Contract has now been retendered and it is anticipated that work will commence in the Autumn.
- A firm has been appointed to provide programme management support.

#### 4.1.3 Adur Homes Development and Acquisition Programme

Following the lifting of the Housing Revenue Account (HRA) borrowing cap, the Council is now developing the site at Albion Street, which will see the delivery of 50 affordable homes in contrast to the 15 affordable homes that would have been delivered under the former scheme. Planning permission has been granted and the contract for the construction works is due to finalised in September.

The development of Cecil Norris House is well underway. Pilbeam construction started on site in July 2019 and commenced demolition of the existing blocks. This project is progressing well and will deliver 15 units of social housing.

Officers are developing plans for the development of infill and other garage sites owned by the HRA, with the potential to deliver up to 60 new homes. a report is due to be considered by the Joint Strategic Committee in October on this programme of works.

4.2 The following schemes are providing challenges and have been identified as having financial issues:

##### 4.2.1 Worthing Borough Council - Fire prevention works to pier, southern pavilion and amusements.

The installation of the fire main to the whole length of the Pier and the sewerage pipe was completed in 2019/20.

However, the installation of a new sprinkler system to the buildings including the Southern Pavilion, Amusements and Pavilion Theatre are technically complex and will require a new dedicated water supply and associated pipework. The current budget is insufficient as the cost of these works is



estimated at £810,000. The actual costs will not be known until the scheme design has been finalised and tendered.

The possible budget pressure has previously been reported:

Current budget:	£503,040
Estimated Costs:	£810,000
Current estimated shortfall:	£306,960

Costs are currently being compiled prior to a report being submitted for the approval of the scheme and consideration of the additional funding required.

#### 4.2.2. **Connaught Theatre - Ventilation Systems**

The 2020/21 Capital Investment Programme includes budget provisions of £33,000 and £66,080. These provisions were included in the Capital Investment Programmes several years ago, but have been postponed to 2020/21 in order for urgent health and safety works, identified by condition surveys, to be included in the capital programme.

Initial estimates are that the works will cost £240,000 again due to the complexities of these sites and the need to install suitable systems for this type of venue. The original budget estimate was provided with little technical input. Specialist ventilation consultants have visited the site and the cost of a more energy efficient ventilation system is estimated at £240,000. This will therefore require additional budget provision of £132,080 if the scheme is to progress as planned. Officers are currently reviewing the options for the scheme and will report on progress in a later monitoring report.

### 5. **PROGRESS OF THE ADUR DISTRICT COUNCIL 2020/21 CAPITAL INVESTMENT PROGRAMME – AUGUST 2020**

5.1 There are 57 schemes in the 2020/21 current capital investment programme which are progressing as follows:

	Number of schemes	Percentage %
Schemes which are progressing satisfactorily or have completed	40	70.1
Schemes where progress is being closely monitored	16	28.1
Schemes with significant challenges	1	1.8

5.2 A summary of the schemes with significant challenges or where there are financial issues is attached as Appendix 1 to this report. A summary of the progress of all the schemes in the 2020/21 Capital Investment Programme is available from the Councils' Joint Intranet.

## 6. PROGRESS OF THE WORTHING BOROUGH COUNCIL 2020/21 CAPITAL INVESTMENT PROGRAMME – AUGUST 2020

- 6.1 There are 85 schemes in the 2020/21 current capital investment programme which are progressing as follows:

	Number of schemes	Percentage %
Schemes which are progressing satisfactorily or have completed	65	76.5
Schemes where progress is being closely monitored	17	20.0
Schemes with significant challenges	3	3.5

- 6.2 A summary of the schemes with significant challenges or where there are financial issues is attached as Appendix 2 to this report. A summary of the progress of all the schemes in the 2020/21 Capital Investment Programme is available from the Councils' Joint Intranet.

## 7. ISSUES FOR CONSIDERATION

### 7.1 Adur and Worthing Joint Service Schemes

- 7.1.1 The following Adur District Council and Worthing Borough Council Joint Services 2020/21 scheme has financial issues:

#### 7.1.2 Refuse and Recycling Wheeled Bin - Replacements

Following the approval by the Joint Strategic Committee November 2018 to change to alternate weekly collections of refuse and recycling, the increase in demand for larger refuse and recycling bins created a joint Adur District and Worthing Borough Council overspend in both 2018/19 and 2019/20.

The increased demand for larger bins continues in 2020/21. The Adur District and Worthing Borough Councils' 2020/21 Capital Investment Programmes include a joint budget of £50,000 for the purchase of new wheeled bins, but this is again insufficient to fund the current level of purchases.

The current spend is £74,858, resulting in an overspend of £24,858. This may increase as further orders for larger bins are raised.

It is proposed to fund the current shortfall from the Adur District Council and Worthing Borough Council 2020/21 contingencies provisions. Adur District Council / Worthing Borough Council share of funding required for current overspend £9,048 / £15,810.

## 7.2 **Adur District Council**

7.2.1 Budgets totalling £2,261,800 have been reprofiled to 2021/22 and future years, where the original project plan has changed and the schemes are not expected to complete in 2020/21. A list of schemes reprofiled is attached as Appendix 3 to this report.

7.2.2 The following amendments to the Adur District Council 2020/21 Capital Investment Programme are recommended:

### 7.2.3 **Adur Homes Capital Investment Programme - Fire Safety Works Inner Rooms**

The 2020/21 Adur Homes Capital Investment Programme includes a budget provision of £4,366,550 for fire safety improvements to the Council's housing stock. The current allocations from this budget are:

	£
Approved schemes:	
Fire Door Replacements	924,500
Smoke Detection Equipment	678,200
Electrical Replacements	137,500
Fire Safety Works - Sheltered Housing	258,400
Total allocated funding	<u>1,998,600</u>
Unallocated budget	2,367,950
<b>Total</b>	<b><u>4,366,550</u></b>

Urgent works have now been identified from the Inner Rooms Project in order to facilitate the early letting of void properties. It is proposed to allocate a budget of £490,430 from the unallocated 2020/21 Fire Safety Budget in order to facilitate this work in advance of the main works in future years.

The Fire Safety Inner Rooms Project needs to be added to the 2020/21 Adur Homes Capital Investment Programme.

### 7.2.4 **Commerce Way - DDA Access Improvements**

The Council has an employee based at Commerce Way whose needs changed during the Covid 19 crisis, urgent adaptations were required to the site to facilitate wheelchair access to enable the employee to return to work.

The cost of the works is estimated at £30,000. It is proposed to fund the works from the 2020/21 Disability Discrimination Act Improvements budget provision of £16,800 and a virement of £13,200 from the Adur District Council 2020/21 contingency provision.

## 7.2.5 Play Area Improvements - Sompting Recreation Ground

The Council has secured external funding of £50,000 from Sompting Big Local towards play area improvements at Sompting Recreation Ground and this funding needs to be added to the existing budget provision of £100,800.

The scope of the intended scheme is currently under review and any changes will be reported to the Executive Member in due course.

## 7.3 Worthing Borough Council

7.3.1 Budgets totalling £3,015,010 have been reprofiled to 2021/22 and future years where the original project plan has changed and the schemes are unable to complete in 2020/21. A list of schemes reprofiled is attached as Appendix 4 to this report.

### 7.3.2 Brooklands Park - Redevelopment

The Council has been awarded £100,000 by the Sussex Community Foundation towards the proposed new cafe in Brooklands Park.

The grant has conditions attached based on delivering the sustainability credentials of the proposed cafe and targets will need to be reported during the technical design stage in the next few months.

The additional funding needs to be allocated to the Brooklands Park Redevelopment Scheme Budget in the 2020/21 Capital Investment Programme.

### 7.3.3 Worthing Crematorium - Replacement of Electrical Components

In early August 2020 there was a power surge at the Worthing Crematorium which was traced back to a loose neutral cable in one of the electrical panels. This caused damage to a number of electrical components, including 2 analysers which are used to control the cremation process and the building management system.

The affected components have been replaced in order to continue the service provision. The Council is looking at introducing further mitigation measures to reduce the risk of something similar happening again in the future.

The cost of the works is currently estimated at:

	£
Analyser Systems	43,000
BMS and Boiler Replacement	20,000
Professional Fees	8,000
Contingency	1,000
<b>Total Estimated Cost</b>	<b>72,000</b>

An insurance claim is being submitted but at the current time it is not known whether some or any of the damage is covered. Whilst we await the outcome of the insurance claim it is proposed to fund the works by a virement of £72,000 from the Asbestos Management Budget Provision of £286,150. The Asbestos budget provision will be reinstated if we receive any insurance funding. We have a statutory duty to undertake Asbestos Surveys but the surveys can be phased if necessary, and future years PID submissions will be increased to fund any shortfall in funding.

#### **7.3.4 Worthing Crematorium - Replacement of Audio Visual Equipment**

In May 2020 the audio visual equipment at the Crematorium failed and webcasts to the bereaved families of the deceased were unable to be provided. Due to the Covid 19 restrictions in place at that time, only very close members of the family were permitted to attend funerals and therefore it was important to be able to broadcast the funeral to wider family and friends of the deceased.

The estimated cost of the new equipment is £44,000 and can be funded from the 2020/21 Crematorium signage project budget provision of £82,600. The crematorium signage scheme is estimated to cost £20,000 and can be funded from the remaining budget.

Retrospective approval is sought to add the Crematorium's replacement audio visual equipment to the 2020/21 Capital Investment Programme.

#### **7.3.5 Waste and Recycling - Fish Sculpture Waste Bin**

The Council was approached by Creative Waves to provide match funding towards a large, architectural, sculptured rubbish container in the shape of a fish head. The metal sculpture will discretely house waste bins inside it, and will be sited on Worthing seafront to highlight the need to recycle rubbish. The total cost of the sculpture is £12,156, £3,500 funded by the Council and £8,656 funded by Rampion Wind Farm.

The project will raise awareness of pollution of the sea with plastic waste and will spread the message of segregated waste streams. The fish has been designed in a way that only bottles will fit into the fish sculpture. Emptying of the bins has also been discussed and waste services have been involved in the design of the fish to ensure that it can be emptied effectively. The scheme had initially been intended for inception, design and delivery before the summer season, but was delayed by Covid 19 restrictions. The scheme has now recommenced.

A virement from the underspend on the budget provision for the Crematorium walkway above the cremators scheme was approved to fund the Council's Environmental Services contribution of £2,500 and to secure the external funding. A further £1,000 was funded from the Council's Place and Economy Service. Retrospective approval is requested to add this project to the 2020/21 Capital Investment Programme.

## **8. ENGAGEMENT AND COMMUNICATION**

- 8.1 The purpose of this report is to communicate with stakeholders on the progress of the Adur District Council and Worthing Borough Council 2020/21 Capital Investment Programmes. Officers of the Council have been consulted with on the progress of the schemes which they are responsible for delivering.
- 8.2 Specific schemes are subject to public consultation (e.g new playgrounds) to ensure that they meet community needs.

## **9. FINANCIAL IMPLICATIONS**

- 9.1 There are no unbudgeted financial implications arising from this report as the Adur District Council and Worthing Borough Council original 2020/21 Capital Investment Programmes were approved by the Councils in December 2019. Subsequent changes have been reported to and approved by the Joint Strategic Committee. The issues considered in this report can be funded from within existing resources or through external funding.

## **10. LEGAL IMPLICATIONS**

- 10.1 Section 28 Local Government Act 2003, as amended by the Localism Act 2011, provides that where in relation to a financial year, a Local Authority has made the calculations required by section 43 Local Government Finance Act 1992, it must review them from time to time during the year. If it appears that there has been a deterioration in its financial position it must take such action, if any, as it considers is necessary to deal with the situation.
- 10.2 Section 151 of the Local Government Act 1972 requires the Councils to make arrangements for the proper administration of their financial affairs.

### **Background Papers**

- Capital Investment Programme 2019/20 – 2021/22 Adur District Council, Worthing Borough Council and Joint Committee
- Capital Strategy 2019/22.
- Enabling the Digital Future for Adur & Worthing: Extending Ultrafast - Report to the Joint Strategic Committee dated 2nd April 2019.

### **Officer Contact Details:-**

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# **SUSTAINABILITY AND RISK ASSESSMENT**

## **1. ECONOMIC**

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

## **2. SOCIAL**

### **2.1 Social Value**

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

### **2.2 Equality Issues**

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

## **3. ENVIRONMENTAL**

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

## **4. GOVERNANCE**

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

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**CAPITAL MONITORING SUMMARY 2020/21**

1st Quarter

Executive Portfolios	(1) Total ADC Scheme Budgets £	(2) Previous Years' Spend £	(3) 2020/21 Original Budget £	(4) Net budget b/f from 2019/20 £	(5) Approved Changes to Original Budget £	(6) 2020/21 Budget Reprofiles to and from 2021/22 £	(7) 2020/21 Current Budget £	(8) 2020/21 Spend to Date £	(9) Spend % of Current Budget
Customer Services	64,170,620	844,690	10,331,900	2,950,680	25,082,740	(2,069,800)	36,295,520	2,830,206	7.80%
Environment	4,274,700	1,172,400	621,650	419,990	707,740	(192,000)	1,557,380	265,816	17.07%
Health and Wellbeing	530,260	25,050	33,600	30,360	334,250	-	398,210	156	0.04%
Regeneration	6,524,250	3,588,190	134,630	768,680	1,825,350	-	2,728,660	46,454	1.70%
Resources	95,597,840	48,092,260	50,308,670	6,578,720	(11,768,910)	-	45,118,480	31,825	0.07%
<b>TOTALS</b>	<b>171,097,670</b>	<b>53,722,590</b>	<b>61,430,450</b>	<b>10,748,430</b>	<b>16,181,170</b>	<b>(2,261,800)</b>	<b>86,098,250</b>	<b>3,174,457</b>	<b>3.69%</b>

**Financing of 2020/21 Programme:**

<b>Adur Homes Capital Programme:</b>	<b>£'000</b>	<b>General Fund Capital Programme</b>	<b>£'000</b>
Capital Receipts:	1,242	Prudential Borrowing:	52,046
Major Repairs Reserve:	3,900	Capital Receipts:	6
Homes England:	700	Government Grants:	10,188
S106 Receipts:	409	Revenue Reserves and Contribution	810
New Development Reserve:	1,521	S106 Receipts	109
Prudential Borrowing:	15,167		
	<u><b>22,939</b></u>		<u><b>63,159</b></u>

**Summary of Progress:**

Schemes with significant challenges:	1
Schemes where progress is being closely monitored:	16
Schemes progressing well or completed:	40
<b>Total Schemes:</b>	<u><b>57</b></u>

(1) <b>SCHEME</b> (Responsible Officer)	(2) <b>Total ADC Scheme Budget</b>  £	(3) <b>Previous Years' Spend</b>  £	(4) <b>2020/21 Original Budget</b>  £	(5) <b>Budget Reprofiles to and from 2021/22 and Future Years</b>  £	(6) <b>2020/21 Current Budget</b>  £	(7) <b>2020/21 Spend to Date</b>  £	(8) <b>Anticipated Completion Date (C) / Approval Report(D)/ P.I.D.(P)</b>	(9) <b>2020/21 Anticipated (Underspend) /Overspend (Council Resources)</b>  £	(10) <b>COMMENTS AND PROGRESS</b> <ul style="list-style-type: none"> <li>● Progress Beyond Council's Control</li> <li>£ Schemes with financial issues</li> <li>▲ Scheme Progress Improved</li> <li>▼ Scheme Progress Deteriorated</li> </ul>	(11) <b>Status</b>
1 <b>Refuse and Recycling Service</b> Provision of wheeled bins (Partnership Scheme with Worthing Borough Council. Total Budget £50,000) (TP)	18,200	-	18,200	-	18,200	27,248	Mar-21 02/01/20 (P)	9,048	The current demand has remained high. The current joint overspend is anticipated at approx £24,858.  It is proposed to fund the current shortfall from the contingency provision.	£
<b>TOTAL:</b>	<b>18,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,200</b>	<b>27,248.00</b>		<b>9,050</b>		

**RESPONSIBLE OFFICERS:** Tony Patching                      Head of Waste Management and Cleansing

**CAPITAL MONITORING SUMMARY 2020/21**

1st Quarter

Executive Portfolios	(1) Total WBC Scheme Budgets  £	(2) Previous Years' Spend  £	(3) 2020/21 Original Budget  £	(4) Net Budget b/f from 2019/20  £	(5) Approved Changes to Original Budget  £	(6) 2020/21 Budget Reprofiled to and (from) 2021/22  £	(7) 2020/21 Current Budget  £	(8) 2020/21 Spend to Date  £	(9) Spend % of Current Budget
Customer Services	20,331,720	4,785,900	4,178,600	764,230	1,918,390	(1,922,090)	4,939,130	398,702	8.07%
Digital and Environment Services	12,748,380	1,402,710	1,325,950	1,034,600	5,207,430	(1,169,460)	6,398,520	489,815	7.66%
Health and Wellbeing	786,830	5,080	50,400	69,350	232,000	-	351,750	32,422	9.22%
Regeneration	22,629,570	4,392,020	3,935,900	145,350	6,962,700	-	11,043,950	597,454	5.41%
Resources	50,752,010	17,080	50,576,130	(409,200)	(1,323,340)	-	48,843,590	2,864,300	5.86%
<b>TOTALS</b>	<b>107,248,510</b>	<b>10,602,790</b>	<b>60,066,980</b>	<b>1,604,330</b>	<b>12,997,180</b>	<b>(3,091,550)</b>	<b>71,576,940</b>	<b>4,382,693</b>	<b>6.12%</b>

**Financing of 2020/21 Programme:**

	<b>£'000</b>
Borrowing:	61240
Capital Receipts:	2117
Revenue Contributions and Reserves:	455
Government Grants:	6252
S106 Receipts	711
Other Contributions:	802
	<u>71,577</u>

**Capital Monitoring - Summary of Progress:**

Schemes with significant challenges:	3
Schemes where progress is being closely monitored:	17
Schemes which are progressing satisfactorily or have completed:	65
<b>Total Schemes:</b>	<u><u>85</u></u>

8

(1) SCHEME (Responsible Officer)	(2) Total WBC Scheme Budget  £	(3) Previous Years' Spend  £	(4) 2020/21 Original Budget  £	(5) Budget Reprofiled to and (from) 2021/22 and future years  £	(6) 2020/21 Current Budget  £	(7) 2020/21 Spend to Date  £	(8) Anticipated Completion Date (C) / Approval Report(D)/ P.I.D (P)	(9) 2020/21 Anticipated (Underspend) /Overspend (Capital 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  £
1 <b>Refuse and Recycling Service</b> Provision of wheeled bins (Partnership Scheme with Adur District Council. Total Budget £50,000) (TP)	31,800	-	31,800	-	31,800	47,610	2.1.20 (P) 31.3.21 (C)	15,810	The current demand has remained high. The current joint overspend is anticipated at approx £24,858.  It is proposed to fund the current shortfall from the contingency provision.	£
2 <b>Worthing Pier, Southern Pavilion and Seafront Amusements</b>  Fire safety compliance works - New sprinkler system (KS)	503,040	468,461	200,000		503,040	3,874.00	31.3.21 (C) / Sept 18 (D)	310,000	The installation of the fire main and the sewerage pipe completed in previous years.  The new sprinkler system requires a new dedicated water supply and pipework is estimated to cost £810,000. a shortfall of approximately £300,000. Works to the Southern Pavilion are under discussion with the new tenant who is carrying out renovation works.  Costs are being compiled and when estimates are completed additional resources will be requested.	£

(1) SCHEME (Responsible Officer)	(2) Total WBC Scheme Budget  £	(3) Previous Years' Spend  £	(4) 2020/21 Original Budget  £	(5) Budget Reprofiled to and (from) 2021/22 and future years  £	(6) 2020/21 Current Budget  £	(7) 2020/21 Spend to Date  £	(8) Anticipated Completion Date (C) / Approval Report(D)/ P.I.D (P)	(9) 2020/21 Anticipated (Underspend) /Overspend (Capital 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  £
3 <b>Connaught Theatre and Studio</b>  Installation of air conditioning and ventilation systems (KS)	99,080	-	99,080	-	99,080	-	31.3.21 (C) / T.B.A. (P)	132,080	Costs being reviewed as overspend has been identified. Estimated cost £240,000.	£
<b>TOTAL:</b>	<b>633,920</b>	<b>468,461</b>	<b>330,880</b>	<b>-</b>	<b>633,920</b>	<b>51,484</b>	<b>-</b>	<b>457,890</b>		

**RESPONSIBLE OFFICERS:** Tony Patching Head of Waste Management and Cleansing

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ADUR DISTRICT  
COUNCIL

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

Scheme	Reprofiled Budgets	Reason
Affordable Housing Programme 2020/21 - Unallocated budget	2,069,800	One grant for £720,000 has been approved to the Hyde Group for the provision of 14 rented units. Remaining budget reprofiled to 2021/22 due to likely lead in times for any further grants identified.
Buckingham Park - Contribution to a replacement pavilion	172,000	The Joint Strategic Committee has agreed in principle £150,000 S106 receipts and £38,800 capital resources to be used as match funding to help secure funding towards replacement of the pavilion at Buckingham Park. The Rugby Club have revised the designs for the new pavilion but external funding is still required and being sought.
Foreshore Management - Kingston Beach Area Improvements	20,000	Environmental improvements in the Kingston Beach Area are to be undertaken following the completion of coast protection works in the area. Budget profiled in 2021/22.
<b>Total Reprofiled Budgets:</b>	<b>2,261,800</b>	

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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	1,831,900	The Council has not received any requests from Registered Social Landlords for grants to date. Budget reprofiled to 2020/21 due to likely timescales for any grants requested.
Museum and Art Gallery - Redevelopment "Let the Light In Project"	90,190	The museum development project "Let the Light In" is ongoing. The application to the Heritage Lottery is to be resubmitted and if successful works are estimated to commence on site May 2024.
Public Conveniences - Broadwater Green Pavilion Refurbishment	89,600	Contribution to Broadwater Cricket Club to be used as match funding for a total refurbishment of the pavilion including the refurbishment of the public toilet block. Timescales for works dependent on successful funding bids.
Public Conveniences - Church House Ground Pavilion Refurbishment	150,000	Contribution to Bowls Club to be used as match funding for a total refurbishment of the pavilion including the refurbishment of the public toilet block. Timescales for works dependent on successful funding bids.
Hillbarn / Rotary Recreation Ground - Contribution to new changing rooms / building	13,320	Contribution to Chippendale Cricket Club anticipated in 2021/22.
Palatine Park - Provision of an artificial football pitch	840,000	The Football Foundation has approved a capital grant offer of 62% of a total project cost of £916,540 to Worthing Borough Council and Worthing Town Football club Limited. Planning Permission has been granted and tendering completed. Works anticipated in 2021/22.
<b>Total Reprofiled Budgets:</b>	<b>3,015,010</b>	

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ADUR & WORTHING  
COUNCILS

Joint Governance Committee  
30 July 2020  
Agenda Item 7

Joint Strategic Committee  
8 September 2020

Key Decision : No  
Ward(s) Affected: All

## ANNUAL TREASURY MANAGEMENT REPORT 2019-20 FOR ADUR DISTRICT COUNCIL AND WORTHING BOROUGH COUNCIL

### REPORT BY THE DIRECTOR FOR DIGITAL AND RESOURCES

#### EXECUTIVE SUMMARY

#### 1. PURPOSE

- 1.1 This report asks Members to note the Treasury Management performance for Adur and Worthing Councils for 2019/20 as required by regulations issued under the Local Government Act 2003.
- 1.2 Members are asked to note the breach of money market fund investment limits for 1 day on July 1st 2020 (section 13.1).

#### 2. RECOMMENDATIONS

##### 2.1 Recommendation One

The Joint Governance Committee is recommended to note the annual report, including the breach of the money market fund investment limits and to refer any comments or suggestions to the next meeting of the Joint Strategic Committee on 8th September 2020.

##### 2.2 Recommendation Two

The Joint Strategic Committee is recommended to note the annual report and the breach of the money market fund investment limits.

#### 3. CONTEXT

##### 3.1 Treasury Management is:

“The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control

of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.

3.2 This report details the treasury management activities and portfolio positions for the 2019/20 financial year for Adur District Council and Worthing Borough Council.

3.3 This is the last of three treasury management reports that the Councils are required to consider during the financial year:

- Before the beginning of the financial year, the first report, the Treasury Management Strategy and Annual Investment Strategy, seeks approval for the Councils’ approach to the management of investments and the borrowing of funds for the forthcoming year. This report details how the council will manage risk in it’s treasury activities.
- This followed by a mid year review of performance against the approved strategies.
- At the year end, there is an annual report which confirms actual performance for the year.

3.4 There is a clear regulatory environment governing the Council’s investment and treasury activities. The Local Government Act 2003 requires that the Council complies with the Prudential Code for Capital Finance (2017). This is a framework established to support local strategic planning, local asset management planning and proper option appraisal. The objectives of the Prudential Code are to ensure, within this clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. As part of the Prudential Code, indicators are established to ensure that the Council has approved limits on both capital expenditure plans and associated borrowing activity.

3.5 The presentation of this Annual Report enables the Council to meet its statutory obligations as detailed under regulations issued under the Local Government Act 2003. These regulations require that the Councils review the treasury management activities, the prudential indicators and the treasury indicators for 2019/20.

3.6 This report also ensures that the Councils meet the requirements of both the Treasury Management Code of Practice (The Code) and the Prudential Code for Capital Finance in Local Authorities (the Prudential Code), both of which are issued by The Chartered Institute of Public Finance and Accountancy (CIPFA) and recommend best practice in capital investment and treasury management activities.

3.7 The Councils’ Treasury Management Strategy and Annual Investment Strategy place the security of investments as foremost in considering all treasury management dealing. By so doing it contributes towards the Councils’ priorities set out in Platforms for our Places.

#### **4. ISSUES FOR CONSIDERATION**

4.1 For 2019/20 the minimum reporting requirements specified within the treasury management policy was that the Councils should receive the following:

**The Annual Treasury Management Strategy Statement (TMSS)** in advance of the financial year – this was submitted to the meeting of Adur Council on 20th February 2019 and to Worthing Council on 18th February 2019.

**A mid-year treasury update report** – a joint in-house operations report for both Councils was submitted to the meeting of JGC on the 26th November 2019 and JSC on 3rd December 2019.

**An annual review** (this report) - to be submitted by 30th September after the year end, which compares the actual activity with the planned strategy.

- 4.2 The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the outturn position for treasury management activities and highlights compliance with the Councils' policies previously approved by members.
- 4.3 The Annual Report also confirms that the Councils have complied with the requirement under the Code to give scrutiny to all of the above treasury management reports by the Joint Governance Committee and the Joint Strategic Committee before they were reported to the full Councils.
- 4.4 Member training on treasury management issues was conducted on 13th June 2019 by the Councils' treasury advisors, Link Asset Services, in order to support members' scrutiny role.

## **5. The Councils' Capital Expenditure and Financing**

- 5.1 The Councils undertake capital expenditure on long-term assets (land, buildings, vehicles, software and equipment). These activities may either be:
  - financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Councils' borrowing need; or
  - if insufficient financing is available, or a decision is taken not to apply these resources, then capital expenditure will give rise to a borrowing need.
- 5.2 The actual capital expenditure forms one of the required prudential indicators, because the Councils must ensure that capital expenditure is affordable, approved and monitored. The tables below show the actual capital expenditure and how this was financed. The full explanation of the expenditure and the variances between the budgets and actual expenditure can be found in the Capital Monitoring Reports, but the most significant items are detailed below. There have been some delays in delivery of the capital programme due to the Covid 19 virus.

<b>Adur District Council Total</b>	2018/19 Actual	2019/20 Original Budget	2019/20 Current Budget	2019/20 Actual
<b>Capital expenditure £m</b>	<b>39.566</b>	<b>29.952</b>	<b>71.972</b>	<b>60.270</b>
Financed in year £m	<b>4.919</b>	<b>9.658</b>	<b>18.486</b>	<b>16.502</b>
<b>Borrowing for capital expenditure £m</b>	<b>34.647</b>	<b>20.294</b>	<b>53.486</b>	<b>43.768</b>

The following table shows the General Fund share of the figures in the table above

<b>Adur District Council General Fund</b>	2018/19 Actual	2019/20 Original Budget	2019/20 Current Budget	2019/20 Actual
<b>Capital expenditure £m</b>	<b>36.573</b>	<b>21.532</b>	<b>65.891</b>	<b>56.411</b>
Financed in year £m	<b>1.926</b>	<b>3.608</b>	<b>12.567</b>	<b>12.834</b>
<b>Borrowing for capital expenditure £m</b>	<b>34.647</b>	<b>17.924</b>	<b>53.324</b>	<b>43.577</b>

The following table shows the HRA share of the figures in the table above

<b>Adur District Council HRA</b>	2018/19 Actual	2019/20 Original Budget	2019/20 Current Budget	2019/20 Actual
<b>Capital expenditure £m</b>	<b>2.993</b>	<b>8.420</b>	<b>6.081</b>	<b>3.859</b>
Financed in year £m	<b>2.993</b>	<b>6.050</b>	<b>5.919</b>	<b>3.668</b>
<b>Borrowing for capital expenditure £m</b>	<b>0.000</b>	<b>2.370</b>	<b>0.162</b>	<b>0.191</b>

For Adur, the difference between the original budget and the current budget is largely due to:

- the increase in the total budget of the Strategic Property Investment Fund from £75m to £125m. This £25m increase in Adur’s budget was approved by Adur Council on the 25th April 2019;
- new grant funded expenditure such as the £6.75m to Southern Housing in respect of Free Wharf Housing Development in Shoreham from Housing Infrastructure Funding and £3.35m for the relocation of the Sussex Yacht Club funded by the LEP;
- re-profiling of £5.93m of capital budget from 2018/19.

The difference between the current budget and the actual spend is largely due to:

- re-profiling of £10.748m of the 2019/20 budget into 2020/21, of which £6.5m is in respect of the Strategic Property Investment Fund and £2.2m relates to the Adur Homes Capital Investment Programme;
- an underspend of £0.954m

<b>Worthing Borough Council</b>	2018/19 Actual	2019/20 Budget	2019/20 Current Budget	2019/20 Actual
<b>Capital expenditure £m</b>	<b>38.273</b>	<b>24.584</b>	<b>66.390</b>	<b>64.486</b>
Financed in year £m	<b>6.749</b>	<b>4.603</b>	<b>3.231</b>	<b>6.020</b>
<b>Borrowing for capital expenditure £m</b>	<b>31.524</b>	<b>19.981</b>	<b>63.159</b>	<b>58.466</b>

For Worthing, the most significant differences between the original budget and the current budget are:

- the increase in the total budget of the Strategic Property Investment Fund from £75m to £125m. This £25m increase in Worthing’s budget was approved by Worthing Council on the 23rd April 2019;
- an approved £5m loan to GB Met College to support local education;
- re-profiled capital budget of £4.5m from 2018/19 into 2019/20;
- increased budgets eg £3m in respect of Decoy Farm and £1.5m for the Ultrafast Fibre Network.

The difference between the current budget and the actual spend is due to:

- re-profiling of £1.6m of the 2019/20 budget into 2020/21, partly due to delays caused by Covid 19;
- an underspend of £0.3m

## 6. THE COUNCILS' OVERALL BORROWING NEED

- 6.1 Some of the Councils' capital expenditure is funded immediately by, for example, capital grants, capital receipts from the sale of assets, or from contributions from the revenue budget (capital funded by revenue as approved by statute). Capital expenditure that is not funded by any of these means is described as "the underlying need to borrow" and is known as the Capital Financing Requirement (CFR). The Councils decide whether or not to borrow these amounts externally, or alternatively to use cash that would otherwise be invested (internal borrowing). The Councils make these decisions based on a number of factors, including the prevailing interest rates for borrowing compared to those for investing, the likelihood of a capital receipt in the near future or a forecast of additional capital grants.

**Gross borrowing and the CFR** - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Councils should ensure that their gross external borrowing does not, except in the short term, exceed the total of the Capital Financing Requirement in the preceding year (2018/19), plus the estimates of any additional capital financing requirement for the current (2019/20) and next two financial years. This essentially means that the Councils are not borrowing to support revenue expenditure. This indicator allows the Councils some flexibility to borrow in advance of immediate capital needs to take advantage of, say, low interest rates.

The difference between the CFR and the gross borrowing position is termed under or over borrowing. If a Council is under borrowed, it is using some of its internal cash that could otherwise be invested. It can therefore choose to borrow externally up to the CFR so as to take advantage of favourable interest rates. If a Council is over borrowed, it needs to ensure that this position is remedied over a two year period. The Councils have complied with this prudential indicator.

The tables below highlight the Councils' gross borrowing positions against the CFRs.

This table shows the total CFR and borrowing for Adur District Council and the two following tables show the separate figures for the General Fund and the HRA.

<b>Adur District Council Total</b>	31 March 2019 Actual	31 March 2020 Strategy	31 March 2020 Actual
CFR General Fund £m	<b>123.250</b>	<b>164.777</b>	<b>167.018</b>
Gross borrowing position £m	<b>116.167</b>	<b>158.735</b>	<b>161.802</b>
Under/(over)funding of CFR £m	<b>7.083</b>	<b>6.042</b>	<b>5.216</b>



<b>Adur District Council General Fund</b>	31 March 2019 Actual	31 March 2020 Strategy	31 March 2020 Actual
CFR General Fund £m	<b>63.147</b>	<b>102.304</b>	<b>106.724</b>
Gross borrowing position £m	<b>57.999</b>	<b>98.197</b>	<b>103.350</b>
Under/(over)funding of CFR £m	<b>5.148</b>	<b>4.107</b>	<b>3.374</b>

<b>Adur District Council HRA</b>	31 March 2019 Actual	31 March 2020 Strategy	31 March 2020 Actual
CFR HRA £m	<b>60.103</b>	<b>62.473</b>	<b>60.294</b>
Gross borrowing position £m	<b>58.168</b>	<b>60.538</b>	<b>58.452</b>
Under/(over)funding of CFR £m	<b>1.935</b>	<b>1.935</b>	<b>1.842</b>

As at 31 March 2020, for Adur District Council, the HRA was under borrowed by £1.842m. The General Fund was under borrowed by £5.696m based on long term debt, but it also had temporary borrowing of £2.322m. Under borrowing results from the use of internal resources to fund capital expenditure, which reduces the amount of interest payable on external borrowing. Interest rates on investments are currently very low in comparison to the rates charged on borrowed sums, so this is a cost-effective strategy reducing the overall net cost of borrowing. The difference between the budgets and the actual CFR figures is due to re-profiling of the Capital budgets as detailed in section 5.2 above.

<b>Worthing Borough Council</b>	31 March 2019 Actual	31 March 2020 Strategy	31 March 2020 Actual
CFR General Fund £m	<b>70.674</b>	<b>116.394</b>	<b>129.140</b>
Gross borrowing position £m	<b>67.250</b>	<b>113.280</b>	<b>128.071</b>
Under/(over)funding of CFR £m	<b>3.424</b>	<b>3.114</b>	<b>1.069</b>

Worthing Borough Council was under-borrowed based on long term debt by £3.069m at 31 March 2020, but it also held temporary borrowing of £2m.

6.2 The **authorised limit** is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Councils do not have the power to borrow above this level. The Councils did not breach the authorised limits during the year.

The **operational boundary** is the expected borrowing position of the Councils during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limits not being breached.

The authorised limits and operational boundaries for both Councils were increased by £25m each during the year to accommodate the increase in the Commercial Property Investment Fund. Worthing’s authorised limit and operational boundary were also increased by £5m to accommodate the approved loan to GB Met College and the College was added to the approved investments list. These amendments were approved by the Councils at meetings on 25th April 2019 (Adur) and 23rd April 2019 (Worthing) and 23rd July 2019 (Worthing - GB Met loan).

**Actual financing costs as a proportion of net revenue stream** - this indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream. The costs incurred through capital expenditure are the interest payable on money borrowed and the Minimum Revenue Provision (see section 12), which is a statutory annual revenue charge to reduce the indebtedness of a Council, based on the amount of unfunded capital expenditure.

Investment income and other income generated from the capital assets purchased or created through the capital programme are deducted from these costs. The net figure is then compared to the Councils’ net revenue stream - the income received from grants and taxation as shown in the Statement of Accounts. Consequently if only the costs of the capital programme increase, so will the proportion of financing cost to net revenue stream. If only the net revenue stream increases, then the proportion will reduce. Usually there will be a combination of both factors.

MRP (see 12.1) is not payable on the cost of properties in the year of purchase. Both Councils bought several commercial properties in 2019/20 and benefited from the rental income, but did not need to account for MRP. Therefore the financing costs are lower in 2019/20 than they will be in future years in relation to those properties.

<b>Adur District Council</b>	<b>2019/20</b>
Authorised limit	<b>£196.000m</b>
Maximum gross borrowing position during the year	<b>£164.383m</b>
Operational boundary	<b>£192.000m</b>
Commercial properties financing as a proportion of net revenue stream	<b>(15.10)%</b>
Other GF financing costs as a proportion of net revenue stream	<b>12.20%</b>
HRA Financing costs as a proportion of net revenue stream	<b>20.12%</b>

All the figures for the financing as a proportion of net revenue stream are lower than the original forecasts, in part because the approved increase in property investment in 2019/20 increased the amount of the net revenue stream, through the receipt of additional rental income. In addition:

- the forecast for Adur's commercial property financing costs as a proportion of net revenue stream was (10.41)% - the negative figure meaning that the income would exceed the financing costs. The actual figure of (15.10)% was better as explained above;
- the Other General Fund financing cost proportion is lower than the forecast of 21.15% due to re-profiling of the capital programme, the availability of loans at lower interest rates than forecast and the new income from Focus House;
- the HRA figure is lower than the forecast of 25.49% due to the re-profiling of the capital programme.

<b>Worthing Borough Council</b>	<b>2019/20</b>
Authorised limit	<b>£156.000m</b>
Maximum gross borrowing position during the year	<b>£128.616m</b>
Operational boundary	<b>£151.000m</b>
Commercial properties financing as a proportion of net revenue stream	<b>(10.42)%</b>
Other GF financing costs as a proportion of net revenue stream	<b>6.91%</b>

As with Adur, the figures for the financing as a proportion of net revenue stream are lower than the original forecasts, in part because the approved increase in property investment in 2019/20 increased the amount of the net revenue stream, through the additional rental income. In addition:

- the forecast for Worthing's commercial property financing as a proportion of net revenue stream was (4.20)% - the negative figure meaning that the income would exceed the financing costs. The actual figure of (10.42)% was better as explained above.
- the Other General Fund financing cost proportion is lower than the forecast of 10.66% due to re-profiling of the capital programme and the availability of loans at lower interest rates than forecast.

## 7. TREASURY POSITION AS AT 31 MARCH 2020

7.1 Adur District Council's position at the beginning and end of the year is shown below (nb PWLB refers to the Public Works Loan Board - an arm of the government).

	Principal at 31.03.20 £m	Average Rate of Return	Average Life in Years	Principal at 31.03.19 £m	Average Rate of Return	Average Life in Years
<b><u>Debt Portfolio</u></b>						
PWLB (Public Works Loan Board)	(141.540)	2.65%	17.86	(98.227)	2.9%	20.0
Other Borrowing	(20.262)	4.62%	41.45	(17.940)	5.2%	47.0
<b>Total Debt</b>	<b>(161.802)</b>			<b>(116.167)</b>		
<b>CFR</b>	<b>167.018</b>			<b>123.250</b>		
<b>(Over)/under borrowing</b>	<b>5.216</b>			<b>7.083</b>		
<b><u>Investments</u></b>						
Bonds	0.029	n/a	n/a	0.055	n/a	n/a
Property Fund	2.728	4.05%	n/a	0.983	4.37%	n/a
Long Term	0.000	n/a	n/a	0.000	n/a	n/a
Short Term	10.665	0.85%	< 1 year	9.514	0.97%	< 1 year
<b>TOTAL INVESTMENTS</b>	<b>13.422</b>			<b>10.552</b>		
<b>NET DEBT</b>	<b>(148.380)</b>			<b>(105.615)</b>		

The maturity structure of debt table that follows demonstrates that procedures are in place to prevent the maturity of too much debt in a single period, when only high interest rates may be available for refinancing the debt, if required.

Adur District Council Maturity Structure of Debt	31 March 2020 actual	2019/20 original limits	31 March 2019 actual
under 12 months	7%	20%	6%
12 months and within 24 months	5%	25%	5%
24 months and within 5 years	13%	40%	14%
5 years and within 10 years	24%	50%	19%
10 years and within 20 years	31%	60%	27%
20 years and within 30 years	2%	60%	4%
Over 30 years	18%	45%	25%

7.2 Worthing Borough Council's position at the beginning and end of the year was as follows:-

	Principal at 31.03.20 £m	Average Rate of Return	Average Life in Years	Principal at 31.03.19 £m	Average Rate of Return	Average Life in Years
<b>Debt Portfolio</b>						
PWLB	(111.071)	1.94%	14.68	(61.222)	1.87%	11.31
Other Borrowing	(17.000)	1.41%	1.34	(6.028)	1.21%	0.81
<b>TOTAL BORROWING</b>	<b>(128.071)</b>			<b>(67.250)</b>		
<b>CFR</b>	<b>129.140</b>			<b>70.674</b>		
<b>(Over)/under borrowing</b>	<b>1.069</b>			<b>3.424</b>		
<b>Investments</b>						
Bonds	0.050	n/a	n/a	0.075	n/a	n/a
Property Fund	1.364	4.05%	n/a	0.491	4.37%	n/a
Long Term	-	-	-	-	-	-
Short Term	8.900	0.66%	< 1 year	9.200	0.86%	< 1 year
<b>TOTAL INVESTMENTS</b>	<b>10.314</b>			<b>9.766</b>		
<b>NET DEBT</b>	<b>(117.757)</b>			<b>(57.484)</b>		

The maturity structure of debt table that follows demonstrates that procedures are in place to prevent the maturity of too much debt in a single period, when only high interest rates may be available for refinancing the debt, if required.

Worthing Borough Council Maturity Structure of Debt	31 March 2020 actual	2019/20 original limits	31 March 2019 actual
under 12 months	9%	45%	16%
12 months and within 24 months	15%	75%	12%
24 months and within 5 years	11%	75%	24%
5 years and within 10 years	33%	75%	31%
10 years and within 20 years	21%	75%	17%
Over 20 years	11%	75%	0%

### 7.3 Investments held by Adur District Council at 31 March 2020:

Counterparty	Issue Date	Maturity Date	Principal	Current Interest Rate	Long Term Rating
Goldman Sachs Int Bank	17/04/2019	17/04/2020	£1,000,000	1.08%	A
Goldman Sachs Int Bank	25/04/2019	27/04/2020	£1,000,000	1.07%	A
Lloyds Bank	15/04/2019	15/04/2020	£1,000,000	1.25%	A+
Lloyds Bank	01/05/2019	01/05/2020	£1,000,000	1.25%	A+
Santander	27/09/2019	05/10/2020	£1,000,000	1.00%	A
Santander	02/10/2019	05/10/2020	£1,000,000	1.00%	A
Coventry BS	13/06/2019	12/06/2020	£1,000,000	1.00%	A-
Invesco MMF	01/04/2019	n/a	£2,455,000	variable	AAA
Federated MMF	01/04/2019	n/a	£1,200,000	variable	AAA
Handelsbanken	16/07/2018	n/a	£10,000	0.50%	AA-
CCLA Local Auth Property Fund	25/04/2017	n/a	£2,727,484	variable	n/a
Boom Credit Union & War Bond	06/03/2015	n/a	£29,630	n/a	n/a
<b>TOTAL</b>			<b>£13,422,114</b>		

#### Non-treasury investments

Adur District Council has approved a strategy to invest in commercial properties. Full details can be found in the Capital Strategy and Commercial Property Investment Strategy. It also holds shares in Boom Credit Union for policy purposes.

### 7.4 Investments held by Worthing Borough Council at 31 March 2020:

Counterparty	Issue Date	Maturity Date	Principal	Current Interest Rate	Long Term Rating
Lloyds Bank	08/05/2019	08/05/2020	£1,000,000	1.25%	A+
Lloyds Bank	19/06/2019	19/06/2020	£1,000,000	1.25%	A+
Merthyr Tydfil Council	29/01/2020	06/04/2020	£1,500,000	0.75%	n/a
Federated MMF	01/04/2019	n/a	£2,445,000	variable	AAA
Invesco MMF	01/04/2019	n/a	£1,515,000	variable	AAA
CCLA MMF	01/04/2019	n/a	£1,440,000	variable	AAA
CCLA Local Auth Property Fund	25/04/2017	n/a	£1,363,744	variable	n/a
Boom Credit Union	06/03/2015	n/a	£50,000	n/a	n/a
<b>TOTAL</b>			<b>£10,313,744</b>		

## Non-treasury investments

Worthing Borough Council has made two loans of £5m each to Worthing Homes to support the building of homes. The Council receives £70k per annum net in interest over and above the cost to the Council of borrowing the £10m from the Public Works Loan Board. The loans are fully secured on property.

A loan of £5m was made to GB Met College in January 2020 to support local education. The Council will receive £100k in 2020/21 net in interest over and above the cost to the Council of borrowing the £5m from the Public Works Loan Board. This amount will reduce in future years because the loan is repayable by equal instalments of principal. The loan is fully secured on property.

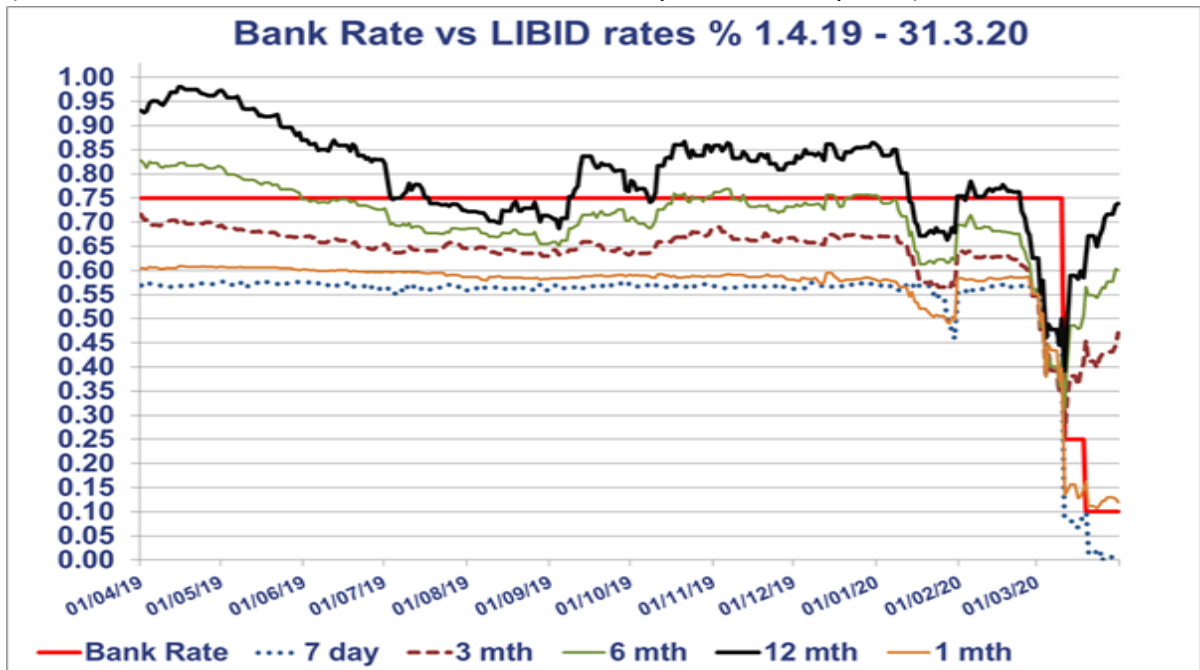
Worthing BC has approved a strategy to invest in commercial properties. Details can be found in the Capital Strategy and Commercial Property Investment Strategy. Worthing also holds shares in Boom Credit Union for policy purposes.

## 8. THE STRATEGY FOR 2019/20

Some of the information and tables in the following paragraphs are supplied by the Councils' treasury advisors, Link Asset Services and consist of detailed economic and market information which informed the Councils treasury management decisions throughout the year.

### Investment strategy and control of interest rate risk

(LIBID - London Interbank Bid Rate - the rate bid by banks on deposits)



Investment returns remained low during 2019/20. The expectation for interest rates within the treasury management strategy for 2019/20 was that Bank Rate would stay at 0.75% during 2019/20 as it was not expected that the MPC would be able to deliver on an increase in Bank Rate until the Brexit issue was finally settled. However, there was an expectation that Bank Rate would rise after that issue was settled, but would only rise to 1.0% during 2020.

Rising concerns over the possibility that the UK could leave the EU at the end of October 2019 caused longer term investment rates to be on a falling trend for most of April to September. They then rose after the end of October deadline was rejected by the Commons but fell back again in January before recovering again after the 31 January departure of the UK from the EU.

When the coronavirus outbreak hit the UK in February/March, rates initially plunged but then rose sharply back up again due to a shortage of liquidity in financial markets. As longer term rates were significantly higher than shorter term rates during the year, value was therefore sought by placing longer term investments where cash balances were sufficient to allow this.

While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.

Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates as illustrated in the charts shown above and below. Such an approach has also provided benefits in terms of reducing the counterparty risk exposure, by having fewer investments placed in the financial markets.

## **9. BORROWING STRATEGY AND CONTROL OF INTEREST RATE RISK**

- 9.1 During 2019/20, the Councils maintained an under-borrowed position. This meant that the capital borrowing requirements (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Councils' reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low in relation to the cost of borrowing and minimising counterparty risk on placing investments also needed to be considered.

A cost of carry remained during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances; this would have incurred a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns.

The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when this authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.



9.2 Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Chief Financial Officer therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks

- if it had been felt that there was a significant risk of a sharp FALL in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.

- if it had been felt that there was a significant risk of a much sharper RISE in long and short term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

9.3 Interest rate forecasts expected only gradual rises in medium and longer term fixed borrowing rates during 2019/20 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.

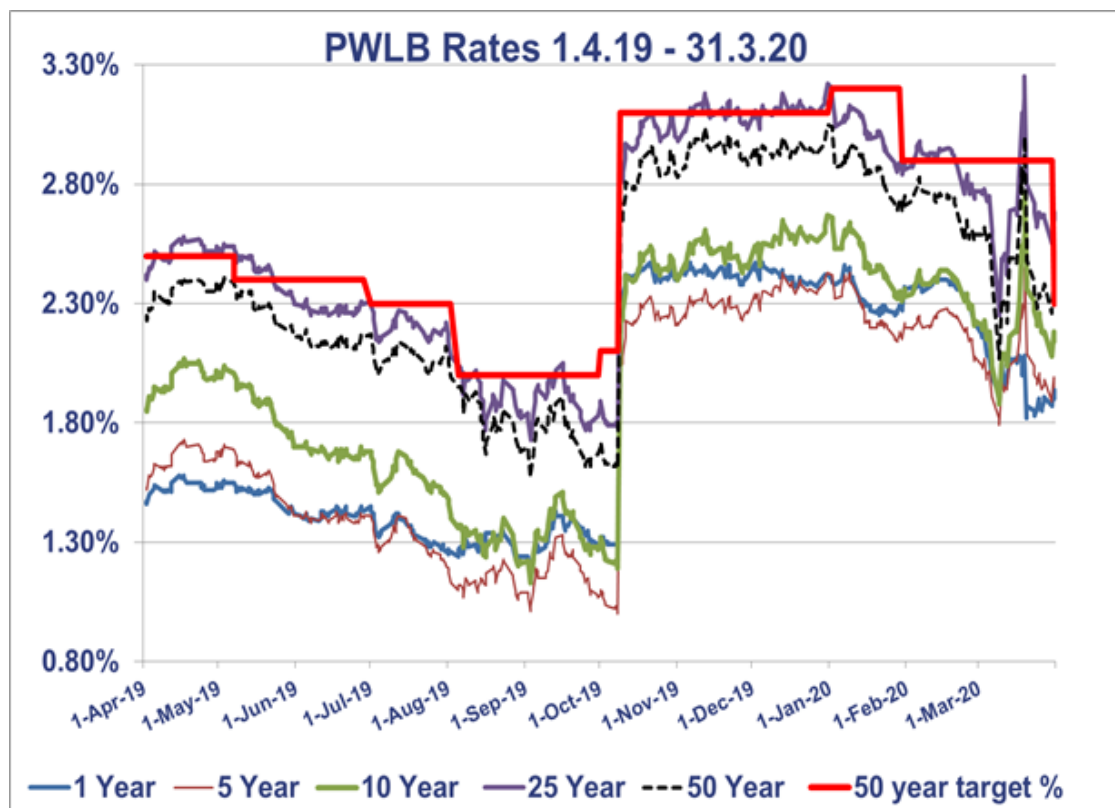
Link Asset Services Interest Rate View 5.8.19											
	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25
3 Month LIBID	0.70	0.70	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20
6 Month LIBID	0.80	0.80	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40
12 Month LIBID	1.00	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60
5yr PWLB Rate	1.20	1.30	1.50	1.60	1.70	1.70	1.80	1.90	2.00	2.00	2.10
10yr PWLB Rate	1.50	1.60	1.80	1.90	2.00	2.00	2.10	2.20	2.30	2.30	2.40
25yr PWLB Rate	2.10	2.30	2.40	2.50	2.60	2.70	2.70	2.80	2.90	3.00	3.00
50yr PWLB Rate	2.00	2.20	2.30	2.40	2.50	2.60	2.60	2.70	2.80	2.90	2.90

PWLB rates are based on, and are determined by, gilt (UK Government bonds) yields through H.M.Treasury determining a specified margin to add to gilt yields. There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was heightened expectations that the US could have been heading for a recession in 2020, and a general background of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued; these conditions were conducive to very low bond yields.

While inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on

consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years.

We have therefore seen, over the last year, many bond yields up to 10 years in the Eurozone turn negative. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.



Gilt yields were on a generally falling trend during the last year up until the coronavirus crisis hit western economies. Since then, gilt yields have fallen sharply to unprecedented lows as investors have panicked in selling shares in anticipation of impending recessions in western economies, and moved cash into safe haven assets i.e. government bonds.

However, major western central banks also started quantitative easing purchases of government bonds which will act to maintain downward pressure on government bond yields at a time when there is going to be a huge and quick expansion of government expenditure financed by issuing government bonds; (this would normally cause bond yields to rise). At the close of the day on 31 March, all gilt yields from 1 to 5 years were between 0.12 – 0.20% while even 25-year yields were at only 0.83%.

However, HM Treasury has imposed two changes in the margins over gilt yields for PWLB rates in 2019-20 without any prior warning; the first on 9 October 2019, added an additional 1% margin over gilts to all PWLB rates. That increase was then partially reversed for some forms of borrowing on 11 March 2020 (including borrowing for the HRA), at the same time as the Government announced in the Budget a programme of increased spending on infrastructure expenditure.

It also announced that there would be a consultation with local authorities on possibly further amending these margins; this ends on 4 June. It is clear that the Treasury intends to put a stop to local authorities borrowing money from the PWLB to purchase commercial property if the aim is solely to generate an income stream.

Following the changes on 11 March 2020 in margins over gilt yields, the current situation is as follows: -

- PWLB Standard Rate is gilt plus 200 basis points (G+200bps)
- PWLB Certainty Rate is gilt plus 180 basis points (G+180bps)
- PWLB HRA Standard Rate is gilt plus 100 basis points (G+100bps)
- PWLB HRA Certainty Rate is gilt plus 80bps (G+80bps)
- Local Infrastructure Rate is gilt plus 60bps (G+60bps)

There is likely to be little upward movement in PWLB rates over the next two years as it will take national economies a prolonged period to recover all the momentum they will lose in the sharp recession that will be caused during the coronavirus shut down period. Inflation is also likely to be very low during this period and could even turn negative in some major western economies during 2020-21.

## 10. BORROWING OUTTURN

10.1 No debt was rescheduled during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

10.2 The following fixed interest rate loans were taken during the year:

### Adur District Council

Lender	Principal	Purpose of Loan	Interest Rate	Maturity
PWLB	£6m	Commercial Property purchase	1.82%	04/04/2037
PWLB	£1m	HRA refinancing	2.17%	10/06/2059
PWLB	£1m	Office Block Construction	1.65%	26/06/2029
PWLB	£8m	Commercial property purchase	1.48%	25/07/2028
PWLB	£8m	Commercial property purchase	1.88%	01/08/2034

PWLB	£1m	Office Block Construction	1.88%	16/08/2039
PWLB	£1m	HRA refinancing	1.74%	05/09/2069
PWLB	£2m	Refinancing	0.99%	06/04/2030
PWLB	£21.35m	Commercial property purchase	2.50%	19/12/2035
Vale of Glamorgan	£2m	Refinancing	0.90%	27/04/2020

### Worthing Borough Council

Lender	Principal	Purpose of Loan	Interest Rate	Maturity
PWLB	£13m	Commercial property purchase	2.44%	25/04/2059
PWLB	£1m	Refinancing	2.17%	10/06/2059
PWLB	£1m	Refinancing	1.65%	26/06/2029
PWLB	£1m	Refinancing	1.88%	16/08/2039
PWLB	£1m	Refinancing	1.74%	05/09/2069
PWLB	£4m	Commercial property purchase	1.30%	12/09/2028
PWLB	£4m	Commercial property purchase	1.36%	12/09/2029
PWLB	£4m	Commercial property purchase	1.42%	12/09/2030
PWLB	£1.5m	Commercial property purchase	1.48%	12/09/2031
PWLB	£3.53m	Commercial property purchase	1.58%	20/09/2032
PWLB	£3.53m	Commercial property purchase	1.63%	19/09/2033
PWLB	£2m	Refinancing	0.00%	08/04/2030
PWLB	£5.69m	Commercial property purchase	2.39%	10/12/2026
PWLB	£5.69m	Commercial property purchase	2.44%	10/12/2027
PWLB	£5m	GB Met College loan	2.60%	09/01/2040
Vale of White Horse	£3m	Refinancing	1.30%	18/11/2021
Vale of Glam	£2m	Refinancing	0.90%	27/04/2020
Stevenage	£5m	Commercial property purchase	1.50%	06/12/2021
West Yorks Combined	£5m	Refinancing	1.40%	28/02/2022

10.3 As shown above, the Councils have borrowed to fund the purchase of commercial properties. Members are reminded that in choosing to invest in Commercial Property, the Councils do not fully comply with the Prudential Code. This is allowable provided that the Councils have an Investment Strategy that explains:

- Why the local authority has decided not to have regard to this Guidance or to the Prudential Code in this instance; and
- The local authority's policies in investing the money borrowed, including management of the risks, for example, of not achieving the desired profit or an increase in borrowing costs.

The requirement is met through the publication of a Commercial Property Investment Strategy which sets out the Councils' approach to developing and managing the commercial property portfolio including how the associated risks will be managed. [Strategic Property Investment Fund 2020 and the Annual Commercial Property Investment Strategy 2020/21 Report by the Director fo](#)

#### 10.4 **Borrowing in advance of need**

The Councils have not borrowed more than, or in advance of their needs, purely in order to profit from the investment of the extra sums borrowed.

### 11. **INVESTMENT OUTTURN**

#### 11.1 **Investment Policy**

The Councils' investment policy is governed by MHCLG investment guidance, which has been implemented in the annual investment strategy. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.).

The investment activity during the year conformed to the approved strategy, and the Councils had no liquidity difficulties.

#### 11.2 **Resources**

The Councils' cash balances comprise revenue and capital resources and cash flow monies. The Councils' core cash resources comprised as follows:

## Adur District Council

Balance Sheet Resources (£m)	31 March 2020	31 March 2019
General Fund Balances	(1,239)	156
HRA Balances	(6,362)	(5,081)
Earmarked reserves	(3,257)	(3,476)
Provisions	(600)	(802)
Usable capital receipts & grants	(5,552)	(9,012)
<b>Total</b>	<b>(17,010)</b>	<b>(18,215)</b>

## Worthing Borough Council

Balance Sheet Resources (£m)	31 March 2020	31 March 2019
Balances	(1,359)	(83)
Earmarked reserves	(3,525)	(3,954)
Provisions	(185)	(772)
Usable capital receipts & grants	(5,432)	(7,205)
<b>Total</b>	<b>(10,501)</b>	<b>(12,014)</b>

### 11.3 Investments held by the Councils

Both Councils recorded a shortfall on investment income against budget, partly due to the use of “internal borrowing” - instead of borrowing externally to fund the capital programme, funds that could otherwise have been invested externally were used for capital expenditure. This approach was used due to the higher rates payable on borrowing compared to investing and resulted in an underspend on interest payable. The investment rates achievable in the market during the year were also lower than the original forecast.

Details of the income earned are shown below. A comparable performance indicator is the average 6 month London Interbank Bid Rate (the rate bid by banks on deposits), which was 0.70%.

#### **Adur District Council:**

Adur District Council maintained an average balance of £11.978m of internally managed funds, which earned an average rate of return of 0.94%. This excludes the

£3m investment in the Local Authorities' Property Fund, which returned an average of 4.05%, amounting to income of £115k.

The treasury investment returns included in the reported income of Adur Council for 2019/20, excluding the Local Authorities' Property Fund investment, amounted to £161k, which under-achieved the budget by £19.5k, due to the reasons explained above.

### **Worthing Borough Council:**

Worthing Borough Council maintained an average balance of £10.432m of internally managed funds, which earned an average rate of return of 0.89%. Those figures exclude:

- the £10m loan to Worthing Homes, which earned 0.70% above the rate at which the funds were borrowed from the PWLB, amounting to £70k;
- the £5m loan to GB Met College, which earned 2.00% above the rate at which the funds were borrowed from the PWLB. As the loan only commenced in January, the net amount earned by the Council was £23k
- the investment in the Local Authorities' Property Fund, which earned an average of 4.05%, amounting to over £57k.

The Treasury investment returns included in the reported income of the Council for 2019/20 amounted to £93,322, excluding the investments specified above, just over £6k under budget, due to the reasons explained above.

## **12. MINIMUM REVENUE PROVISIONS (MRP) FOR REPAYMENT OF DEBT**

- 12.1 The Councils, in accordance with legislation, make a provision from revenue to enable the repayment of borrowing that has been undertaken to fund the capital programme. This provision is known as the Minimum Revenue Provision (MRP) and is charged to the General Fund Revenue Account each year. The Councils are also permitted to make a Voluntary Revenue Provision (VRP) which is additional to the MRP and can be used to reduce the MRP in future years.
- 12.2 For 2019/20 an amount of £1.341m of MRP and £50k of VRP has been provided in the Adur District Council General Fund. The VRP total balance at 31 March 2020 was £50k. No voluntary amount has been set aside for the HRA.
- 12.3 For 2019/20 an amount of £1.267m of MRP and a net £190k of VRP has been provided in the Worthing Borough Council revenue accounts. The VRP total balance at 31 March 2020 was £490k.



### 13. CURRENT PERIOD TREASURY MATTERS

13.1 Due to the Covid-19 virus, the government made substantial payments to both Councils to distribute as Business Grants to local businesses. On April 1st 2020 Adur District Council received £17.64m and Worthing Borough Council received £26.13m. Additional funding was also received to provide relief to the local community, support the additional costs that the Councils are incurring, and to compensate for the loss of income.

The Councils have been very successful in distributing the funds to support local businesses, However it was not possible to accept the grant funding and also adhere to the counterparty investment limits whilst managing these short term funds. Consequently the Chief Executive used his urgency powers to approve changes to the investment limits for three months (April - June), which was approved by JSC on the 9th June 2020. The approval ended on the 30th June, but unfortunately the counterparty limits were still exceeded on the 1st July. All counterparty limits were met on the 2nd July and subsequently and there was no loss to either Council.

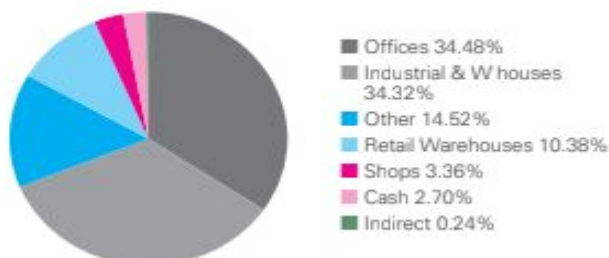
At Joint Governance Committee on 30th July further details were requested as follows:

Adur District Council exceeded its £12m MMF limit by £1.54m, spread over 3 funds  
Worthing Borough Council exceeded its £12m limit by £2.92m spread over 3 funds.

13.2 The Covid-19 virus has not affected the fixed term deposits already held by the Councils. However the rates on money market funds and new fixed term deposits are now much lower than in February and are continuing to drop. This will affect our ability to meet the 2020/21 treasury income budgets. This does also mean that new borrowing will also be at a lower rate and so overall we expect to be on target for the budgets for net treasury management costs. The Councils do not invest in stocks and shares so are not exposed to these market fluctuations.

The investments in the Local Authorities' Property Fund have reduced in value by 5.7% between February and June, however, as explained below, this will not impact on the General Fund in the short term due to the Council's statutory position. The dividend payments are still holding up well and the June dividend was 85% of the March one. The Fund is widely diversified in terms of its investment sectors and is actively managed.

**Asset allocation at 31 December 19**



13.3 Following the consultation undertaken by the Ministry of Housing, Communities and Local Government, (MHCLG), on IFRS9, the Government has introduced a



mandatory statutory override for local authorities to reverse out all unrealised fair value movements resulting from pooled investment funds. This will be effective from 1 April 2018. The statutory override applies for five years from this date. Local authorities are required to disclose the net impact of the unrealised fair value movements in a separate unusable reserve throughout the duration of the override in order for the Government to keep the override under review and to maintain a form of transparency. This applies to Adur and Worthing Councils in respect of the investments in the Local Authorities' Property Fund.

#### **14. ENGAGEMENT AND COMMUNICATION**

- 14.1 The Adur and Worthing Councils' treasury management team provides treasury services to Mid Sussex District Council through a shared services arrangement (SSA). The SSA is provided under a Service Level Agreement that was renewed from 18th October 2019, and which defines the respective roles of the client and provider authorities for a period of three years.
- 14.2 Information and advice is supplied throughout the year by Link Asset Services Ltd, the professional consultants for the Councils' shared treasury management service.

#### **15. FINANCIAL IMPLICATIONS**

This report has no quantifiable additional financial implications to those outlined above. Interest payable and interest receivable arising from treasury management operations, and annual revenue provisions for repayment of debt, form part of the revenue budget.

#### **16. LEGAL IMPLICATIONS**

The presentation of the Annual Report is required by regulations issued under the Local Government Act 2003 to review the treasury management activities, the actual prudential indicators and the treasury related indicators for 2019/20.

#### **Background Papers**

Joint Treasury Management Strategy Statement and Annual Investment Strategy Report 2019/20 to 2021/22 – Joint Governance Committee 22 January 2019, Joint Strategic Committee, 31 January 2019

Joint Half-Year In-House Treasury Management Operations Report 1 April – 30 September 2019 for Adur District Council and Worthing Borough Council – Joint Governance Committee, 26 November 2019 and Joint Strategic Committee, 3 December 2019

Link Asset Services Annual Report Template 2019/20

CIPFA Code of Practice on Treasury Management and CIPFA Code for Capital Finance in Local Authorities

**Officer Contact Details:-**

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**SUSTAINABILITY & RISK ASSESSMENT****1. ECONOMIC**

The treasury management function ensures that the Councils have sufficient liquidity to finance their day to day operations. Borrowing is arranged as required to fund the capital programmes. Available funds are invested according to the specified criteria to ensure security of the funds, liquidity and, after these considerations, to maximise the rate of return.

**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**

4.1 The Councils' Treasury Management Strategy and Annual Investment Strategy place the security of investments as foremost in considering all treasury management dealing. By so doing it contributes towards the Councils' priorities contained in Platforms for our Places.

4.2 The operation of the treasury management function is as approved by the Councils' Treasury Management Strategy and Annual Investment Strategy 2018/19 - 2020/21, submitted and approved before the commencement of the 2018/19 financial year.

4.3 In the current economic climate the security of investments is paramount, the management of which includes regular monitoring of the credit ratings and other incidental information relating to credit-worthiness of the Councils' investment counterparties.

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ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
8 September 2020

Key Decision: No

Ward(s) Affected: All

## **Collaboration on the climate emergency - update on the success of Adur & Worthing Climate Conference 'Zero 2030' and next steps**

**Report by the Director for Digital, Sustainability & Resources**

### **Executive Summary**

1. Purpose
  - 1.1. This report updates members on the ongoing work with external partners to address the climate emergency.
  - 1.2. The *Zero 2030; the community led climate conference for Adur and Worthing* was a well attended and celebrated local event, delivered collaboratively between Worthing Climate Action Network, Transition Town Worthing and Adur & Worthing Councils.
  - 1.3. A *Draft Climate Plan for Adur and Worthing* has been developed, produced by Worthing Climate Action Network and the councils based on feedback from the Zero 2030 Climate Conference. The Plan recognises the diversity and strength of current local climate action by external partners. But it highlights that greater collaboration is needed for Adur and Worthing to jointly achieve the 2050 carbon neutral target.
  - 1.4. An Adur & Worthing Carbon Neutral Study has been produced by Anthesis. This Study sets out the scale and challenge ahead to deliver local carbon neutral ambitions. It identifies the scale and types of interventions needed to achieve the 2050 target.
  - 1.5. To address the Climate Emergency, greater collaboration on climate action is proposed through enhanced engagement with community, business and

public sector partners; developing joint ownership of a refined climate plan; and creating clearer methods of joint working.

## 2. Recommendations

### 2.1. That members:

- 2.1.1. note the success of Zero 2030 the community led Climate Conference, and the extent of community activity happening across Adur and Worthing;
- 2.1.2. Recognise the work of Worthing CAN in particular for their work on the Draft Climate Plan
- 2.1.3. endorse ongoing collaboration with local communities on the Climate Emergency as set out in Next Steps Section 7 of this report;
- 2.1.4. endorse the use of the Adur & Worthing Carbon Neutral Study (by Anthesis) to inform the Draft Climate Plan and other action on the Climate Emergency.

## 3. Context: Zero 2030 the Climate Conference

- 3.1. Despite reductions in global carbon emissions of up to 30% during lockdown, these will have limited effect on averting climate change unless a green recovery is established as the world emerges from lockdown<sup>1</sup>. Record breaking global heating temperatures are continuing to be recorded. In July 2020 the Meteorological Office published it's sixth '[State of the UK Climate](#)' report. This confirmed consistent increasing warming temperatures in the UK with a new all-time record in 2019 (38.7° C) Cambridge, July; and a new winter record (21.2° C) London, February.
- 3.2. During lockdown, council work has continued with urgency to address the council's own carbon emissions, and to develop strategies to address the area wide carbon emissions including preparing for a comprehensive inclusive Climate Assembly with local residents in autumn 2020 and publishing the first [SustainableAW magazine](#) to promote, celebrate and enhance local activity.
- 3.3. Following the Declaration of Climate Emergency by the councils in July 2019, Adur & Worthing Councils joined forces with Worthing Climate Action Network

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<sup>1</sup> A study by [Leeds University](#) found that during lockdown, carbon dioxide and other emissions fell globally by between 10-30% due to massive behavioural shifts. It concludes this will have only a tiny impact on the climate, because the decrease in emissions from confinement measures is temporary. The researchers modelled options for post-lockdown recovery showing that our current situation provides a unique opportunity to implement a structural economic change that could help us move towards a more resilient, net-zero emissions future through a green recovery.

(WCAN) and Transition Town Worthing (TTW) to hold a Climate Conference for Adur and Worthing on March 4th 2020 at the Assembly Hall, Worthing.

- 3.4. This aimed to bring communities, sectors and individuals together to deepen engagement and generate ideas, projects and partnerships to tackle the dual challenges of mass ecological extinctions and the climate crisis.
- 3.5. The Conference achieved huge success, recognised by an award from [CPRE](#) the Countryside Charity, and has created the foundation for further activity and engagement. This report brings several strands of work before members that have resulted from the Conference:
  - 3.5.1. An update on the success of the Climate Conference (Section 4)
  - 3.5.2. A Draft Climate Plan, developed from the outputs of workshops held at the conference (Section 5)
  - 3.5.3. A Draft Study created by consultants Anthesis, which outlines potential pathways for Adur and Worthing to become Carbon Neutral (Section 6)
  - 3.5.4. Proposals for next steps. (Section 7)

#### **4. Success of the climate conference Zero 2030 the Community Led Climate Conference**

- 4.1. The conference responded to council commitments:
  - 4.1.1. UK100 Cities Pledge to achieve 100% Clean Energy across Adur and Worthing by 2050;
  - 4.1.2. *Platforms for Our Places Going Further 2020-22 to convene a large Climate Change Event to bring businesses, public organisations and communities together and develop ongoing engagement;*
  - 4.1.3. all the *SustainableAW* themes, particularly: *Shared Leadership; Carbon Reduction; Climate Resilience; and Biodiversity.*
- 4.2. The Conference was titled 'Zero 2030' in response to the 2018 International Panel on Climate Change *Special Report: Global Warming of 1.5 °C*. The report identified that going beyond 1.5 °C of catastrophic warming could be prevented through "*rapid, far-reaching and unprecedented changes in all aspects of society*" from governments and individuals by 2030.
- 4.3. The councils are working hard to put their own house in order, having committed to work towards a council target to become carbon neutral by 2030 and developing a Carbon Neutral Plan. The Climate Conference was seen as an opportunity to work with external partners to address the challenge of becoming carbon neutral across the wider area of Adur and Worthing.

- 4.4. The event was delivered through close collaboration between WCAN, TTW, AWC with support from many local individuals and organisations, including:
- 4.4.1. more than 50 local volunteers;
  - 4.4.2. input from over 30 local organisations;
  - 4.4.3. with ten local experts offering their time to lead workshop discussions.

Worthing Borough Council provided venue space throughout Worthing Town Hall. The event was part funded through a Crowdfunding page, a grant from LUSH and a contribution from Adur & Worthing Councils.

- 4.5. The aims of the conference were to consider:
- 4.5.1. What steps are needed *from us all* across Adur and Worthing?
  - 4.5.2. What commitments are local communities willing to make?
  - 4.5.3. How can we work together?
- 4.6. The conference was planned as a day of insight, motivation, and involvement; and a springboard to work more closely with communities on the climate challenge. National and local speakers presented in the morning, and expert local speakers in the afternoon at participatory workshops. See Appendix 1 for the *Zero 2030* programme.
- 4.7. This was the first climate event held by a local authority in Greater Brighton, East Sussex or West Sussex following their Climate Emergency Declarations in 2019. The event was completely booked out with a long waiting list, filling the Assembly Hall with 300 delegates including 125 organisations (Appendix 2). The event had overwhelmingly positive feedback, as can be seen from conference feedback and comments from participants:

- 4.8. Feedback forms showed that delegates rated their experience as follows:

The conference overall	98%	Felt significantly better informed about the climate and ecological crises and how to respond
Speakers	98%	Excellent or Good
Venue	96%	Excellent or Good
Workshops	86%	Excellent or Good
Food	92%	Excellent or Good

- 4.9. Excerpts from feedback on twitter and email (see appendix 3):

<i>Ground-breaking event</i>	<i>Very proud to be a Worthing Resident right now</i>
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<i>Inspiring event</i>	<i>A stimulating and beautifully organised event</i>
<i>Wow! You've set the bar high</i>	<i>Fantastic range of community stakeholders</i>
<i>Positivity and energy from everyone</i>	<i>Great to see a pro-active local council teaming up with community</i>
<i>A&amp;W Councils lead the way</i>	<i>You smashed it! What a great turnout</i>
<i>A pleasure to speak at</i>	<i>Great to see council leader and chief exec</i>
<i>Excellent knowledgeable &amp; academic presenters</i>	<i>Great to see such enthusiasm to address the biggest issue of our time</i>
<i>A joy to host</i>	<i>Want to see how we could replicate it in Chichester</i>

- 4.10. WCAN, on behalf of TTW and the councils, has been given an [award](#) from CPRE, the Countryside Charity for 'Spreading the Net for Climate Action' and forming a 'unique partnership with their local councils to inspire more people to take positive action on the environment'
- 4.11. Resources from the event have been posted by WCAN on the [FutureEcologic website](#) along with slides and recorded talks from key speakers.

## **5. Draft Climate Plan for Adur & Worthing**

- 5.1. Feedback from delegates (over 1000 post it notes) was gathered during the workshops and these have been summarised into an ambitious Draft Climate Plan, produced with support from WCAN and input from TTW. WCAN have summarised workshop outputs into an excellent overarching Plan for Adur and Worthing (see appendix 4).
- 5.2. The intention is currently for a jointly owned and shared plan between community, business and public sector partners locally. The Plan provides a vehicle for joint working and focus, but actions need to be refined and owned by partners. For this to happen effectively, a collaborative forum needs to be created. The desire for this type of forum was strongly promoted by delegates at the conference, and is a shared ambition from the councils.
- 5.3. It is intended that the final plan will shine a spotlight on activity in Adur & Worthing; deepen ambition; encourage greater cooperative working; and provide a vehicle to support funding applications and further work.

- 5.4. The Plan follows the SustainableAW themes, with an additional theme added on *Wellbeing, Ethos & Spirit*. It includes a vision for each theme; sections on what is already happening locally; and what needs to happen next.
- 5.5. Approval is sought to continue local engagement on the draft plan. This will be consulted on locally and it is intended a final plan would also incorporate outputs of the Climate Assembly being held September 2020 to January 2021.

**6. A Carbon Neutral Study for Adur and Worthing: Exploring pathways to achieve the target (SCATTER Study)**

- 6.1. The councils committed under the *UK100 Cities Pledge* to work towards 100% clean energy across Adur and Worthing by 2050; and in *SustainableAW* and *Platforms for our Places* (3.1.4), committed to produce an action plan for carbon reduction across adur and Worthing, and.
- 6.2. The Carbon Neutral Study for Adur and Worthing (see appendix 5) was developed by consultants Anthesis for Adur and Worthing Councils using their SCATTER Tool (Setting City Area Targets & Trajectories for Emissions Reduction), developed using research from the Tyndall Centre for Climate Change Research. The SCATTER tool is designed to help local authorities set baselines and model trajectories in order to reduce emissions and meet their climate change objectives. It is recognised by BEIS as a robust data-driven model to help understand the nature and extent of future action required.
- 6.3. The study does not *define* the pathway for Adur and Worthing to achieve the 2050 target but outlines the *level of ambition* needed to achieve an area based carbon neutral target.
- 6.4. The Study identifies that in 2017, 272 ktCO<sub>2</sub>e were emitted across Adur, and 407 ktCO<sub>2</sub>e in Worthing. Both profiles show the largest source of emissions are Buildings (57% and 67% for Adur and Worthing respectively), followed by Transport (30% & 23%) and Waste (13% & 10%).
- 6.5. The Study identifies a 'carbon budget' for Adur and Worthing of 3,700 ktCO<sub>2</sub> from 2020 in order that Adur and Worthing aligns with the Paris Agreement. This is a finite amount of carbon that should not be exceeded in order to remain under the international and national 2050 100% carbon reduction target (estimated to prevent breaching 1.5 degrees global warming).
- 6.6. Adur and Worthing's emissions are tracking a 'business as usual' scenario, which will exceed Adur and Worthing's carbon budget by a factor of 3 by

2050. This underscores that the scale and ambition of intervention needed is transformational. A step change in behaviour, policy, investment and collaboration is required, which brings with it both opportunity and challenge.

- 6.7. The study sets out a series of potential interventions across a suite of key themes. These are set out on page 24 of the report onwards and are calibrated at a ‘high ambition’ level (Level 4). Targets are offered for 2025, 2030 and 2050: Some examples targets for 2030 are:

Theme	Intervention - 2030 target
Domestic Buildings	<ul style="list-style-type: none"> <li>• Moving off gas boilers for heating homes: in homes 26% are heated by heat pumps, and 1% by district heating.</li> <li>• Shifting off gas for cooking: 76% of cooking systems are electrified.</li> <li>• Appliance &amp; lighting efficiency: Average electricity demand per household is 30% lower than 2015 (down to 2.12 MWh/year) through use of LEDs and A* ratings.</li> </ul>
Non Domestic Buildings	<ul style="list-style-type: none"> <li>• Improved energy efficiency: 24% reduction in heating and cooling demands against 2015 levels.</li> </ul>
Transport	<ul style="list-style-type: none"> <li>• Using cars less: 10% reduction in car transport.</li> <li>• Greater use of active and public transport (walking and cycling): 6% by active transport, 20% of mileage is by public transport.</li> </ul>
Waste	<ul style="list-style-type: none"> <li>• Producing less waste: 11% decrease in overall quantity of commercial and domestic waste against 2015 levels.</li> <li>• Increased recycling rates: 61% of commercial and household waste is sent to recycling.</li> </ul>
Renewable Energy	<ul style="list-style-type: none"> <li>• Increased solar (PV &amp; thermal): 0.67 km<sup>2</sup> of PV arrays across roof space (equivalent to arrays on 58% of households) 226 MW installed capacity.</li> </ul>

- 6.8. The study will help to inform local debates, and shape local policy and actions: it identifies some of the *types of interventions* that need to happen, but not how. It is proposed that engagement and collaboration with local partners will help to shape how these interventions can be implemented.

## 7. Recommended next steps

### Further Engagement on climate action and the Draft Climate Plan

- 7.1. It is proposed that engagement be undertaken locally with partners from all sectors and especially those represented at the conference to:
- 7.1.1. gain consensus on the recommended community level actions for the Draft Climate Plan;
  - 7.1.2. fill any gaps and gain agreement on the scale of actions needed;
  - 7.1.3. agree ownership of actions, and fine tune their content; and

- 7.1.4. consult on what partnerships and forums are needed in Adur & Worthing and how these can be established to address the climate emergency.
- 7.2. The consultation will be achieved through meetings and forums established by the newly expanded Sustainability Team and promoted through council channels including the new [SustainableAW magazine](#).
- 7.3. It is proposed the Draft Climate Plan, having been through a robust process of consultation be brought back to Joint Strategic Committee in early 2021 in order to incorporate outputs from the Adur and Worthing Climate Assembly.

#### **SustainableAW: a shared framework**

- 7.4. In December 2019 SustainableAW was adopted as a shared framework for action with the intention to work with the community to develop commitments that would be included in the framework. Engagement is underway on these community level actions for SustainableAW.
- 7.5. It is proposed a report be presented to Joint Strategic Committee by the end of 2020 to formally adopt the community actions into SustainableAW with an update on progress against council actions.

### **8. Engagement and Communication**

- 8.1. Zero 2030 was coordinated through close collaboration and joint working between WCAN, TTW and the councils. It was a community engagement event, designed to bring together a diverse range of stakeholders to consider climate and ecological action.
- 8.2. The Draft Climate Plan has been developed through extensive consultation with the 125 organisations and 300 delegates that attended the climate conference. It is proposed that there be further engagement with partners on the Draft Climate Plan.
- 8.3. AWC provided considerable resources to the climate conference, in particular the services of the Facilities Team to help set up and accommodate afternoon workshops at Worthing Town Hall. There were 50 free tickets provided to council officers and members. Many council officers stewarded or volunteered at the event. The input from the Leader of Worthing Borough Council who gave a welcome speech, and from the Chief executive who chaired the session on *questions to the panel of speakers*, was noted and appreciated by many delegates.

## 9. Financial Implications

- 9.1. The costs for the Council related to the Climate conference 'Zero 2030' were minimal and were funded from the Sustainability Service Budget.
- 9.2. Any costs associated with further consultation work will be met by the existing budget within the Sustainability Service. There are no other financial implications resulting from the recommendations in this report.

Finance Officer: Emma Thomas

Date: 27/8/2020

## 10. Legal Implications

- 10.1. The Climate Change Act 2008 is the basis for the UK's approach to tackling and responding to climate change. It requires that emissions of carbon dioxide and other greenhouse gases are reduced and that climate change risks are prepared for.
- 10.2. Some of the proposed actions set out in the Climate Plan will have legal implications that will need to be considered fully as they come forward. This includes things such as local plan documents which are subject to separate legislative requirements and processes.

Legal Officer: Louise Mathie

Date: 20/08/2020

## Background Papers

- [Report to JSC 09.07.2019: Climate Emergency Becoming Carbon Neutral by 2030](#)
- [Report to JSC 03.12.2019: Platforms for Our Places: Going Further](#)
- [Report to JSC 03.12.19 SustainableAW](#)
- [International Panel on Climate Change Report of October 2018 Special Report: Global Warming of 1.5 °C](#)

## Officer Contact Details:-

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## Sustainability & Risk Assessment

### 1. Economic

- Transition to a low carbon economy is vital to provide future energy systems resilience, and to address and reduce potential impacts of climate change

### 2. Social

#### 2.1 Social Value

- The conference demonstrates the social value that can be harnessed through collaborative working with the local community.

#### 2.2 Equality Issues

- The impacts of climate change are predicted to impact on all communities, but the greatest impact is predicted to impact the most vulnerable communities. It is imperative that all is done to mitigate climate change.

#### 2.3 Community Safety Issues (Section 17)

- Matter considered and no issues identified.

#### 2.4 Human Rights Issues

- The impacts of climate change are predicted to impact on all communities, but the greatest impact is predicted to impact the most vulnerable communities. It is imperative that all is done to mitigate climate change.

### 3. Environmental

- The key driver for the Councils' Climate Emergency Declaration and commitment towards becoming carbon neutral by 2030, is avert the predicted catastrophic impacts of climate change on the environment, economy and communities.

### 4. Governance

- The delivery of a Climate Conference is a commitment within *Platforms for Our Places: Going Further 2020-22 and Sustainable AW 2020-23*.

## APPENDIX 1 - CONFERENCE PROGRAMME











### The community led Climate Conference for Worthing and Adur

Wednesday 4th March 2020 - Assembly Hall bar)



9.30	<b>Welcoming Introduction from the organisers</b> Michelle Furtado, <a href="#">Worthing Climate Action Network</a> and Pauline Cory, <a href="#">Transition Town Worthing</a>
9.45	<b>Opening Address</b> Dan Humphreys, Leader of <a href="#">Worthing Borough Council</a>
9.50	<b><a href="#">SustainableAW</a> and the Climate Emergency</b> Francesca Iliffe, Strategic Sustainability Manager, <a href="#">Adur &amp; Worthing Councils</a>
10.00	<b>Carbon neutral Adur and Worthing: what needs to happen</b> Achieving a route to a carbon free Adur and Worthing, Matt Rooney, <a href="#">Anthesis</a>
10.20	<b>Climate Change and Economic Transformation:</b> moving to a low carbon economy Alex Chapman, <a href="#">New Economics Foundation</a>
10.40	<b>Rewilding</b> Isabella Tree, <a href="#">Knepp Estate</a>
11.00	Break for 30 minutes
11.30	<b>Questions to the panel</b> Chaired by Alex Bailey, Chief Executive, Adur & Worthing Councils
12.00	<b>Just a minute x 20</b> Showcasing fantastic local projects. Chaired by Michelle Furtado, Worthing Climate Action Network
12.30	<b><a href="#">Fingerprints not Footprints</a></b> Engaging young people in positive actions, Pupils and Phil Dean, Teacher, <a href="#">Chatsmore High School</a>
12.40	<b>From What Is to What if ? - how communities and individuals can transition</b> Video message from Totnes: Rob Hopkins, Co-founder of the <a href="#">Transition Town Movement</a>
12.50	<b>Round up</b> Michelle Furtado, Worthing Climate Action
1:00	Lunch & <b>Screening of <a href="#">Help our Kelp</a></b> by <a href="#">Big Wave TV</a> for Sussex Wildlife Trust, Blue Marine Foundation, and the Marine Conservation Society.
2:00	<b>About the workshops</b> Michelle Furtado, Worthing Climate Action Network
2:20	<b>Workshop Session 1</b> Participatory spaces in various rooms (see map)
3:20	<b>Workshop Session 2</b> Participatory spaces in various rooms (see map)
4:20	<b>Next steps</b> Workshop highlights, <i>and what happens now</i> Facilitator Michelle Furtado, Worthing Climate Action

### Zero 2030 - SustainableAW Workshops

SustainableAW Workshop Theme	Workshop	Location
<b>Ecology</b> 	<b>Tony Whitbread, President, <a href="#">Sussex Wildlife Trust</a></b> Climate and nature - Restoration of ecosystems - What can we do	<b>Gordon Room</b> Worthing Town Hall, Ground Floor
<b>Climate Resilience</b> 	<b>Peter King, Director, <a href="#">Ouse and Adur Rivers Trust</a></b> The astonishing EPIC project redirecting the Sompting Stream to create a new river bed - how natural systems can contribute to addressing the climate crisis - natural flood management - benefits to wildlife and the environment	<b>Assembly Hall, Reception Room</b> (between Assembly Hall and Town Hall)
<b>Carbon Reduction &amp; Energy</b> 	<b>Developing a pathway to Carbon Neutral Adur and Worthing</b> <b>Matt Rooney, Principle Consultant, <a href="#">Anthesis</a></b> Use the <a href="#">SCATTER</a> approach to test out how we can transition to net zero carbon across Adur & Worthing - what do we need to change in our energy and transport use,	<b>Main Hall</b> Assembly Hall
<b>Water</b> 	<b>Ben Earl, Head of Water Efficiency, <a href="#">Southern Water</a></b> Reaching Target 100 – how do we secure supplies of water in a climate changed world? - The energy efficiency/water efficiency link - Campaigning for a universal water label - Benefits of water efficiency	<b>Committee Room 3</b> Worthing Town Hall, 1st Floor
<b>Transport</b> 	<b>Dr Gary Fuller, <a href="#">Environmental Research Group, King's College London</a></b> What does carbon neutral mean for transport - why do we need to change our transport behaviour	<b>Council Chamber</b> Worthing Town Hall, 1st Floor
<b>Shared Leadership &amp; Economy</b> 	<b>Steve Creed, Director, <a href="#">Creed Management Solutions</a></b> Circular economy - How can organisations and individuals address the challenges of creating a Sustainable world	<b>Education Room</b> Worthing Museum
<b>Waste</b> 	<b>Carrie Cort, <a href="#">Sussex Green Living</a>, <a href="#">Horsham Repair</a> and <a href="#">Climate Cafe</a></b> The climate impacts of waste - how communities can play a part in waste reduction & recycling - the environmental & social benefits of Repair Cafes	<b>Committee Room 2</b> Worthing Town Hall, 1st Floor
<b>Food</b> 	<b>Victoria Williams, <a href="#">Food Matters</a></b> Building capacity and action for a healthy, sustainable, fair food system	<b>Committee Room 1</b> Worthing Town Hall, 1st Floor
<b>Land Use &amp; Planning</b> 	<b>Creating a more sustainable Adur &amp; Worthing</b> <b>Jennifer Ryan, Senr Planning Policy Officer, <a href="#">Adur &amp; Worthing Councils</a></b> How can the Planning system create a more sustainable Adur and Worthing - How can we ensure the new Worthing Plan delivers sustainable development - introducing the UN Sustainable Development Goals	<b>Worthing Room</b> Worthing Town Hall, 1st Floor
<b>Ethos &amp; Spirit</b> 	<b>Emma Cameron, <a href="#">Worthing Climate Action Network</a></b> Dealing with climate and ecology grief, loss and anxiety - having a positive climate response that protects our wellbeing	<b>Richmond Bar</b> Assembly Hall,



## APPENDIX 2 - ORGANISATIONS INVOLVED/ATTENDED ZERO 2030

### 125 Organisations were represented at Zero 2030:

A Greener Alternative Ltd	Greenpeace	SJM Change Solutions Ltd
Action in Rural Sussex	Greg Harper Music	SLF Research
AD Fuels Ltd	Guild Care	Solesco Co-Operative Ltd
Adur & Worthing Councils	Hastings Borough Council	Sompting Estate
Adur District Council	Hawton Mead Sustainability	Sompting Parish Council
Anthesis	Consultancy	South Downs National Park
Architect	Henry House Hot Pool &	South East Climate Alliance
BHESCo	Therapy Centre	South-by-West Ltd
Breathing Spaces	HMRC	Southern Water
Brighton Energy Co-op	Horsham Climate Cafe	Space Doctors
Brighton & Hove City Council	Horsham Repair Cafe	Sussex Community NHS
Brighton & Hove Food	Independent Ecologist	Foundation Trust
Partnership	Inshore Fisheries &	Sussex Green living
Brighton University	Conservation Authority	Sussex NHS Trust
Business Consultant	Inside Worthing	Sussex Sea Search
Chatsmore Catholic High	Keep Lancing Lovely	Sussex University
School	King's College London	Sussex Wildlife Trust
CityFibre	Knepp Estate	Sustainable Business
Coastal West Sussex	Lancing Parish Council	Partnership
Colonnade House	Larder	Sustrans
Community Chest	Lewes District Council	The Conservation Volunteers
Community Energy South East	Lux Perpeuta	Thomas Becket Junior School
Community Works	Maybridge Community Church	Time Out Fostering
CPRE Sussex	Meaningful Events	Transition Chichester
Crawley Borough Council	Member of Parliament	Transition Town Worthing CIC
Creed Management Solutions	Mid Sussex District Council	Tree Action UK
Doctor	Mind Your Wildlife Manors	Unum Limited
East Preston Parish Council	New Economics Foundation	Warmer Sussex
East Sussex County Council	Ouse & Adur Rivers Trust	Warnes Projects
Eco Step-by-Step	Paper Round	West Sussex County Council
EYE Project (Eco, Young &	Plastic Free Worthing	Whytemead Primary School
Engaged)	Raise Bakery	Worthing Climate Action
Environment Agency	RandDTax	Network
Environmental Life	Recycling In Lancing	Worthing Community Chest
ETI Ltd	Refill Lancing	Worthing Digital
Findon Valley Residents'	Refill Worthing	Worthing Eco Open Houses
Association	RetrofitWorks Ltd	Worthing Fairtrade
Food Matters	Ricardo	Worthing High School
Freecycle	Royal College Psychiatrists	Worthing Homes Ltd
Friends of Shoreham Beach	CCQI	Worthing Repair Cafe
Local Nature Recovery Pp	Safe in Sussex	Wowbagger Productions
Friends of the Earth	School of the Wild	XR Shoreham
Futurecologic	SH2030	XR Worthing
FutureGov	Shoreham by Cycle	YMCA DLG
Good Tech Conf	Shoreham Harbour	
Green Tides	Regeneration	
Greenhavens Network	Sim Brody development	

## APPENDIX 3 - FEEDBACK

### Feedback received by email within 24hours of the event

*An excellent event yesterday. There were a fantastic range of community stakeholders in the room, and it was clear how A&W Councils are leading the way with climate and food resilience. **Fran Southgate, Sussex Wildlife Trust***

*Wow! You've set the bar high. I'll be using it as a benchmark for what is done in Chichester when it starts on its Climate Emergency Action Plan. Today was just what I needed. I'm still reflecting on how good Zero2030 was and enthused about it to my colleagues at XR Chichester. So much so that they want to see how we could replicate it in Chichester. Would you be willing to come and talk to us about it? **Tom Broughton, Chichester Transition/XR, SECA and Solesco***

*You are all brilliant, what more can I say? Thank you for inviting me to be part of your ground-breaking event! **Carrie Cort, Sussex Green Living, Horsham Transition/Horsham Climate Action***

*Fantastic climate conference in Worthing today. Zero 2030 opened the council's doors to a panoply of local green groups, school students, local businesses and experts. Congratulations to everyone involved. Great to see a pro-active local council teaming up with community groups to make change happen. **Geoff Barnard, Greening Steyning, South East Climate Alliance***

*Fantastic day with great and inspiring contributions from everyone and Chatsmore pupils you rock! **Julia Carrette, Director, Transition Town Worthing***

*It's great to see such enthusiasm to address the biggest issue of our time and I know with such passionate people, plus a good chunk of political will, we can achieve so much. **Edward Crouch, Councillor, Marine Ward***

*Congratulations on such a stimulating and beautifully organised event. **Isabella Tree, Conservation pioneer, award-winning author, Speaker at Zero 2030***

*Very proud to be a Worthing resident right now. **Jean Raleigh, Plastic Free Worthing and owner of Larder, Zero Waste Store***

*You smashed it! What a great turnout. **Naomi Wildey, Community Chest***

*We both really enjoyed today, so informative, thank you for all your hard work in putting the event together. So much food for thought. **Trudy Wyatt, local resident***

*Amazing and very well organised day at Worthing Zero 2030. Excellent, knowledgeable and academic presenters from the start. Very well supported by Adur and Worthing Councils. I am thoroughly exhausted! You really cracked it. Fingerprints not Footprints you really are leaders of the future! **Liana Naylor, Owner - Inside Broadwater, Tarring and Durrington magazine***

# DRAFT CLIMATE PLAN FOR ADUR & WORTHING

## Introduction

This **Draft Climate Plan** takes the incredible amount of energy and ideas from the Zero 2030 conference and distils them into our aims, ambitions and actions.

The aims are overarching goals – targets we need to strive towards when taking action to reduce Adur and Worthing’s climate and ecological footprint. We need to aim towards zero carbon emissions by 2030 and see a dramatic increase in the number of plants, insects and animals we see in our towns.

We have listed many of the projects, programmes and organisations, all of whom are working hard to create positive changes and improve our environment. Where possible, we want to support and grow these projects, who already deliver on so many of the actions we need.

Our action points are strategic – this means they are not detailed but they provide a direction of travel to achieve our aims. This will allow the variety of groups and organisations to use this action plan when going for funding or building partnerships, seeing what actions their projects fit to or expand upon. By working to this action plan, we can ensure that the variety of projects and programmes move in the same direction, towards zero carbon whilst growing biodiversity.

Adur and Worthing have a wealth of talent, enthusiasm and dedicated people, groups and organisations who understand the urgency and necessity for change. By working together, building new networks and partnerships and promoting projects widely, we can harness this energy and focus results.

Many of the themes and their action points are cross-cutting and related. For example, a project to limit flooding in a particular street, might also have wildlife benefits and in turn benefits to residents, through a more beautiful place to live. This is to be expected and embraced; projects and programmes which deliver multiple benefits for more people are likely more sustainable in the long run.

The solutions for climate change and the ecological crisis cover all levels of governance, from the United Nations and central Government to our individual lives. We must push for top-level change, whilst building local adaptation and mitigation, making the necessary reductions on our collective carbon emissions and ecological footprints. Both strategies are needed, and we will encourage and support all action that achieves these aims.

Adur & Worthing Councils (AWC) have produced their own, internal action plan, [SustainableAW](#). This Climate Action Plan is for everyone in our area – it will take all our efforts to achieve rapid and positive changes. By working together, Adur and Worthing residents, visitors, businesses and services, can forge a greener, cleaner and healthier environment for us to live, work and play.

Michelle Furtado, Worthing Climate Action Network

## ECOLOGY

Our aim is for Adur and Worthing to be rich and diverse in wildlife, with connected spaces from the Downs to the sea where people actively encourage and enjoy nature in their gardens, streets, communities and green spaces.

What is already happening locally:

<a href="#">Green Tides</a>	Volunteer partnership representing 40 Friends and green spaces groups and organisations across Adur & Worthing. The Forum supports and promote the network, whilst working strategically. Currently supporting the development of Wildflower Trail.
<a href="#">Transition Worthing Greenspaces</a>	Manage three community growing spaces; The Haven (Homefield Park), The Triangle (Pavilion Road) and May Close Community Allotment. Supporting the community in food growing and wildlife friendly projects.
<a href="#">EPIC Sompting</a>	'Enhancing Places, Inspiring Communities' has restored 1km river through Sompting, with hundreds of new trees and kilometres of new hedgerows.
<a href="#">Sussex Wildlife Trust</a>	Management of nature reserves, provider of advice and data for landowners and educational activities for the public. Currently working on 'Help Our Kelp', pollinator corridors and flood management.
<a href="#">Arun to Adur Cluster Farm Group</a>	Network of farms which work to deliver improved landscapes and farming practices for the benefit of wildlife at landscape-scale. Projects include ecology surveying and research of soil management in farming practice.
RSPB	The <a href="#">Adur Estuary Nature Reserve</a> is rare and wild saltmarsh is just a few minutes walk from Shoreham-by-Sea. Access is restricted, but you can enjoy views from nearby footpaths.
<a href="#">Friends of Shoreham Beach Local Nature Reserve</a>	In June 2006 Shoreham Beach was declared a Local Nature Reserve (LNR). This is due to its vegetated shingle habitat, which is rare worldwide.
<a href="#">Adur &amp; Worthing Councils Biodiversity Programmes</a>	AWC is committed to reduce mowing, encouraging more wildflowers and implementing wilding and tree planting programmes.

What Needs to Happen Next:

- Create more spaces where wildlife can thrive and connect these spaces across our towns by planting more trees, wildflowers and wild areas, allowing species to move throughout our urban environments more safely.
- Make sure nature-based solutions for climate change are considered by decision-makers when planning for our future.
- Promote the range of benefits associated with gardening for wildlife, encouraging more people to make spaces in their gardens and streets for nature.
- Inspire and educate children and adults in the joy of nature, building communities who care about the wildlife living on our doorsteps.
- Ensure that activities and action is coordinated across Adur and Worthing, to better promote projects, encourage more people to get involved and maximise the opportunities for wildlife to thrive.

We have just experienced a drastic change to our lives, during the coronavirus crisis. For those of us who were not directly affected, we were lucky to benefit from a glorious spring. Many people have discovered a newfound urge to encourage nature, grow their own food and enjoy their local green spaces. Our volunteer groups have reported an uplift in people who want to get involved growing and championing green spaces and our wildlife.

By harnessing this energy and joining our efforts up, we can work towards achieving more wild and natural spaces. Even the humble Dandelion can support many different types of insects and provide ‘puddles of sunshine’ for us on concrete pavements. We can stop the disappearance of species from our urban environments and create places buzzing with lots of little lives.

In 2030 we want to see a return of many of our beloved species into our gardens and parks, with the enjoyment of watching and experiencing our living world, on our doorsteps and our wide environment, shared by children and adults alike.

## CLIMATE RESILIENCE

Our aim is that Adur and Worthing is able to cope with changes to our weather systems, including hotter, drier summers, with predicted heatwaves, droughts, and wetter winters, with greater risks of flooding.

What is already happening locally:

<b>Tarring Flood Group</b>	Residents group working to prevent surface area flood damage to property and infrastructure. Multiple projects include ‘Adopt A Drain’ and the development of rain gardens, to slow excess rainfall.
<b>Tree planting projects</b>	Various groups and organisations are working to plant more trees across Adur and Worthing, including Green Tides members, TCV, Tree Action UK and AWC. Trees slow rainfall through the canopy, help drainage, absorb water, sequester carbon and provide urban cooling.
<a href="#"><u>Eco Open Houses</u></a>	Open houses trail across Adur and Worthing, showcasing home improvements that reduce carbon emissions and create resilience for drought or flooding events.
<a href="#"><u>Shoreham Port sea defence upgrades</u></a>	Major improvements to the sea defences to protect the port infrastructure from sea level rise.
<b>Coronavirus Mutual Aid Groups</b>	During the Covid crisis, neighbourhood groups in <a href="#"><u>Worthing</u></a> , <a href="#"><u>Shoreham</u></a> and <a href="#"><u>Southwick and Fishersgate</u></a> , organically formed to ensure the most vulnerable people in their communities were cared for.
<a href="#"><u>EPIC Sompting</u></a>	The restoration of 1km of river includes natural flood management systems, ensuring rainwater is slowed across a landscape, creating important habitat and protecting water sources from pollution.

What Needs to Happen Next:

- Work with AWC and other partners to support public and private realm interventions that reduce the impact of heating and flooding, for example small-scale SUDS around our towns that can be used as learning opportunities.
- Support existing groups and projects to widen their reach and impact and share good practice, building upon [SustainableAW](#) magazine and using social media and local networks to widen our scope.
- Develop a ‘Climate Resilience Fund’ for local community organisations to access, enabling their work to become sustainable by covering some core cost funding annually.
- Educate and empower our community to take action in their individual lives and understand the impact that our choices make on the environment.
- Build upon the local mutual aid networks to create neighbourhood resilience, helping neighbours to watch out for vulnerable members of their communities, sharing resources and create caring communities.

We build resilience by forming networks and partnerships, be that with our friends, neighbours or through collaborations with other organisations. In our towns and cities, climate resilience will mean protecting the ability of our services to run during extreme weather events, most likely drought or flooding in our area. Resilience will also mean creating local food security and ensuring our residents have access to resources during this transition, the skills to repair and share effectively.

Already we have a wealth of examples where resilience is being delivered, through rain gardens and household improvements, to natural flood management and emergency planning for essential services. The groups and networks which already exist are themselves great examples of community collaborations, ideas in action and inspiring stories. As we expand local digital capacity, we can innovate working practices and rethink our public realm.

In 2030 our vision is that Adur and Worthing have happy, healthy residents, who can feel confident that their water, food and energy supplies will continue to work during challenging times. Our towns will be places where businesses and visitors generate a vibrant local economy, with buildings, streets and estates prepared for predicted shifts to our weather and coastline.

## CARBON REDUCTION

Our aim is for Adur and Worthing to have reduced its carbon emissions to zero; with homes and businesses using renewable technologies for heating and energy, people choosing active travel and waste now used within a circular economy.

What is already happening locally:

<b>Adur &amp; Worthing Councils</b>	The council has declared a Climate Emergency and is fully committed to <a href="#">reducing their carbon emissions</a> across their estate and services. It has taken the UK 100 Cities Pledge and developed a <a href="#">Carbon Neutral Plan</a> .
<b>SCATTER analysis</b>	The use of this tool by the council, has provided an analysis of what carbon reduction measures as required to achieve zero carbon by 2050. It plots various emission reductions across different areas to see how carbon can be reduced.

<a href="#"><u>Eco Open Houses</u></a>	Open houses trail across Adur and Worthing, showcasing home improvements that reduce carbon emissions and create resilience for drought or flooding events.
<a href="#"><u>Care Without Carbon</u></a>	Worthing Hospitals are involved in the NHS scheme to reduce carbon emissions across the health estates.
<a href="#"><u>FingerPrints not Footprints</u></a>	Group of young people at Chatsmore Catholic High School (now Oscar Romero Catholic High School) who actively challenge the excessive use of carbon and promote sustainability.
<a href="#"><u>Local Energy Advice Partnership</u></a>	LEAP offers a service to householders across Adur and Worthing to reduce their energy use, carbon emissions and energy bills.
<a href="#"><u>Sustainable Business Partnership</u></a>	Offers energy audits and grants to businesses to reduce energy use and carbon emissions

#### What Needs to Happen Next:

- Educate and promote widely the importance of understanding our own personal, household and organisational carbon footprint, including understanding how carbon is embedded in the things we buy and use, and what steps we can take to reduce these footprints.
- Support ecological projects that help sequester carbon, such as changing farming practices, planting trees, enhancing chalk grassland and saltmarsh, or returning kelp forests to our shores.
- Build on the Eco Open Houses project and develop an Adur and Worthing network of case studies, showing the costs and reductions in energy bills and carbon which can be achieved by households and business.
- Break the chains of fossil fuel use and investment by transforming our energy supplies, reducing energy demand, lobbying for divestment, and consuming more wisely.
- Work with communities and people who need extra support to improve their homes, making them warm and reducing their energy bills.
- Support the public, business and industrial sectors to reduce carbon through sharing good practice, promoting funding opportunities and developing local case studies

Reducing carbon is another theme which links to many others. Everything we do, use and throwaway has a carbon footprint. The main source of carbon generated in Adur and Worthing comes from our household energy use, when we cook, heat, light our homes and entertain ourselves. This use also applies to business and industrial buildings, adding to our areas overall carbon footprint. Transport and waste make up the remaining bulk of emissions.

We can reduce our energy demand by insulating our homes and choosing efficient appliances and goods. We can choose to install renewable technologies or use green energy suppliers, walk and cycle more, work from home and reduce the amount of waste we send to landfill. We can eat local and seasonal food produce, from farms that respect soils and nature. We can learn to recognise casual consumption, choosing to enjoy community, culture and experiences over fast fashion, short-lived gadgets or the latest fads. All these choices will reduce our carbon load and when taken together will make significant reductions.

Our aim by 2030 is to have communities, organisations and businesses who understand and be actively reducing their carbon footprints towards net zero. We will have secured investment and built networks and partnerships to support our areas ambitions.

## ENERGY

Our aim is for Adur and Worthing to be reduce energy demands from fossil fuel based sources through energy efficiency and improved insulation, powered by affordable, renewable energy, minimising carbon emissions and having efficient, futureproofed infrastructure to keep our towns running.

What is already happening locally:

<b>Transition Worthing Shop</b> – <b>Town Energy</b>	The Energy Shop helps people reduce their energy costs by finding the cheapest available prices and make household improvements to reduce energy loss and wastage.
<b>Shoreham Port</b>	Shoreham Port is one of eleven ports to hold Eco Port status, with <a href="#">two 100 kW wind turbines</a> and a 2.2 MW PV array.
<b>Brighton Cooperative (BEC) and South Downs Leisure</b> <b>Energy</b>	100kWp system installed at Splashpoint Leisure Centre with additional panels installed at Worthing Leisure Centre. BEC are a community-owned energy company.
<b>Brighton and Hove Energy Cooperative (BHESCO) – Solar for Schools</b>	Eight schools across Sussex have benefited from the installation of solar pv panels on site, providing considerably reduced costs for energy and once the upfront costs are repaid, free energy for the lifetime of the panels.
<b>Local Energy Advice Partnership</b>	LEAP provides free energy advice to reduce energy wastage for low income families across Sussex to help tackle fuel poverty.
<b>West Sussex County Council's Solar Schools Programme</b>	West Sussex have installed solar photovoltaic arrays on 17 schools in Adur and Worthing totalling 1312kWp.
<b>Adur &amp; Worthing Councils</b>	The councils have installed solar PV on their two main civic buildings: reducing carbon emissions and producing renewable energy to power council service delivery.
<b>Sustainable Business Partnership</b>	Offers energy audits and grants to businesses to reduce energy use and carbon emissions
<b>Solar Together programme</b>	The councils are working with LAs across East and West Sussex to introduce a bulk buying, high quality, offer to residents to buy quality assured, discount price solar photovoltaic systems and battery storage for their homes

What Needs to Happen Next:

- Expand the Solar Schools programme, ensuring all local schools benefit from significant short-term reductions in energy costs, with free longer-term energy and using the installations as learning opportunities for their pupils and parents.
- Build capacity through training and networking for local builders and boiler installers to effectively support the installation of non-gas heating and cooking options, and promoting government financial incentives for these systems.



- Widely promote Government grants and the benefits of installing renewable energy technologies, home insulation and the savings gained, aiming to monitor progress as installations are delivered.
- Significantly expand renewable energy generation throughout Adur and Worthing
- Reduce fossil fuel energy use through insulation, energy efficiency and efficient services programmes for all sectors

How we heat, light, cook and use technology, both at work and home, must change significantly to meet our commitments under the Paris Agreement. We need to move away from energy that comes from fossil fuels, such as oil and gas, to using solar, wind and heat from the air or ground.

There are several financial initiatives to support the change to these systems for domestic and non-domestic energy use. We need to make more of these and build local capacity, creating jobs to fulfil our needs. This presents great opportunities for our towns by creating skilled jobs, reducing energy costs for everyone and bringing investment. We need to manage energy capacity locally and improve community energy storage.

By 2030 our energy must be delivered to homes and businesses without the use of fossil fuels.

## WATER

Our aim is for Adur and Worthing to have great quality rivers and seas, with water captured and used by homes and business and places protected from flooding or drought.

What is already happening locally:

<b>Southern Water</b>	Utility company who undertakes outreach work with communities to deliver water saving advice, free <a href="#">home visits</a> for water efficient use, environmental management projects and improving water quality.
<a href="#">Sussex Flow Initiative</a>	Multi-partner project working with landowners, local communities and others to naturally slow down and store flood water in the landscape through advocacy and delivery.
<a href="#">Help Our Kelp</a>	Large-scale exclusion zone for trawlers offshore, with the intention to rewild large areas of kelp forest, a species of seaweed. The project will increase wildlife, improve water quality and help absorb carbon as the restored kelp forests grow. Currently awaiting government approval of a Byelaw for a trawler exclusion zone.
<a href="#">Ouse and Adur Rivers Trust</a>	From small scale habitat enhancements to engineering new channels, water quality improvements to natural flood management the range of project work is diverse. The focus is to make rivers better in a sustainable and cost-effective way and enable individuals and communities to get more involved.
<a href="#">Worthing Bathing Water Enhancement Project</a>	Collaboration between Southern Water, Worthing Borough Council, WSCC, Environment Agency and local residents to improve bathing water quality for Worthing Beach by reducing pollution from missed connections, animal faeces on beaches, and providing extra sewer maintenance and cleansing.

<a href="#">Marine Conservation Society Big Beach Clean</a>	Annual event which feeds into national data collection and reports on the cleanliness of our beaches.
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What Needs to Happen Next:

- Implement Sustainable Urban Drainage systems (SUDs), visibly throughout Adur and Worthing, using these as educational tools and encouraging greater take up by homeowners and business.
- Encourage greater uptake of water saving measures through promoting more widely the activities undertaken by Eco Open Houses participants and Southern Water customer programmes.
- Reduce the amount of waste and rubbish which enters our streams, rivers and the sea by encouraging active participation of regular litter picks and making dropping rubbish or discharging waste to water sources unacceptable.
- Support homes and businesses in the collection of rainwater, for use in gardens and green spaces, or in the longer term to supplement water use within buildings.
- Monitor and evaluate water quality in rivers and our seas by developing citizen science projects and supporting annual monitoring beach cleans.

We often take water for granted; we turn on the tap and out it comes. Increasingly, our water supplies will be affected by drought conditions during summer periods and flooding will be exacerbated during the winter months. Our towns are identified as being within ‘water stressed’ areas. To protect ourselves against extreme weather events, we need to look carefully at our public spaces, putting in measures to reduce flood risks and capturing water to use in our gardens. These measures might take the form of rain gardens, sustainable urban drainage systems (SUDs) or water butts.

The quality of our water will be improved by less discharge into water supplies from industrial processes or from farms, and a reduction in the amount of litter reaching our rivers and seas. We can all play our part in this by taking rubbish home or joining any number of the litter picks that already take place across our area.

In 2030 we need to be collecting and storing water, reducing the flow into our drains by slowing rainfall through our environments and keeping our waters clean and clear. Our rivers and sea will be of good quality, supporting wildlife and providing beautiful places for the enjoyment of residents, visitors and wildlife.

## TRANSPORT

Our aim is for Adur and Worthing to be a place where people feel safe and secure to walk or cycle, use zero emission public transport or car share options and minimise the amount of traffic and pollution in our towns and its associated carbon emissions.

What is already happening locally:

<a href="#">Shoreham By Cycle</a>	Campaigning to improve cycling provision and conditions in and around Shoreham. They want cycling to be easy and enjoyable and the first choice for travel around the area.
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<a href="#">Worthing Cycle Forum</a>	Volunteer network campaigning for better cycling provision in and around Worthing. They have been instrumental in working with AWC to develop the Local Walking & Cycling Plan, to bring in investment to deliver the necessary improvements.
<a href="#">Worthing Hospital Park &amp; Ride</a>	As part of their 'Green Travel Plan', Western Sussex Hospitals Trust have introduced a free Park & Ride service between their hospital sites. This has significantly reduced the number of vehicles travelling between sites and made more parking available on sites for patients.
<a href="#">TTW Transport Group</a>	This group has tackled air quality and promoted the use of public transport, cycling and walking.
<a href="#">Sussex EV's</a>	Community for Electric Vehicle (EV) owners and those with an interest in renewable technologies. The group meets regularly and supports those who want to take the step to EV's.
<a href="#">AREA</a>	Adur Residents Environmental Action group monitor air pollution and provides information about the effects of this on our health.
<a href="#">Easit Adur &amp; Worthing</a>	Discounted travel scheme for Adur & Worthing Council staff to access reduced bus and train fare, and discounted bicycles.
<a href="#">Local Cycling &amp; Walking Infrastructure Plan</a>	The council produced this Plan which defines cycling and walking infrastructure needs, providing a guide for investment and connectivity across the area. Developed through the Adur and Worthing Walking and Cycling Action Group.
<a href="#">WSCC led EV network</a>	A new extensive, accessible, renewable powered EV charging network is planned for the county, first installations expected early 2021.
<a href="#">Donkey Bikes</a>	Highly successful bike sharing scheme operating in Worthing
<a href="#">Ricardo</a>	Engineering firm based in Adur working on hybrid and fully electric vehicle development
<a href="#">Durrington Community Cycle Project C.I.C</a>	A wholly charitable organisation set up to provide and maintain a fully equipped cycle workshop for free use by the community with the support of volunteer skilled mechanics.

#### What Needs to Happen Next:

- Support the expansion of high quality, well used cycle infrastructure for Adur & Worthing enabling a preferred choice of cycling over car use especially for shorter journeys across Adur and Worthing.
- Build partnerships between transport providers and community organisations to promote public transport whilst they move towards zero-carbon targets, for example by having all buses running fully electric.
- Enable mass bicycle events, cycle training for adults and children, walking trains to school, Schools Streets and active travel plans for businesses and organisations.
- Support the monitoring of air pollution and idling by community organisations, widely promoting the results, the effects of air pollution on health and the benefits of changing our behaviours.
- Seek to reduce the numbers of cars needed by communities, encouraging the development of car sharing schemes, such as car clubs or lift share schemes for businesses, explore technology and innovation to drive uptake and ease of access.

Transport which uses fossil fuels, petrol or diesel cars, vans and lorries, is the third largest source of carbon emissions in Adur and Worthing. It also causes air pollution, which is now being linked to

more and more physical health conditions and may also impact mental health. By moving away from transport fuelled by fossil fuels, we will be gaining many benefits throughout our towns.

During the coronavirus crisis we saw a huge increase in the number of people able to work from home, with many reporting a better work-life balance because of it. People also dusted off their bikes and used the empty streets to travel more efficiently, improving their health and taking more interest in their local environments. The Government wants there to be a renaissance of cycling across the country and has provided grants to all councils to implement better cycling infrastructure. If we can support this transition, encouraging confidence in those who haven't cycled in a long time (often due to the amount of traffic encountered on roads), our communities will gain through improved health, air quality and nicer environments.

In 2030 we want most people to choose walking and cycling for short journeys and to get into our towns. Adur and Worthing has shifted largely to electric vehicles, with good supporting infrastructure through a network of accessible charging points, sharing car schemes and with joined up public transport choices.

## SHARED LEADERSHIP & ECONOMY

Our aim is for Adur and Worthing to support a thriving local economy, supporting entrepreneurs and large businesses who work together in making our towns are sustainable and attractive places to live and work, maximising the benefits of a green recovery.

What is already happening locally:

<a href="#">Sustainable Business Partnership</a>	This not-for-profit Community Interest Company works with businesses, social enterprises and public sector organisations to help them reduce costs and environmental impact through improving resource efficiency, as well as those in the environmental and low carbon sectors to help them develop their businesses and create a local, low-carbon economy.
<a href="#">Inside Magazines</a>	Local publications supporting community organisations and local business in and around Worthing. Liana, who manages these, is undertaking a sustainability Masters degree and is fully committed to supporting local sustainability efforts.
<a href="#">Here &amp; Now Magazine</a>	Monthly magazine focussing on the creative communities in and around Worthing. There is a regular column featuring sustainability projects written by Transition Town Worthing.
<a href="#">FingerPrints not Footprints</a>	This group is building links with local businesses through parents' networks to encourage sustainable activity outside of their school.
<a href="#">Proto Restaurant Group</a>	This group has woven sustainability into its business plan, with an emphasis on choosing locally produced, high-quality food, reducing waste and recycling as much as possible, and supporting their staff in reaching work by active travel options.
<a href="#">A Greener Alternative</a>	Local specialist in renewable heating technologies.
<a href="#">Adur &amp; Worthing Climate Assembly</a>	The councils are delivering a Climate Assembly over the autumn of 2020 giving local residents the opportunity to engage with the

	challenge of the climate emergency and input their thoughts on what we can all do to address climate change.
<a href="#">SustainableAW Magazine</a>	Created by the councils to spotlight local activity on the Climate Emergency and ecological crisis and promote greater engagement across all sectors and communities.

What Needs to Happen Next:

- Ensure we look after the health and prosperity of all our communities as we address the climate challenge
- Develop a coalition of businesses who share sustainability values and ambitions, support them in the delivery and sharing of advice and projects, exploring the potential for a circular economy.
- Lobby and apply for strategic funding through the Local Economic Partnership to support companies and organisations which enable sustainable economic growth and build this into economic decision-making.
- Build a local metric which looks beyond Gross Domestic Product (GDP) to incorporate the health, happiness and wellbeing of local residents and employees, using this to see the wider value of sustainable action and ecological improvements.
- Educate and empower businesses to look beyond perpetual growth, exploring new economic models, such as circular economies and degrowth.
- Build and promote local entrepreneurs who deliver bespoke and unique businesses and services, encouraging local economic activity through local loyalty schemes or currencies.
- Use the coronavirus crisis to support a green recovery, helping businesses to align their practices and services in ways which grow economic activity without harming our environment.

Often the work we do defines a large part of our how we see ourselves, creating a sense of purpose and self-worth. When people find themselves out of work, this contribution to society is diminished and can impact greatly upon the persons' mental health. Moving Adur and Worthing towards the ambitions defined in this action plan will mean work, a lot of work. We can create significant employment locally, upskilling people and leading a green recovery.

Our existing businesses and enterprises will need to collaborate and partner, viewing waste as resources, using their combined purchasing powers and innovating through new networks. Thriving local economies are those where the money generated, remains local, being spent in our unique shops and services and limiting the amount disappearing into larger, global corporations.

We also need to recognise that perpetual growth on a finite planet is impossible. Thriving local economies circulate money within themselves, providing employees with opportunities outside of work, for example through local volunteering, or supporting social aims beyond solely profit margins. Increasingly, companies are ensuring their workforce wellbeing and seeking to enrich and support the communities where they are established.

In 2030 we see Adur and Worthing having a wide range of businesses and entrepreneurs who work collaboratively to create sustainable economic activity. Waste is viewed as resources for others, the energy needed to work comes from renewable sources and companies see employee wellbeing as integral to their success.

## WASTE

Our aim is for Adur and Worthing to have maximised the amount of recycling collected, with most people able to compost food waste and choosing to reduce, repair, reuse and recycle their waste.

What is already happening locally:

<a href="#">West Sussex Waste Partnership</a>	Council partnership to ensure the correct waste disposal, recycling and waste prevention across West Sussex. Their work includes an outreach volunteer team who attend community events to educate the public.
<a href="#">Plastic Free Worthing</a>	Campaign and practical action group who takes action to prevent pointless plastic pollution through education and beach cleans.
<a href="#">Refill Worthing</a> <a href="#">Refill Shoreham</a> <a href="#">Refill Lancing</a>	Part of the national <a href="#">Refill</a> scheme, the local network encourages businesses and organisations to become Refill Stations, providing free refill for reusable flasks and bottles.
<a href="#">Recycling in Lancing</a>	Long established organisation which works to recycle a multitude of items not normally collected by recycling services. It turns the collections into funds for local community groups.
<a href="#">Repair Café</a>	Another successful Transition Town Worthing project, with volunteers regularly taking items for repair, extending their life and reducing waste.
<a href="#">Paper Round</a>	Recycling service, originally founded by Friends of the Earth in 1988, now offering exceptional levels of recycling for sector wastes and promoting the circular economy.

What Needs to Happen Next:

- Implement/promote green and food waste collections, enable community composting schemes and continue to increase the amount of waste which can be recycled by widely promoting what can and cannot be recycled to homes and businesses.
- Support waste and recycling organisations to expand of their work, limiting the amount of pointless plastic used throughout services and businesses and encourage refillable or recyclable packaging.
- Promote food waste reduction to achieve reductions in waste to landfill/incineration
- Support the expansion of the Repair Café and its aims and ambitions, promoting the repair of consumer goods, upskilling people across our communities and promoting upcycling and sharing of resources.
- Lobby for supermarkets and other local businesses to reduce their waste and introduce take-back schemes for packaging or old products.
- Create a sharing economy by enabling organisations and individuals to seek resources and equipment from each other, creating shared storage spaces and encouraging swap-shops.
- Work with businesses to improve recycling, reuse and composting in the commercial, industrial and construction sectors and to reduce waste to landfill/incineration

Most people understand that recycling is a good thing. We can still do better, with many items thrown in general waste that could be recycled. Increasing the understanding and ease for people to recycle will help reduce the costs and environmental harm associated with landfill or incineration. Responsibility should also fall on those who produce and sell products, with the introduction of take-back schemes, better packaging, and an ability for the repair of goods purchased. Already some

really successful projects are up and running in our area, which could be expanded and supported to deliver more.

Food waste is one area where we lose a lot by not using this precious resource. When food is still edible, we need to make sure that it can be effectively distributed to those who need it across our communities. The newly formed Food Partnership will help support this work. If food cannot be distributed, we should be collecting it and composting it, returning the nutrients to our soil and once again, putting natural cycles into human systems. Where possible composting should take place in homes or businesses, but many successful community composting or services are in place across the country and these can be replicated locally.

The questions and messages we need to ask ourselves are, whether we need to buy new or can we borrow or repair the goods we need? If we no longer need something can others in our community use it? How can something unwanted be reused, upcycled or recycled in the best way? We should be asking ourselves all of these before we throw things away.

If we do need to buy something new, can we reduce the waste involved, by refilling or using reusable containers. Convenience in our modern world has been bad for our environment, with the effects now very visible and impacting on our own health.

Adur and Worthing in 2030 should have exceptionally high rates of recycling, with no food waste. When we shop, we do so mindful of the cost beyond money and we actively seek to share, repair and reuse.

## FOOD

Our aim is for everyone in Adur and Worthing to have access to good quality, local food where our communities understand how food is grown and produced, and why choosing healthy and sustainable options is good for them and the planet.

What is already happening locally:

<a href="#"><u>Food Pioneers</u></a>	Organisation with several distinct projects creating food-based experiences that enrich our communities and celebrate our natural environment. Current projects include Worthing Honey Collective and Neptune’s Larder.
<a href="#"><u>TTW Seed Swap events</u></a>	Annual event encouraging the sharing of seeds and plants to build resilience in our local food systems. The event showcases the work of local nurseries, community projects, creators and makers.
<a href="#"><u>A new Adur &amp; Worthing Food Partnership</u></a>	The development of a new Adur & Worthing Food Partnership, being led by Community Matters, will bring together food banks, local growers and local community food projects to help create a fairer, more accessible, more sustainable food system.
<a href="#"><u>Worthing Food and Drink Festival</u></a>	Worthing Town Centre Initiative run this annual event to showcase local suppliers and produce.
<a href="#"><u>Community growing and allotments</u></a>	Adur and Worthing has a thriving allotments sector with many active and effective Allotment groups. Several community growing and



	allotment projects exist across Adur and Worthing. All support communities to learn about growing food and the benefits of fresh, tasty produce.
<a href="#"><u>Sompting Estate</u></a>	Three farm estate which has been exceptional in connecting with the community and providing spaces for major community projects.

What Needs to Happen Next:

- Develop the Food Partnership into a strong and successful network, where groups and organisations support each other’s aim and ambitions, promoting local producers and enabling more community growing projects.
- Greater education and promotion of sustainable food: people recognise where their food comes from, food miles, farming practices, what is healthy and sustainable and why it is important for their health and our living world to choose a more plant-based, local diet.
- Ensuring that no-one in our community goes hungry, that foodbanks can provide local, healthy options alongside donated provisions and that these systems work efficiently and collectively with our most vulnerable residents.
- Bring people together to cook and share their food, teaching important life-skills to young people and sharing the knowledge from our older generations.
- Support schools and colleges to educate pupils about their food, teaching them important life skills, supporting their independence and welfare.

Food is vital for life and no one in our community should go hungry. Whilst foodbanks have filled some gaps in our social systems, they rely on donations and still significant amounts of food are wasted every day in our area. The Food Partnership will bring together the range of organisations involved in collection and distribution, to create robust systems and networks, reducing waste and making better use of available food for our communities.

We also want to encourage and promote local growers and producers, localising food distribution and limiting the amount of food miles we need to feed our communities. Supporting small scale farmers can also favour better farming practices and provide access to education about where our food comes and how it is produced. By understanding farming, particularly meat production, we can change how people value their food, knowing the care and work involved in rearing animals and growing crops. The shift to vegetarianism and veganism, or even by eating better quality but less meat in our diets, will also improve community health and limit farming environmental impacts.

Allotments and home food growing has seen an increase of interest in recent years and a significant boost during the coronavirus crisis. Home grown produce tastes delicious and even in the smallest spaces we can grow enough improve the quality of nutrients we consume. Community food growing and cooking projects improve their participants wellbeing, giving people confidence and new skills.

In 2030 we would like to see our communities eating great quality food, much of which is sourced locally and seasonally, with no one going hungry or suffering from malnutrition. People can easily access projects, learning to grow and produce food at home or in shared spaces and who also, actively choose locally farmed produce.

## LAND USE & PLANNING



Our aim is for Adur and Worthing to have high quality, sustainable built environment, that support our sustainability ambitions and use our limited land resources carefully, maximising benefits for communities, economy and wildlife.

What is already happening locally:

<a href="#"><u>Shoreham Harbour Regeneration</u></a>	The plan sets the strategic development and land-use priorities for the Shoreham Harbour Regeneration Area up to 2032 and contains the policies against which development management decisions within that area will be made.
<a href="#"><u>Adur Local Plan</u></a>	The new Local Plan sets the strategic development and land-use priorities for Adur (outside of the South Downs National Park) up to 2032 and contains the policies against which development management decisions within that area will be made.
<a href="#"><u>Worthing Local Plan</u></a>	The Council is preparing a new development plan, the Worthing Local Plan, which will help to deliver a more sustainable Borough over the next 15 years.
<a href="#"><u>Shoreham Society</u></a>	Long established group which scrutinises planning applications in and around Shoreham. In addition, they undertake improvement projects, such as Shoreham-by-Tree.
<a href="#"><u>Worthing Heritage Alliance</u></a>	Its key aims are to represent, develop and promote the heritage of Worthing and its surrounding area. To achieve these aims the Alliance works in partnership with local regional and national bodies.

What Needs to Happen Next:

- Lobby central Government to bring in robust standards of planning policy, encouraging zero carbon development, and fair development levies to support local service provision, multi-functional green infrastructure and sustainable transport links.
- Provide communities with methods and opportunities to take action and improve their streets and community places, for example through improving roadside verges, creating rain gardens and flood alleviation schemes, building upon the work of other organisations.
- Ensure that planning decisions consider future likelihood of drought and flooding conditions, sea-level rises whilst both adapting for and mitigating the effects of climate change and the ecological crisis.
- Support developers to deliver better sustainable infrastructure links and multi-functional green spaces, good quality and sustainable transport infrastructure which take account of the whole Climate Action Plan.
- Protect and enhance our existing built and natural heritage, ensuring they are futureproofed and climate resilient and that new residents, visitors and businesses can enjoy these services in the future.

Where we live, nestled between the Downs and the sea, is a beautiful part of the world. The land we can build upon is limited and the wants from this land are many. Our planning policies must align with national policy, so collectively we should be asking for the highest quality national planning policies by consistently asking our politicians and Government to uphold quality over quantity.

Our residents deserve to live in affordable new homes that are warm and close to the services and infrastructure they need. New offices and industrial spaces should be designed to be efficient, running on renewable technologies, prepared for extreme weather events and whose employees, where possible, have access to welcoming green spaces during their breaks.

With land at a premium and our built environment managed carefully by planning policy, it is important that communities have a stake in their local area. This can be achieved when residents are empowered to improve their local surroundings and engage in positive changes. This might be through street tree planting schemes, adopting verges or drains, residents' associations or working together to generate community energy projects. Community efforts will build resilience and collaborations and can help people achieve great ideas that can be replicated by others.

In 2030 we want Adur and Worthing to have great housing, affordable for all, with access to sustainable transport and good walking and cycling infrastructure. We see multi-functional green spaces providing welcoming, beautiful places that link the Downs with the sea, benefiting residents, visitors and wildlife.

### WELLBEING (ETHOS & SPIRIT)

Our aim is for people living and working in Adur and Worthing to feel happy and positive about their lives, their prospects and the future, where neighbours are supportive and the most vulnerable people in our communities are well cared for.

What is already happening locally:

<a href="#">Breathing Spaces</a>	Therapeutic gardening sessions with dementia patients and survivors of domestic abuse. Now also running a small scale flower farm to revive the flower farming heritage of Worthing and respond to the problematic effects of cut flowers.
<a href="#">Men in Sheds</a>	Local group that provides space, tools and company for men to undertake their own projects at their own pace.
<a href="#">Sustainable Mind</a>	Free mindfulness, relaxation and meditation courses to build resilience and support vulnerable members of the community.
<b>Coronavirus Mutual Aid Groups:</b> <a href="#">Worthing</a> , <a href="#">Shoreham</a> , <a href="#">Southwick</a> and <a href="#">Fishersgate</a>	During the Covid crisis, multiple neighbourhood groups organically formed to ensure the most vulnerable people in their communities were cared for.

What Needs to Happen Next:

- Provide opportunities for people to discuss their fears and challenges in the adoption of sustainable lifestyles, understanding the impact of climate change and the ecological crisis on mental health, particularly for our young people and children.
- Create a new narrative about our future, showing the positives gained by people and communities through shared action, promote this widely and allow participants to talk about their experiences.
- Educate young people in schools and colleges about our natural environment, providing them with the joy of wildlife and showing them the importance of caring for our living world.
- Build upon the mutual aid groups where possible, to harness the efforts of those involved in caring for neighbours to form residents' associations, in turn providing skills training for those who want to do more in their areas.

- Develop a Climate Advisory Coalition, who can assess all projects which grow from this action plan to see where gaps are, how additional partnerships can create bigger gains and ensuring that no groups are left behind.

The effects of a changing climate are scary. Despite understanding the science globally for forty years, action to date has been limited and we are now in crisis territory. This feels overwhelming for many, particularly our young people who see little hope and are worried about their futures. We need to take action to prevent a climate and ecological catastrophe and give everyone hope.

In doing so, we will create happier, healthier residents; people who are more connected with their neighbours and who feel able to improve their areas. We can create secure, skilled jobs during the transition and build a thriving local economy with unique shops and services for residents and visitors alike. We can revive our local wildlife, making beautiful spaces where people can enjoy nature and feel wonder, joy and calm. Our homes and properties can be protected from extreme weather and we can all enjoy the benefits of reduced bills and the security of utilities and food.

In delivering this action plan, we will hear voices from those concerned about the costs, the reality of giving up our existing conveniences, who resist change and dispute science. This is ok. These voices can be carried and acknowledged, participating in the changes they want, when they want, without holding back on vital action. Those who can see this future can lead the change. There are many, many individuals, organisations and businesses already working towards this. We now need everyone who shares a vision of a cleaner, safer and more beautiful world to step up and make this vision a reality. By building stronger partnerships and networks, we can know our collective actions are amounting to much more than we can achieve independently.

Our vision for 2030 sees Adur and Worthing benefiting from close-knit communities, who feel their work is worthwhile and important and who enjoy the many experiences that our area can offer. We want our residents to be environmentally aware, considerate of their consumption and waste.

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# Adur & Worthing Councils

**A Carbon Neutral Study for Adur and  
Worthing: Exploring pathways to  
achieve the target**  
June 2020



ADUR & WORTHING  
COUNCILS





## Executive Summary

### Report overview

- This report was commissioned by Adur & Worthing Councils to apply the SCATTER approach to help understand greenhouse gas (GHG) emissions in Adur & Worthing and interventions needed to achieve carbon neutrality by 2050.
- Adur & Worthing Councils have committed to working towards carbon neutrality by 2030 for the councils own direct emissions, and 2050 for area-wide emissions, supporting the UK's Net Zero by 2050 commitments and the Paris Agreement.

### The SCATTER approach

SCATTER is a greenhouse gas (GHG) emissions reporting tool, which stands for Setting City Area Targets & Trajectories for Emissions Reduction. It is designed to help local authorities set baselines and model trajectories in order to reduce emissions and meet their climate change objectives:

- **Underpinned by climate science:** SCATTER incorporates research from the Tyndall Centre for Climate Change Research, which has translated the Paris Agreement into local emissions targets. If Adur and Worthing continue emitting at current levels, their 2100 carbon “budget” will be used up within seven years.
- **Providing data-driven models:** Understanding the nature of current emissions gives the means by which to measure progress and identify key emissions sources in Adur and Worthing. The impact of interventions across these sources has been modelled using the SCATTER tool to understand the nature and extent of future action required.
- **Underscoring the need for urgent actions:** Both the scale and ambition of intervention is transformational. A step change in behaviour, policy, investment and collaboration is required, which brings with it both opportunity and challenge.

### Key messages



In 2017, emissions were **272 ktCO<sub>2</sub>e** in Adur and **407 ktCO<sub>2</sub>e** in Worthing



Tyndall Centre analysis defines a fixed carbon emissions budget of **3,700 ktCO<sub>2</sub>** in order that Adur and Worthing aligns with the Paris Agreement



The highest ambition scenario based on current technologies shows that Adur and Worthing reaches zero emissions after **2040**, still exceeding the Tyndall Carbon Budget



Both profiles show the largest source of emissions are **Buildings** (57% and 67% for Adur and Worthing respectively), followed by **Transport** (30% & 23%) and **Waste** (13% & 10%)



Adur and Worthing's emissions are tracking a 'business as usual' scenario, which will exceed Adur and Worthing's carbon budget by a **factor of 3 by 2050**

## Science-based carbon budgeting

The Tyndall Centre for Climate Change Research have undertaken research to translate the UK's national target as set out in the Paris Agreement into an emissions limit for local authorities in the UK, setting a "budget" for each region. The fixed budget represents a scaled-down portion of the global budget which corresponds to a "Well Below 2°C" temperature rise scenario.

The carbon budget for Adur and Worthing is **3,700 ktCO<sub>2</sub>** for the period 2020-2100. Remaining within this budget is possible if Adur and Worthing achieves an annual emissions reduction rate of **12.9%**. At 2017 rates, however, the budget would be exceeded **within 6 years**.

A key aspect of this research is the consideration that emissions impacts are cumulative. Once emitted, carbon dioxide remains in the atmosphere for many years, where it contributes to the increase in average global temperatures. The carbon budget does not reset each year, so by "overspending" in early years, the remaining budget is diminished in later years. This underscores the urgent need for emissions reductions in the immediate term, rather than delaying action and making large cuts in a few years' time.

It is also important to note that the budget accounts for emissions-intensive industries such as aviation, shipping and cement manufacturing at the national level. The budget of 3,700 ktCO<sub>2</sub> relates only to the *energy system* for Adur and Worthing, so does not factor in emissions from land use, livestock and forestry.

**Energy system:** the consumption of fuel, heat and electricity across buildings, transport and industrial sectors, from solid, liquid and gaseous sources.

Year	Recommended cumulative emissions total (ktCO <sub>2</sub> )	Reduction against 2015 levels
2020	480	24.2%
2025	2,100	62.1%
2030	2,910	81.1%
2035	3,310	90.5%
2040	3,510	95.3%
2045	3,610	97.6%
2050	3,660	98.8%

Table i: Recommended cumulative emissions for Adur and Worthing under the Tyndall Centre analysis.

### SCATTER Inventory tool

The SCATTER Inventory tool defines emissions profiles for Adur and Worthing for the most recently-available year, based on energy consumption datasets and locally-scaled figures. The pie charts on the next page show the 2017 emissions profiles for Adur and Worthing separately, as well as Adur and Worthing combined. Data is released 2 years in arrears, with 2017 representing most up-to-date year that can be published.

The dominant sources of emissions are energy use within buildings and fuel consumption in cars and other on-road transport. Not all subsectors of emissions have been included, such as those from land use and agriculture, which act as net "sinks" of carbon.

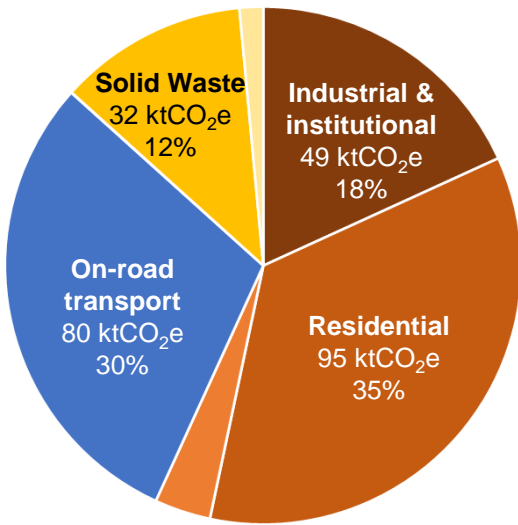
**One tonne of carbon dioxide** is roughly equal to one month's commuting by car between Worthing and London, or a one-way economy class flight to Las Vegas from

**Current emissions inventories – comparing Adur and Worthing**

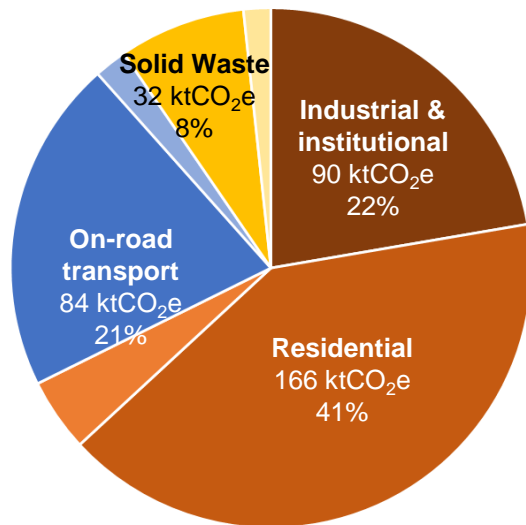
The pie charts below show the 2017 emissions profiles for Adur (left), Worthing (centre) and combined Adur and Worthing (right). Both Adur and Worthing demonstrate fairly similar figures across waste and transport emissions. The largest differences lie within the emissions associated with buildings. The data in the table opposite indicates that residential emissions are coupled very closely to the number of households i.e. the emissions per household are very similar (3.4 tCO<sub>2</sub>e/household in Adur against 3.5 tCO<sub>2</sub>e/household in Worthing). Worthing has a higher number of households than Adur, which explains the larger total for residential emissions.

The average business in Adur is responsible for 11.3 tCO<sub>2</sub>e, against 14.1 tCO<sub>2</sub>e in Worthing (roughly 25% higher). Economic metrics are a [key proxy indicator](#) for an increased emissions intensity; typically emissions scale with economic output. This is reflected in the differing GVA per capita statistics;<sup>1</sup> Worthing's GVA per capita is approximately 23% higher than in Adur.

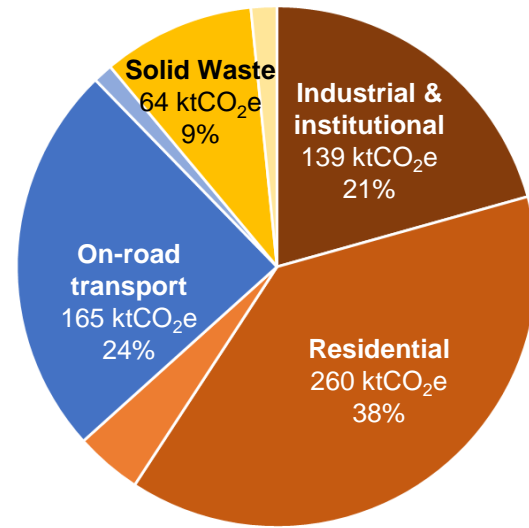
Emissions sector	Adur	Worthing
Residential	3.42 tCO <sub>2</sub> e/household	3.49 tCO <sub>2</sub> e/household
Commercial and industrial	11.25 tCO <sub>2</sub> e/business	14.13 tCO <sub>2</sub> e/business



Adur Total: 272 ktCO<sub>2</sub>e



Worthing Total: 407 ktCO<sub>2</sub>e



Combined Total: 679 ktCO<sub>2</sub>e

- Industrial & institutional buildings
- Residential buildings
- Commercial buildings & facilities
- On-road transport
- Rail
- Solid waste disposal
- Wastewater

<sup>1</sup> – Gross Value Added (GVA) per capita is a measure of a local authority's contribution to national gross domestic product (GDP) per head of resident population in that local authority.



## SCATTER Pathways tool

The SCATTER Pathways tool is intended to help inform decision-making and target-setting at the local authority level. The Pathways come from the modelling of different measures and their impacts on energy system emissions. The tool focuses on energy system (fossil fuel consumption) emissions reductions within Adur and Worthing. The pathways do not represent the effects of activities outside of the A&WC administrative boundary (e.g. reducing consumption-based emissions).

SCATTER Pathways is intended to focus on the ‘what’ rather than the ‘how’, with pathways serving as ‘lines in the sand’ to give users an indication of whether they are likely to be on-target or off-target for a carbon neutral trajectory through the adoption of interventions to drive the transition to a low carbon economy.

Each measure carries a flexible level of ambition, on a scale of one to four (with four being the most ambitious). Only the “business-as-usual” (i.e. least ambitious) and “Level 4” (i.e. most ambitious) pathways have been discussed as part of this study. Other trajectories, based on more conservative action than suggested in Level 4, fall short of achieving carbon neutrality for Adur and Worthing and have been omitted from the analysis for simplicity.

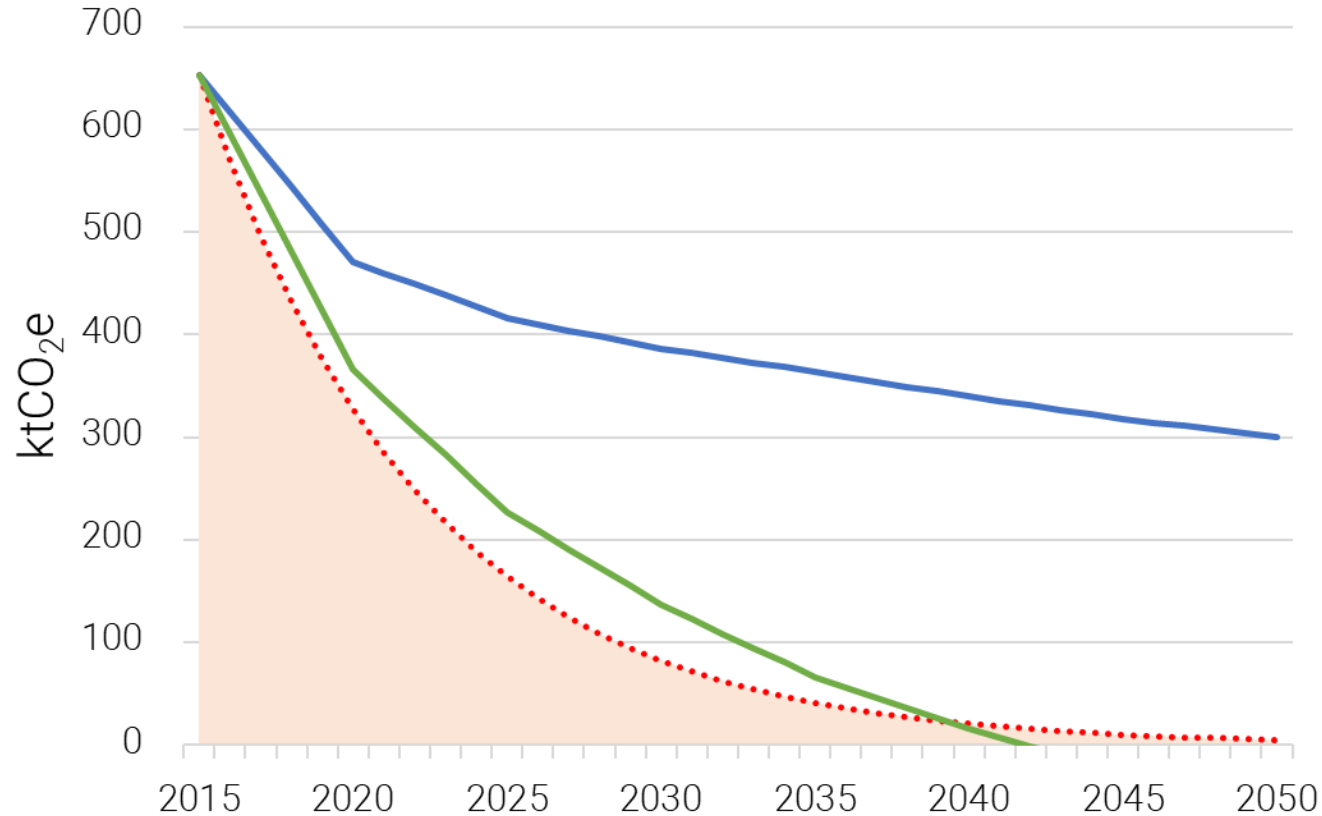
Measures vary across a broad range of activity, from improving the efficiency of lighting and appliances in people’s homes, to electrifying rail networks, to increasing the number of local wind farms. Some relate to reducing the *demand* for energy, some relate to “greening” the *supply* of energy. It should be noted that future demand for energy is difficult to predict and reducing demand should always come first.

It is important to note that SCATTER does not intend to prescribe certain technologies or policies, and similarly does not intend to discount other methods of arriving at the same outcome, just because they do not feature as part of a specific measure.

The effects of these measures on the emissions within Adur and Worthing are calculated, enabling us to forecast the emissions profile up to the year 2050. This provides key indicators and targets for the local Councils and organisations to measure progress and prioritise new projects and initiatives.

The graph overleaf shows two possible future emissions pathways over time, as modelled by the SCATTER pathways tool, as well as a representation of the Tyndall Centre analysis. Gaps exist between the SCATTER Level 4 pathway and the Tyndall-aligned pathway because modelling assumptions are based on present day evidence and judgement. Such assumptions are not intended to constrain the future ambition to close the gap.

### SCATTER Pathways summary for Adur and Worthing (combined)



**Historic emissions reductions** can be calculated from annual figures published by BEIS. Based on those datasets, Adur and Worthing reduced their combined emissions around 10% between 2015 and 2017, due largely to the decarbonisation of the electricity grid. The average annual reduction rate in emissions since 2005 has been under 4%, highlighting the ambitious action required to achieve the 13% reduction target set out by the Tyndall Centre carbon budget.

#### Pathways Key

**Business-as-usual (BAU):** Assumes actions in line with current, national policy, such as nationally led decarbonisation of the electricity grid. This will still require a significant level of effort locally.

**SCATTER Level 4:** Assumes actions significantly beyond national policy and grid decarbonisation, across both energy supply and energy demand measures. Achieves carbon neutrality by the early 2040s.

**Carbon Budget pathway:** Assumes action which is aligned to the climate science set out by the Tyndall Centre. This Pathway is one way of allocating a finite, carbon budget (the area underneath the line) and is not based upon tangible energy supply and demand measures within the region. The red dotted line tracks the recommended 12.9% reduction from the Tyndall Centre analysis.

## SCATTER Pathways measures

The SCATTER Pathways tool features a broad range of measures, modelling action in each one, to varying degrees of ambition. The measures that are discussed within this report link directly to the “slices” of the emissions pie charts, and are summarised below. The 2050 target represents the Level 4 (i.e. most ambitious) pathway, except where stated otherwise. Measures include:

### Domestic buildings

- Improved energy efficiency: Improving the heat retention within households, through retrofitting measures such as loft, wall and/or floor insulation, as well as superglazing and draughtproofing. **2050 target:** the average heat loss per house is 75% lower than currently modelled, with all new builds constructed to highest energy efficiency standards.
- Moving off gas boilers: Installing non-fossil fuel sources for home heating, such as heat pumps or district heating. **2050 target:** Majority (90%) of domestic heating systems are heat pumps, with the remaining 10% delivered by resistive heaters and district heating.
- Appliances and lighting efficiency: Reducing the energy demand from appliances (inc. white goods & electrical items) due to improvements in device and appliance efficiency. **2050 target:** 69% reduction in the average appliance and lighting energy demand against 2015 baseline (to 0.93 MWh per household per annum). Better home heating controls mean that the average household temperature across the whole house annually is 16.0°C.
- Shifting off gas for cooking: Installation of electrified cooking systems, with the phasing out of gas cookers. **2050 target:** 100% of cooking systems are electrified.

### Non-domestic buildings

Improved energy efficiency: As with domestic households, improvements which reduce

the demand for energy for heating and cooling. **2050 target:** 45% reduction against 2015 baseline.

- Moving off gas boilers: As with domestic buildings. **2050 target:** Heating demand met entirely by heat pumps and resistive heaters.
- Appliance and lighting efficiency: As with domestic buildings. **2050 target:** 24% in the demand for energy for appliances and lighting against 2015 baseline.
- Shifting off gas for cooking: As with domestic buildings. **2050 target:** 100% of commercial cooking systems are electrified.

### Transport

- Travelling shorter distances: Reducing in the overall mileage travelled across all modes (i.e. more efficient transport infrastructure networks). **2050 target:** Overall mileage drops 25% relative to 2015. Car mileage sees a 38% reduction.
- Using cars less: Changing the mode of travel for all passengers, encouraging greater use of public transport (such as train and bus) and active transport (such as walking and cycling). **2050 target:** 29% of passenger mileage is completed by public transport, 9% by active transport.
- Using electric transport: Shifting to electric cars, buses and electrified rail networks, with the phasing out of petrol and diesel vehicles. **2050 target:** 100% of all cars, buses, private hire vehicles and trains are electric/electrified.
- Improved efficiency of freight: Changing the mode of travel for freight and commercial journeys. **2050 target:** Road freight using diesel falls below 93% of total mileage share.

## Waste

- Producing less waste: Reducing in the weight of waste produced across all streams, for both commercial properties and domestic households. **2050 targets:** 20% decrease in overall quantity of waste against 2015 levels.
- Increased recycling rates: Improving the proportion of recycling as a destination for waste. **2050 targets:** 85% of commercial and household waste is sent to recycling.

## Industry

- Improving industry efficiency: Improving equipment efficiency and processes that are emissions-intensive. **2050 target:** 76% reduction in emissions from industrial processes.
- Electrification of industry: Increasing the degree of electrification in industrial processes (including chemical, mineral and mineral processing). **2050 target:** 66% of the power supplied to industry is electricity.
- Carbon capture and storage: Increasing the usage of carbon capture and storage technology. **2050 target:** 42% of industrial process emissions are captured by CCS.
- Reducing oil production: Reducing the imported level of oil and petroleum products. **2050 target:** 77% reduction in oil production relative to 2015 baseline (Level 1).

## Renewable energy supply

- Increased solar (PV & thermal): As both roof-mounted arrays or at ground level. **2050 target:** 518 MW solar PV capacity, 13.9 MW solar thermal capacity installed.

- Increased energy storage: Improving capacity for energy to be stored as the grid transitions to decentralised supply and more time-dependent supply. **2050 target:** 2.69 GW storage capacity in standby generators.
- Increased bioenergy: From both out-of-boundary sources (as both feedstock and energy supply) and from in-boundary biomass stations. **2050 target:** 38 MW installed capacity.
- Increased onshore wind: Capacity from onshore wind turbines. The added capacity of offshore turbines is treated at national level. **2050 target:** 148 MW installed capacity.
- Increased “other” sources: Capacity from hydroelectric power stations. Wave, tidal & tidal stream sources of energy are treated at the national level. **2050 target:** 5.4 MW installed hydroelectric capacity (Level 1).

## Other SCATTER forecasts

Within Pathways, there are a number of other measures which were not applied within this study. This is due to their diminished feasibility since the inception of the tool. These include:

- Nuclear power & bioenergy imports
- Peatland restoration, afforestation & geosequestration
- Small-scale wind & marine algae
- CCS power stations & geothermal electricity

Other measures were treated with national forecasts and models. These include:

- International aviation and shipping
- Household and population estimates
- GDP/GVA forecasts

## Local case studies and best practices

A programme to install 250 air source heat pumps in dwellings in West Sussex is planned through the [Innovate UK funded Smarthubs project](#)

[LEAP](#) free energy advice service have installed over 1,200 LED lightbulbs in homes across **Adur and Worthing**, cumulatively saving 0.75 ktCO<sub>2</sub> over the next 10 years

### Domestic buildings



### Non-domestic buildings



**Worthing Borough Council** is investigating heat network feasibility within the Worthing Civic Quarter using government funding.

[BISEPS](#) project is led by **West Sussex County Council**, developing secure, competitively-priced, low carbon energy for SMEs in the region.

Household waste in Adur & Worthing has [dropped by 14%](#) since Adur & Worthing Councils moved to alternate weekly bin collections, whilst recycling waste has increased by over 3%

Brighton & Hove Food Partnership coordinate [community composting schemes](#) to help residents reduce food waste going to incineration under the East Sussex waste contract

### Waste



**West Coastway line** is fully electrified between Brighton and Southampton, but holds no rail freight capacity

[easitADUR & WORTHING](#) offers discounted travel options for public transport and cycling

**Brighton & Hove** announced 30 new hybrid buses with the capability to run in a 'zero-emissions mode' through the city's Ultra Low Emissions Zone

[West Sussex Electric Vehicle Strategy](#) estimates that the county will require 3,305 public charging points by 2025 and 7,346 by 2030 and is developing a Network Plan by the end of 2020 to work towards this

### Transport



### Renewable energy supply



**Splashpoint Leisure Centre** in Worthing had 100 kWh solar array installed as part of the first community energy scheme in the borough.

**Shoreham Port** is one of eleven ports to hold Eco Port status, with two 100 kW wind turbines and a 2.2 MW PV array

[Solar farm](#) at **Westhampnett** combines a 7.4 MW PV array and 4.4 MW battery unit to produce and store energy – completed as a subsidy-free project

Plans for a 20 MW grid balancing battery storage project have been planning approval at Halewick Lane, **Sompting**, to be delivered in 2021



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## Introduction & Context

This work is being commissioned by Adur & Worthing Councils (A&WCs).

### Aims

The aim of this study is to provide an evidence base for work relating to the Climate Emergency. This study focuses on the following areas in particular:

- Defining the current emissions profiles of both Adur and Worthing,
- Determining future emissions pathways which benchmark the necessary action required for Adur and Worthing to drastically reduce their in-boundary emissions.

### Objectives

To better understand Adur and Worthing's carbon footprint using a location-based accounting approach;

- To use this information to determine the proportion of emissions that can be influenced locally; and
- Identify gaps in data where further work is needed.

To aid A&WCs by:

- Providing an informed evidence base for future action plan development which also serves to inform and direct existing local projects;
- Increasing confidence in the mandate for climate action, aiding development of a robust local strategy which can deliver objectives over a long term cycle.

### Local and national policy

In 2015, the UK adopted the Paris Agreement as part of a joint pledge by members of the European Union, committing to:

- Strengthening the global response to the threat of climate change by keeping global temperature rise this century well below 2°C above pre-industrial levels.
- Encouraging efforts to limit the temperature increase even further to 1.5°C.

Tackling the climate crisis is a long-standing issue in the UK, reflected in the legally binding target in the 2008 Climate Change Act. This [was updated](#) in 2019 to reflect the updated target of 100% reduction in emissions by 2050 against a 1990 baseline.

In January 2019, A&WCs committed to 100% clean energy across Adur and Worthing under the UK100 Cities Pledge. In July 2019, A&WCs declared a Climate Emergency and committed to work towards becoming carbon neutral by 2030 for the Councils' own direct emissions.

### Evidence of need

The full council resolution was issued following the Intergovernmental Panel on Climate Change (IPCC) [special report](#) on the impacts of global warming of 1.5°C above pre-industrial levels, published in October 2018. The report stated that in order to remain within a 1.5°C increase, governments would have to cut emissions of greenhouse gases by 45% by 2030 against a 2010 baseline. Since the first IPCC report was published in 1990, global emissions have increased 60%.

A key finding of the report states that if current emissions rates continue unabated, it is likely that the Paris Agreement target of limiting warming below 1.5°C will be surpassed as early as 2030.

In their 2019 [Emissions Gap Report](#), the UN Environment Programme found that the current Nationally Determined Contributions were likely to result in a 3.2°C temperature rise by 2100. Global emissions have increased sharply since 2017 following a brief period of stagnation in the mid-2010s.

The relevance of the action at local authority level was highlighted by the Emissions Gap Report: *“non-state and subnational action plays an important role in delivering national pledges. Emission reduction potential from non-state and subnational action could ultimately be significant, allowing countries to raise ambition.”*

The evidence from these two reports makes clear that immediate and drastic action is required to avoid global warming to dangerous levels, whilst encouraging sub-national policy measures and action as a necessary means of reducing emissions.

### A growing consensus

The recognition of urgency to address the climate emergency is no longer just the message from environmental groups, but is now being reiterated across a variety of sectors both domestically and internationally:

- **UK Local Authorities:** As of February 2020, 70% of Local Authorities have made [Climate Emergency Declarations](#).
- **UK Climate Strike action:** In 2019 schools and businesses demonstrated unprecedented levels of support for climate action. This has been mirrored in the media with enhanced scrutiny and coverage on climate related issues.
- **Global Businesses:** Increasing numbers of businesses are now involved in the Science Based Target Initiative (SBTi) and support the Task Force on Climate-related Financial Disclosures (TCFD).

### Leading a sustainable recovery

The global disruption and impacts of the COVID-19 pandemic have forced governors, citizens and businesses to radically reassess their policy decisions, lifestyles and the ways in which they work.

The ongoing lockdown offers the chance to reflect on the way that we operate as a society. This time also presents the opportunity to shift our collective values and review the demands of “emergency action” in a climate context. Local and national commitments to emissions reductions have not changed as a result of the COVID-19 crisis.

The cost of delaying action on the pandemic has been felt in many countries. Similar decisiveness will be required as we recover from this crisis, respond in a way that is centred around the resilience, health and wellbeing of local communities.

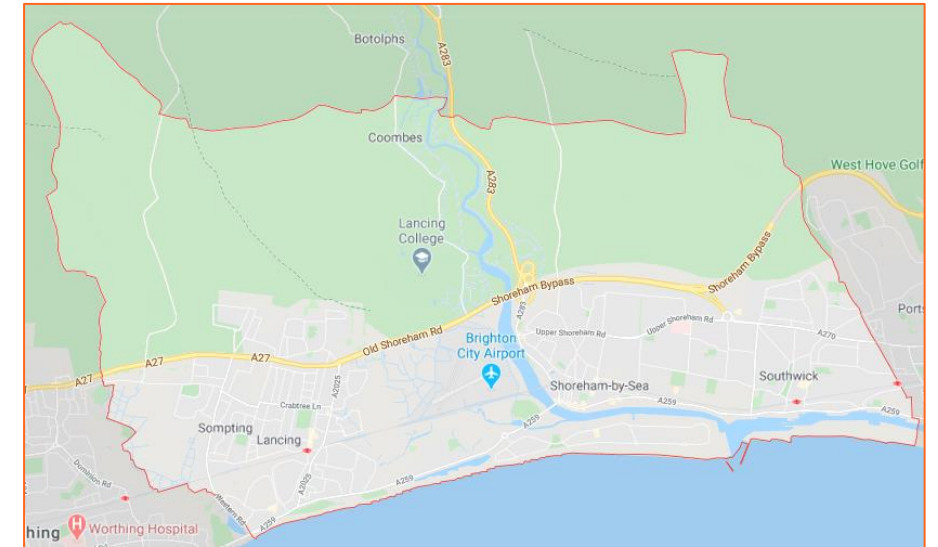
UN Secretary General Antonio Guterres acknowledged this in a statement in April 2020: *“... ensuring a future for the planet must be a core element in rebuilding society after lockdown measures are lifted”*.

The next few years will be pivotal for climate change mitigation as we enter the decisive decade for action. The urgency of the situation is growing as we approach planetary tipping points and are held to account as a nation against international climate targets.



Table 1: Adur district and Worthing borough profiles

Metric	Adur	Worthing
Area	41.80 km <sup>2</sup>	32.48 km <sup>2</sup>
Population (2017 est.)	63,721	109,632
Population density	1,524 /km <sup>2</sup>	3,375 /km <sup>2</sup>
Number of households (2018)	27,743	47,464
Number of registered businesses (2019)	2,320	3,765
Geography	Adur and Worthing are enclosed between the South Downs National Park to the north and the English Channel to the south and form part of the Sussex Coastal strip built-up area	
Transport	<ul style="list-style-type: none"> <li>• Southern Rail runs through Adur and Worthing. Strong rail links across both districts to Brighton, Gatwick, Portsmouth &amp; London</li> <li>• AA27 runs through Adur and Worthing, with links directly to the M23, M25 and M27</li> <li>• Shoreham Airport &amp; Shoreham Port</li> <li>• Bus service operators: Stagecoach, Southern Transit, Compass Bus, Brighton &amp; Hove Bus &amp; Metrobus</li> <li>• National Cycle Route 2 runs along seafront</li> </ul>	



Figures 1a & 1b: Adur (top) and Worthing (bottom).

Adur and Worthing are situated along the West Sussex coast, west of Brighton. Adur & Worthing Councils represent two distinct local authorities, combined under a joint management structure. The borough and district operate under a single chief executive with separate political councils. Credit: Google Maps



## 1. Adur and Worthing Current Emissions Profiles



# 1. Adur and Worthing Current Emissions Profile

## Assessing emissions

Given the distinct political boundaries of the district and borough, the emissions profiles for Adur and Worthing have been presented individually and as a combined profile. There are three different ways the emissions data are presented:

- By sector, using the SCATTER Inventory tool (see figs 2a-c).
- By subsector, using the SCATTER Inventory tool (see figs 3a-c).
- By sector, using the BEIS<sup>1</sup> Local Authority Emissions data (see figs 4a-c).

The differences between the SCATTER and BEIS data are explored on page 20. The full data tables for each pie chart can be found in Appendix 2.

### Where do Adur & Worthing's emissions come from?

#### Emissions from buildings

The dominant sources of emissions in both Adur and Worthing come from combustion of fuel in buildings where local people live and work (also called “stationary energy”). SCATTER is able to break these building types down into various sub-groups:

- Industrial & institutional buildings: Larger industrial facilities including factories, warehouses, workshops as well as public sector buildings including schools, health centres, hospitals, leisure centres, Council buildings etc..
- Residential buildings: Domestic households of all tenure types.
- Commercial buildings: Buildings from which commercial businesses operate e.g. shops, shopping centres, offices, restaurants etc..

#### Emissions from transport

The second largest source of emissions come from transport within the borough and district. These emissions are based upon fuel purchases within boundary:

- On-road transport: Emissions from all forms of passenger vehicle, including cars, vans, motorcycles, buses and taxis. Aviation is excluded, but freight emissions are included.
- Rail: Emissions from diesel-fuelled rail transport. Emissions from electricity consumption within the rail sector are included in the commercial and industrial sectors.

#### Emissions from waste

The final source of emissions shown in the emissions profiles are from waste disposal:

- Solid waste disposal: Incorporates various waste streams across commercial, industrial and municipal sources.
- Wastewater: Scaled directly from national wastewater data by population, using established emissions conversion factors.

#### Emissions from agriculture, forestry and land use

Not all subsectors have been included in the emissions profile summaries. Emissions from agriculture, forestry and land use (AFOLU) have been excluded from the SCATTER inventory, as well as emissions from livestock. Emissions from land use, land use change & forestry (LULUCF) have been excluded from the BEIS profiles.

Emissions from agriculture come mainly from livestock, with a smaller contribution from fuel consumption to power vehicles and buildings. These agricultural emissions are in part offset by land use emissions, which are negative; carbon is absorbed by the natural environment, such as trees and wetlands.

Since the emissions from land use are negative, they have been excluded from inclusion in the profile. The figures for AFOLU and LULUCF have been included in the data tables in Appendix 1a-c.

## SCATTER sectors

Figure 2a: SCATTER sector inventory for direct and indirect emissions within Adur, excluding AFOLU, 2017

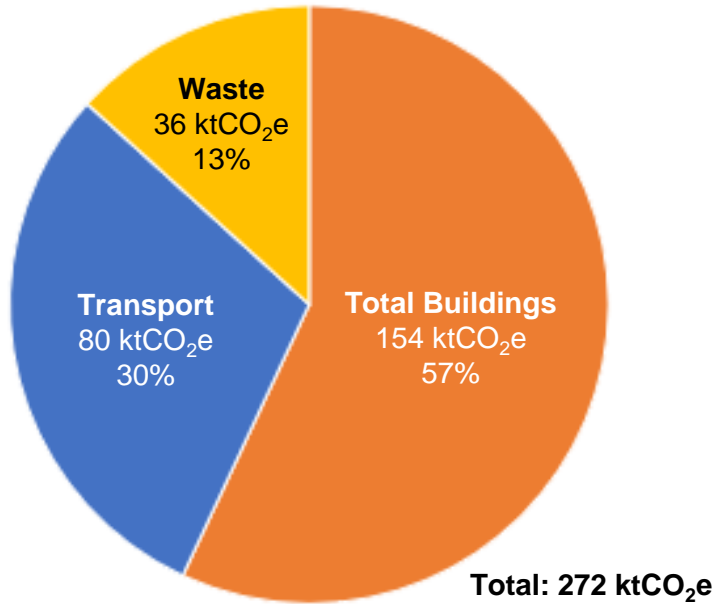


Figure 2b: SCATTER sector inventory for direct and indirect emissions within Worthing, excluding AFOLU, 2017

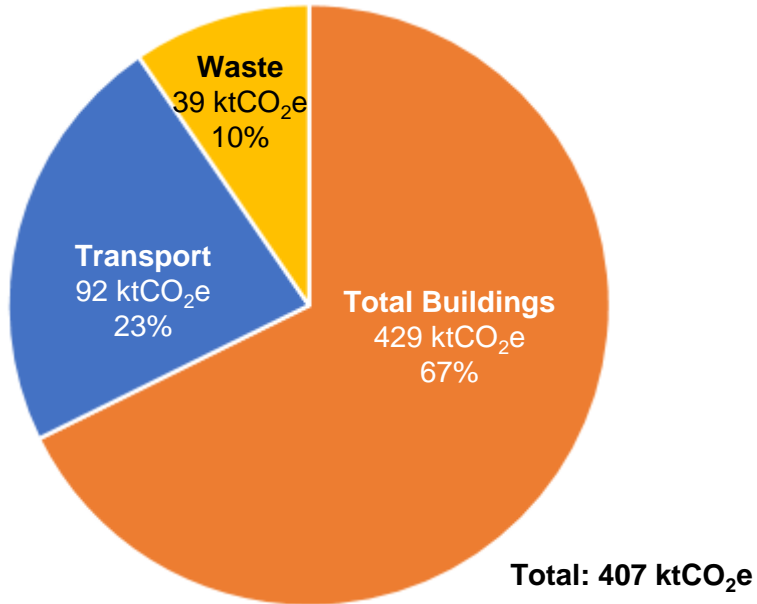
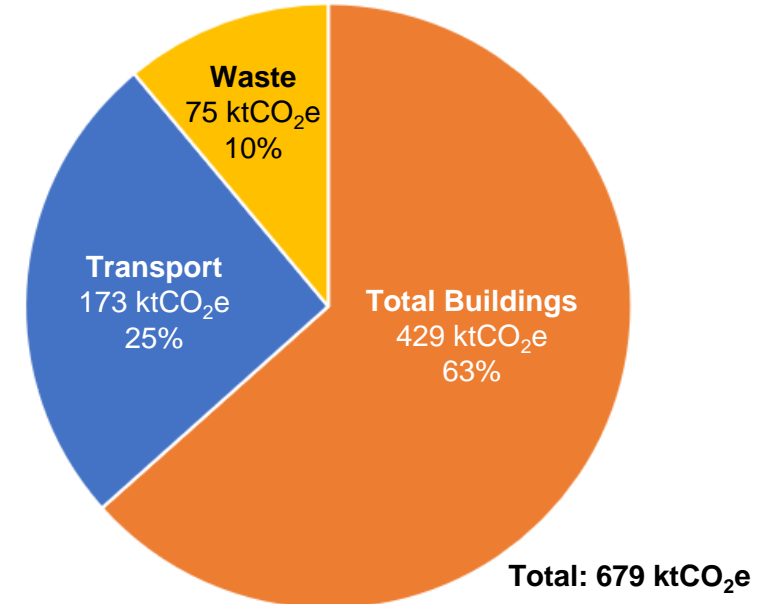


Figure 2c: SCATTER sector inventory for direct and indirect emissions within Adur and Worthing combined, 2017



- Total Buildings
- Transportation
- Waste



## SCATTER subsectors

Figure 3a: SCATTER sub-sector inventory for direct and indirect emissions within Adur, excluding AFOLU, 2017

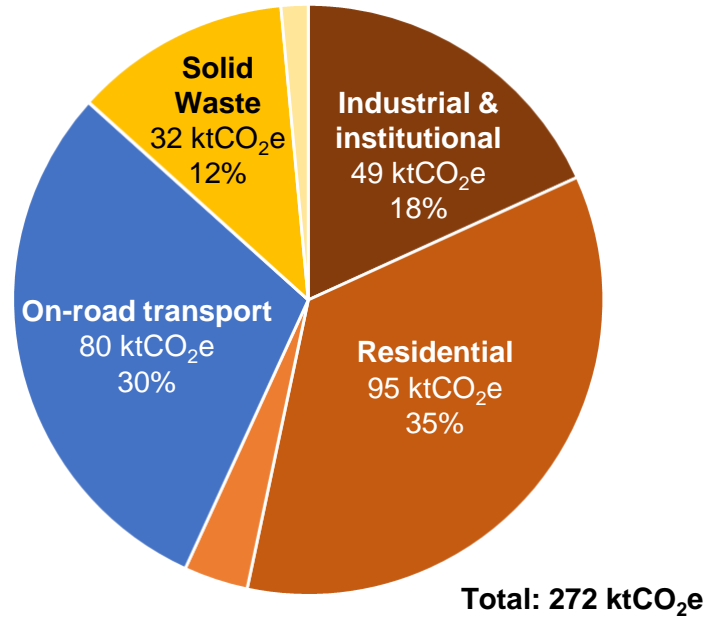


Figure 6b: SCATTER sub-sector inventory for direct and indirect emissions within Worthing, excluding AFOLU, 2017

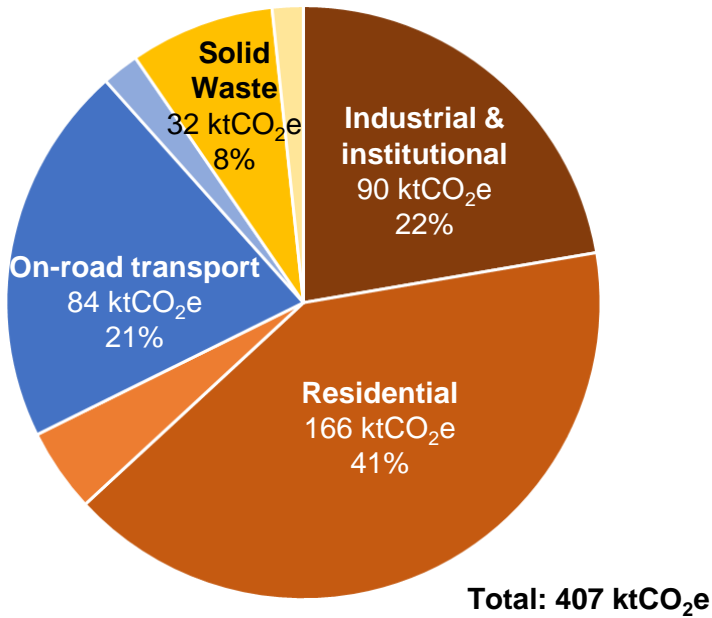
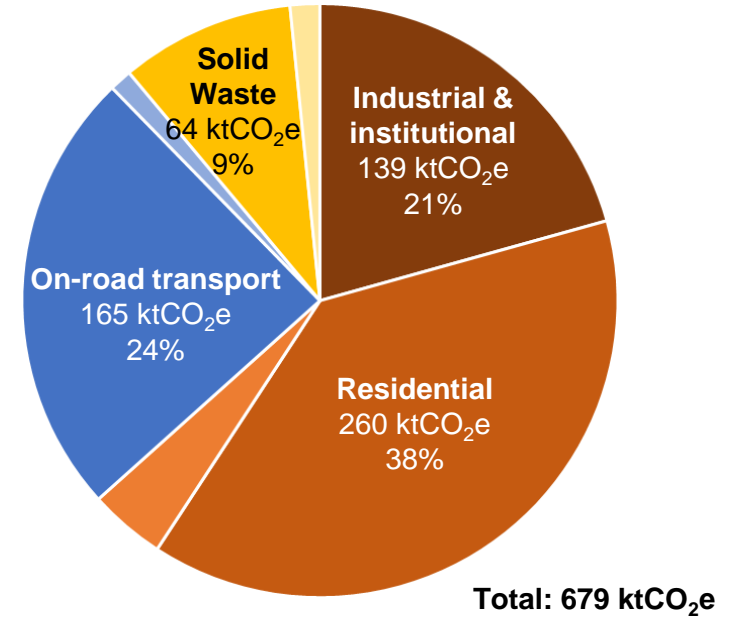


Figure 2c: SCATTER sub-sector inventory for direct and indirect emissions within Adur & Worthing **combined**, 2017



- Industrial & institutional buildings
- On-road transport
- Residential buildings
- Rail
- Commercial buildings & facilities
- Solid waste disposal
- Wastewater

## BEIS sectors

Figure 4a: BEIS sector inventory for direct and indirect emissions within Adur, excluding LULUCF, 2017

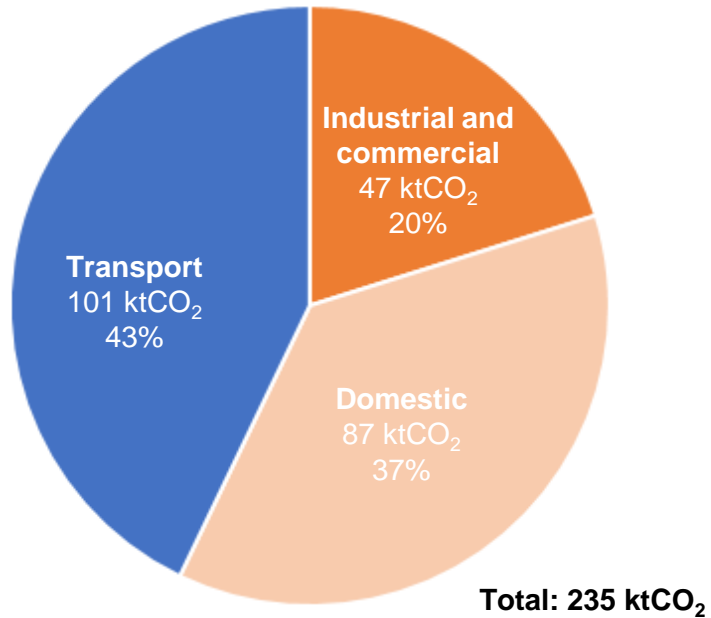


Figure 4b: BEIS sector inventory for direct and indirect emissions within Worthing, excluding LULUCF, 2017

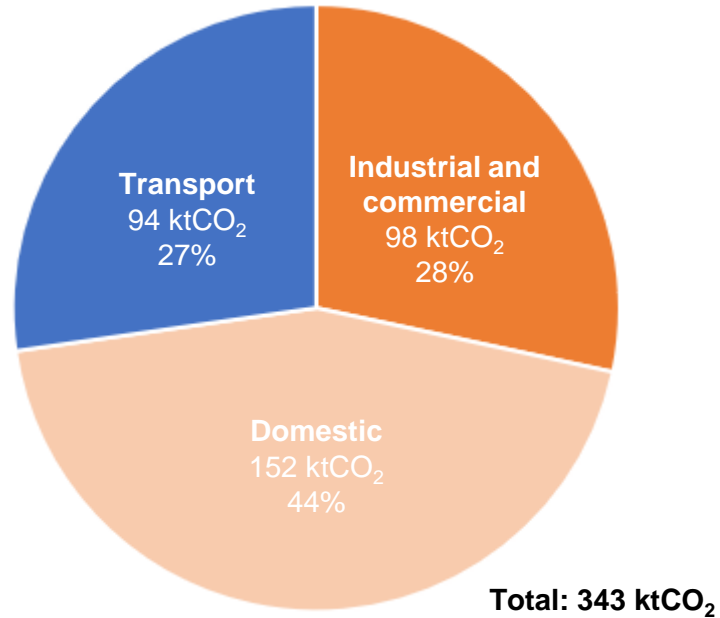
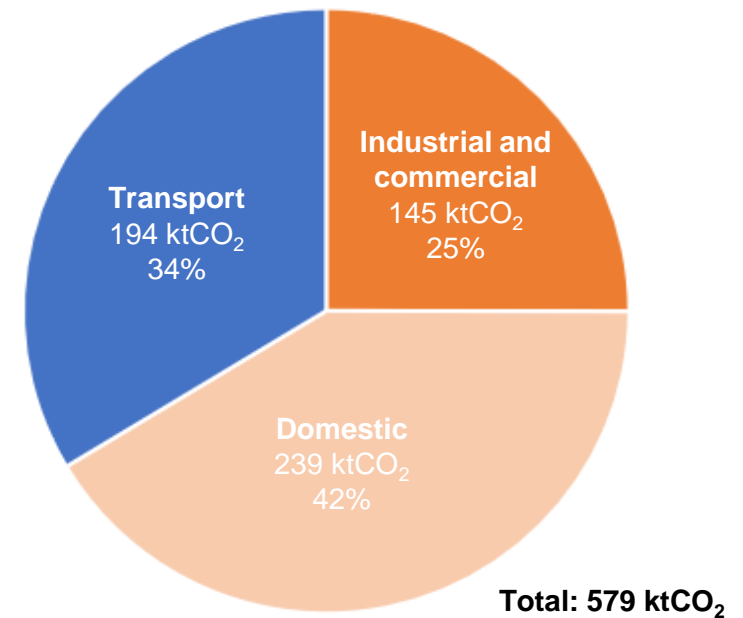


Figure 4c: BEIS sector inventory for direct and indirect emissions within Adur & Worthing **combined**, excluding LULUCF, 2017



- Industry and Commercial
- Domestic
- Transport

## Summary – Key Findings

### Comparing Adur and Worthing

The largest sources of emissions for Adur & Worthing are Buildings (57% and 67% for Adur and Worthing respectively), followed by Transport (30% & 23%) and Waste (13% & 10%).

Both Adur and Worthing demonstrate fairly similar figures across waste and transport emissions. The largest differences lie within the emissions associated with buildings. Worthing's residential emissions (160 ktCO<sub>2</sub>e) and industrial & institutional buildings (90 ktCO<sub>2</sub>e) are both much higher than those for Adur (95 ktCO<sub>2</sub>e and 49 ktCO<sub>2</sub>e respectively).

### Emissions by household and by business

Emissions sector	Adur	Worthing
Residential	3.42 tCO <sub>2</sub> e/household	3.49 tCO <sub>2</sub> e/household
Commercial and industrial	11.25 tCO <sub>2</sub> e/business	14.13 tCO <sub>2</sub> e/business

Table 2: Comparing residential and commercial emissions per “unit” of each (i.e. residential emissions per household and commercial & industrial emissions per business).

Residential: The first of these metrics measures the emissions intensity per household in Adur and Worthing. The data indicates that residential emissions are coupled very closely to the number of households i.e. the emissions per household are very similar. Worthing has a higher number of households than Adur, which explains the larger total for residential emissions.



Commercial and industrial: Emissions in this sector are less strongly coupled to the total number of businesses in Adur and Worthing. The average business in Worthing is responsible for around 20% more emissions than the average business in Adur. Economic metrics are a [key proxy indicator](#) for the emissions in a region – within more affluent local authorities, the emissions intensity is typically higher. The increased emissions intensity in Worthing is also reflected in the differing GVA per capita statistics; <sup>1</sup> Worthing's GVA per capita is approximately 23% higher than in Adur.

### Visualising Carbon Dioxide

Throughout this analysis emissions are defined in units of tonnes of carbon dioxide (CO<sub>2</sub>) or carbon dioxide equivalent (CO<sub>2</sub>e). One tonne of CO<sub>2</sub> is roughly equivalent to one month of daily commuting by car between Worthing and London, or a one-way economy class flight between Heathrow and Las Vegas.

When the “equivalent” unit is used, this means that the effects of other greenhouse gases (GHGs) have been considered. Different GHGs trap heat in the atmosphere more effectively than carbon dioxide. Converting into common units of carbon dioxide allows for an easier comparison between greenhouse gases.

<sup>1</sup> – Gross Value Added (GVA) per capita is a measure of a local authority's contribution to national gross domestic product (GDP) per head of resident population in that local authority.

## Frequently Asked Questions

See this Tyndall Centre [blog post](#) on the various terms that are often used alongside carbon neutral/net zero.

### What do the different emissions categories and terms mean within SCATTER?

**Direct** = GHG emissions from sources located within the local authority boundary (also referred to as Scope 1). For example petrol, diesel or natural gas.

**Indirect** = GHG emissions occurring as a consequence of the use of grid-supplied electricity, heat, steam and/or cooling within the local authority boundary (also referred to as Scope 2).

**Other** = All other GHG emissions that occur outside the local authority boundary as a result of activities taking place within the boundary (also referred to as Scope 3). This category is not complete and only shows sub-categories required for [Carbon Disclosure Project](#) (CDP) / [Global Covenant of Mayors](#) reporting.

**Carbon Neutral/Net Zero:** Throughout this report, the terms 'carbon neutral' and 'net zero' are used interchangeably. Typically, they mean the same thing: that while emissions have been reduced overall, some remain, but are offset through carbon dioxide removal from the atmosphere by some technological means or by the natural environment.

### What do the different sectors and subsectors represent within the SCATTER Inventory?

- **The Direct Emissions Summary and Subsector categories** are aligned to the the World Resource Institute's [Global Protocol for Community-Scale Greenhouse Gas Emission Inventories](#) (GPC), as accepted by CDP and the Global Covenant of Mayors.
- **The BEIS Local Emissions Summary** represents Local Authority level [data](#) published annually by the Department for Business Energy & Industrial Strategy (BEIS).
- **Stationary energy** includes emissions associated with industrial buildings and facilities (e.g. gas & electricity).
- **IPPU** specifically relates to emissions that arise from production of products within the following industries: iron and steel, non-ferrous metals, mineral products, chemicals. These are derived from [DUKES](#) data (1.1-1.3 & 5.1).
- **Waterborne Navigation and Aviation** relate to trips that occur within the region. The figures are derived based on national data (Civil Aviation Authority & Department for Transport) and scaled to Adur and Worthing.
- The full methodology is available at <http://SCATTERcities.com/pages/methodology>

### Why does the BEIS summary differ from the SCATTER summary?

- The BEIS summary **represents CO<sub>2</sub> only**; SCATTER also includes emissions factors for other greenhouse gases such as Nitrous Oxide (N<sub>2</sub>O) and Methane (CH<sub>4</sub>). These are reported as a CO<sub>2</sub> 'equivalents (e)'.
- The BEIS summary **does not provide scope split**; SCATTER reports emissions by scope 1, 2, and 3 (i.e. direct, indirect or other categories).
- **The BEIS summary categories are not directly consistent or mapped to the BEIS LA fuel data** which is available as a separate data set. SCATTER uses published fuel data and applies current-year emissions factors, whereas the BEIS data calculations scale down national emissions in each transport area. Specifically for road transport, BEIS data splits total emissions across road type; SCATTER uses fuel consumption for on-road transport per LA.
- **Different treatment of 'rural' emissions** i.e. Agriculture, Forestry and Other Land Use (AFOLU) and Land Use, Land Use Change & Forestry (LULUCF) categories are derived from different underlying data sets.



## 2. Science-based Carbon Budgets

## 2: Science-based Carbon Budgets

### Carbon budgets developed through Tyndall Centre research

The Tyndall Centre for Climate Change Research is a research organisation based at the University of Manchester. Their research aims to translate the Paris Agreement targets of limiting temperature change below 1.5°C into a finite emissions 'budget' for each local authority. A temperature increase of 1.5°C is the result of a given concentration of atmospheric greenhouse gases.

**The budget is finite:** A global carbon budget represents the finite emissions that can be emitted before the 1.5°C threshold for greenhouse gas concentration is crossed. This global budget can subsequently be scaled down to a national level, and finally, a regional level. A more complete description of this approach can be found in Appendix 2.

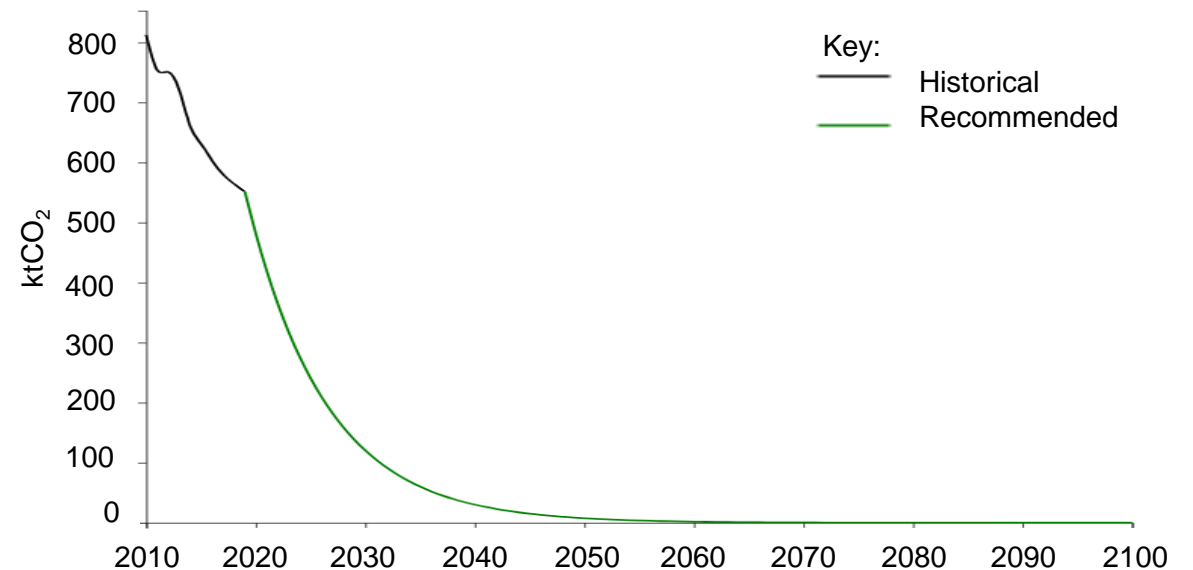
**The impact is cumulative:** A crucial element of this approach is understanding the importance of cumulative carbon emissions. Once emitted, carbon dioxide remains in the atmosphere for many years, contributing to increasing the average global temperature. The carbon budget does not reset each year; it represents a finite limit to emissions. If the carbon budget were a monthly payday check paid on Friday, at the current rate of emissions, it would be spent before lunchtime the following Monday.

The red dotted line defined in the SCATTER pathways graph on pages 26-28 is a representation of a 12.9% annual reduction. Since 2005, the average annual reduction in Adur and Worthing has been less than 4%.

A key omission from this budgeting analysis is emissions from aviation and shipping and the budget considers only the region's *energy system*. This type of budget is termed 'energy-only' and also excludes emissions from land use, land change and forestry, as well as cement manufacturing.

**Carbon budget:** A fixed amount of carbon that can be emitted before an average temperature increase of 1.5°C

Fig 5: Adur and Worthing carbon budget, showing a 12.9% annual reduction rate.



The carbon budget for Adur and Worthing<sup>1</sup> between 2020-2100 is **3,700 ktCO<sub>2</sub>**

An annual emissions reduction rate of 12.9% is needed to adhere to this budget

At 2017 rates, Adur and Worthing will exceed its carbon budget **within 6 years**

## 2. Science-based Carbon Budgets

### Carbon budgets developed through Tyndall Centre research

#### Aviation and shipping

Aviation and shipping emissions are deducted from the budget at the UK level, **not** at the borough/district level. Therefore, the carbon budget allocated to Adur and Worthing by the Tyndall Centre analysis **does not** include aviation emissions. The Tyndall Centre analysis assumes the UK emissions from aviation as remaining constant up until 2030, followed by a linear reduction to full decarbonisation in the sector until 2075.

These aviation assumptions are at odds with current market trends, [which indicate](#) that worldwide emissions from flights rose by 32% between 2013 and 2018. Similarly, Airbus [recently reported](#) they anticipate the number of commercial planes in operation to double by 2038.

With government predictions expecting significant growth in aviation and shipping emissions, the remaining UK budget available for local authorities will reduce significantly, requiring even greater reductions in emissions in order to keep within the 1.5°C budget. It is therefore recommended that governments work collaboratively to consider strategies that limit emissions growth from aviation and shipping.

#### Adur & Worthing budget milestones

The table below gives the cumulative emissions totals and percentage reductions against 2015 baselines for Adur and Worthing needed to achieve carbon neutrality by 2050:

Year	Reduction in emissions against 2015 levels	Cumulative emissions total (ktCO <sub>2</sub> )
2020	24.2%	480
2025	62.1%	2,100
2030	81.1%	2,910
2035	90.5%	3,310
2040	95.3%	3,510
2045	97.6%	3,610
2050	98.8%	3,660

Table 3: Adur and Worthing carbon budget targets.

**>95% of the recommended carbon budget is used up by 2040 under the Tyndall Centre trajectory**

**At current rates, 95% of the recommended budget is used up by 2025**

### 3. Pathways to Carbon Neutrality



### 3. Pathways to Carbon Neutrality

#### SCATTER Pathways

SCATTER is intended to serve as one of many information sources to help local authority users inform their priorities for emissions reduction. Specifically with reference to the forward-looking Pathways part of the tool, it is intended to focus on the 'what' rather than the 'how'. It is important to note that SCATTER does not intend to prescribe certain technologies or policies, and similarly does not intend to discount other methods of arriving at the same outcome, just because they do not feature in the model. The SCATTER pathways serve as 'lines in the sand' and give users an indication of whether they are likely to be on-target or off-target for a carbon neutral trajectory through the adoption of interventions to drive the transition to a low carbon economy.

The analysis undertaken for this report is based on the original SCATTER V1 (Excel-based tool) as it was the latest live version of the tool at the time of writing. **Updates to the tool included in V2 (online tool) have not been included in this analysis.** Naturally, technologies, assumptions and approaches to energy models are evolving all the time, and we would welcome the opportunity to receive feedback and/or collaborate on refinements of SCATTER in the future. Please share any feedback with [scatter@anthesisgroup.com](mailto:scatter@anthesisgroup.com).

#### Basic principles

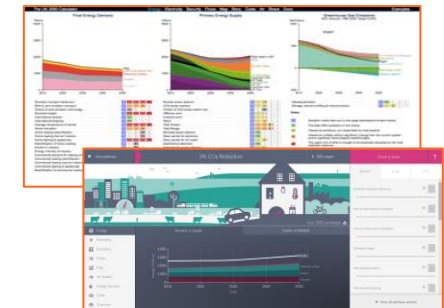
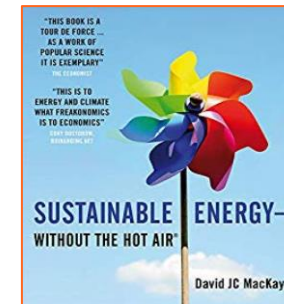
Sir David MacKay's 'Sustainable Energy - Without Hot Air (2009)' underpins the basis for the pathways modelling. As a scientific advisor to the Department for Energy & Climate Change (DECC), now BEIS, MacKay's work led to the development of the 2050 Pathways calculator. An open source, Microsoft Excel version of this tool was published by DECC which we used as the foundation for SCATTER.

Two key modifications were made by Anthesis:

**1) We scaled it down for sub-national regions:** Scaling assumptions and localised data sets were built into the tool so that results were representative of cities and local authority regions, rather than the UK as a whole.

**2) We pushed ambition further:** Technology specifications changes were reviewed and updated where judged to be out of date and constraining ambition. Given that almost a decade had passed since MacKay's publication and the release of the 2050 Pathways tool, we sought the counsel of a technical panel to make these updates. The technical panel comprised subject matter experts from Arup, BEIS, Electricity North West, GMCA, The Business Growth Hub, The Energy Systems Catapult, The Tyndall Centre and Siemens. We also referenced the 2050 Wiki page during the course of the update. A summary of these changes can be found in Appendix 3.

Many other sector specific aspects of modelling treatment and assumptions have required consideration and interpretation as we have applied the model to various cities and local authorities.



**Energy system:** the consumption of fuel, heat and electricity across buildings, transport and industrial sectors, from solid, liquid and gaseous

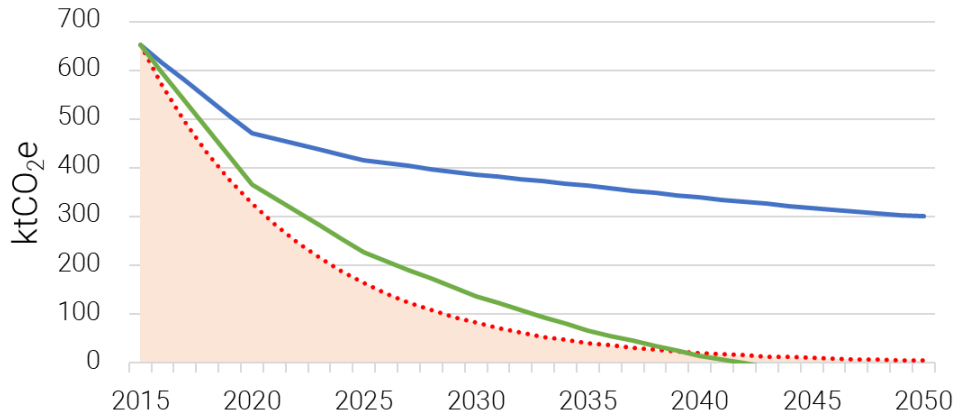


Figure 6: Adur and Worthing Pathways for area-wide carbon reduction.

- **SCATTER "Level 1" (BAU) Pathway** – Assumes Adur and Worthing doesn't take much action beyond decarbonisation of the electricity grid and nationally led policy.<sup>1</sup> It is worth noting that meeting national targets still requires significant local action.
- **SCATTER "Level 4" Pathway** – Assumes Adur and Worthing go significantly beyond national policy and National Grid assumptions, across both energy supply and demand measures.
- ⋯ **Tyndall-aligned Pathway** – A 12.9% annual reduction as defined by Tyndall research. Unlike the SCATTER Pathways, this does not specify what tangible measures could achieve this pathway, rather, it sets out what science indicates we need to aim for. The beige region is a representative area defining the finite, cumulative amount that the region should emit between now and 2050, based on research by the Tyndall Centre for Climate Change Research.

## Understanding the Pathways models

This graph shows possible future emissions pathways over time, as modelled by the SCATTER pathways tool.

**The tool focuses on energy system emissions reductions within Adur and Worthing.** The pathways do not represent reductions outside of the A&WC administrative boundary (i.e. consumption-based emissions). The Pathways are based on the effects that different measures have on Adur and Worthing's emissions. There are varying degrees of ambition available for each measure, with the blue line representing the lowest level (termed "Level 1") and the green line representing the highest level of ambition (termed "Level 4").

Both pathways can be compared against the Tyndall Centre for Climate Change Research carbon budget. This is derived from climate science and applies a method for scaling down global carbon emissions budgets, as discussed in Chapter 2. Unlike the SCATTER pathways, this is based on climate science, not tangible energy supply and demand measures in region. The cumulative nature of CO<sub>2</sub> reinforces the need to take a 'budget' approach, where any annual shortfalls accumulate over time.

The red dotted line is just one way of allocating a finite, carbon budget (the area underneath the curve). Alternatively, the same budget will last only 7 years if emissions remain at current levels. This again highlights the need for urgent action **now**.

Gaps exist between the SCATTER Level 4 Pathway and the Tyndall-aligned Pathway because modelling assumptions are based on present day evidence and judgement. Such assumptions are not intended to constrain the future ambition to close the gap. A summary page similar to those on page 27 & 28, for the combined district and borough, can be found in Appendix 4.



## Carbon Reduction Pathways for Adur

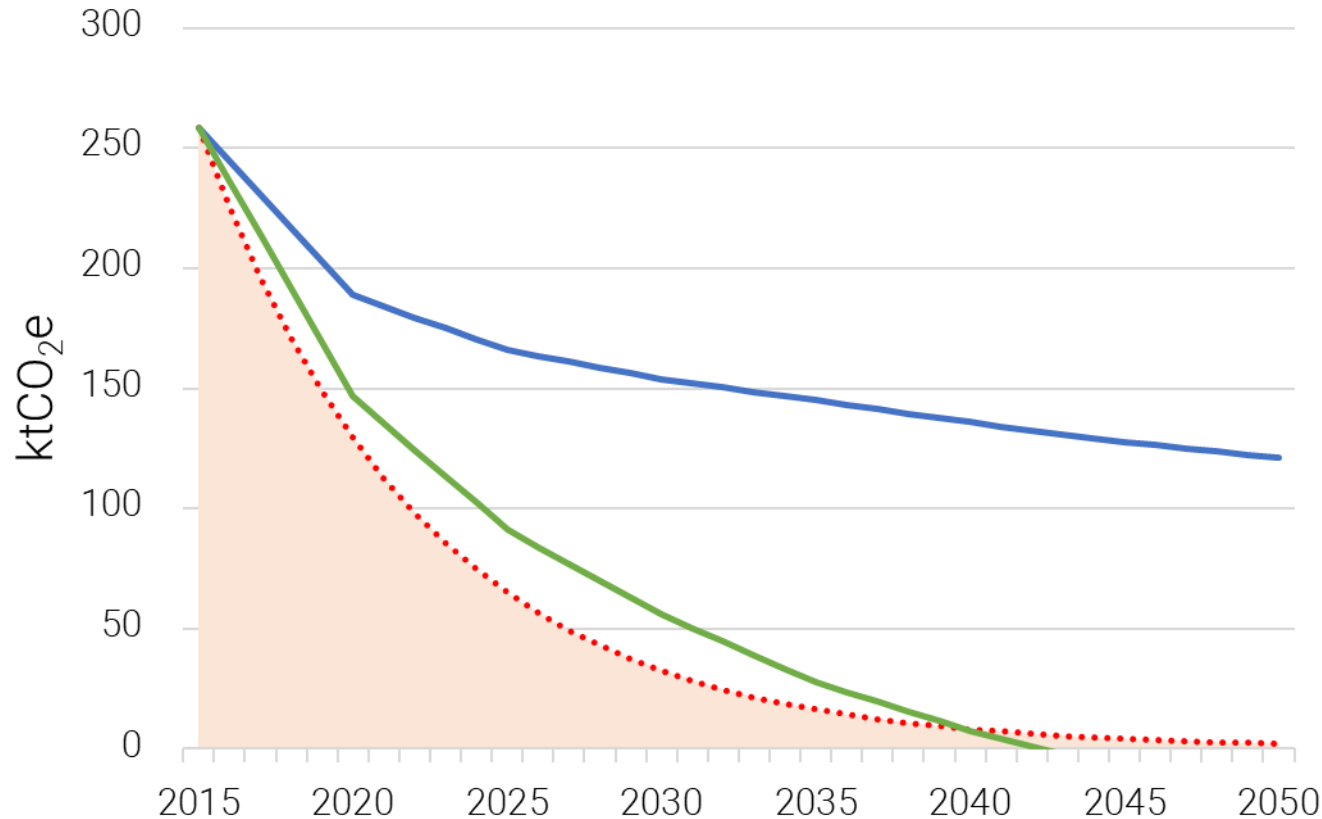


Figure 7: Adur Pathways for district-wide carbon reduction.

## Historic Emissions Reductions

BEIS publishes local authority emissions data each year, with a two year lag between collection and reporting. Data is typically released in June, meaning that 2017 is the most recently available year.

Between 2015 and 2017, Adur’s emissions fell by just over 7%, due mainly to the “greening” of the electricity grid. Differences in the two methodologies between SCATTER and BEIS mean that any direct comparisons must be heavily caveated.

## Pathways Key

**Business-as-usual (BAU):** Assumes actions in line with current, national policy, such as nationally led decarbonisation of the electricity grid. This will still require a significant level of effort locally.

**SCATTER Level 4:** Assumes actions significantly beyond national policy and grid decarbonisation, across both energy supply and energy demand measures. Achieves carbon neutrality by the early 2040s.

**Carbon Budget pathway:** Assumes action which is aligned to the climate science set out by the Tyndall Centre. This Pathway is one way of allocating a finite, carbon budget (the area underneath the line) and is not based upon tangible energy supply and demand measures within the region. The beige area would last only seven years at current emissions levels.

## Carbon Reduction Pathways for Worthing

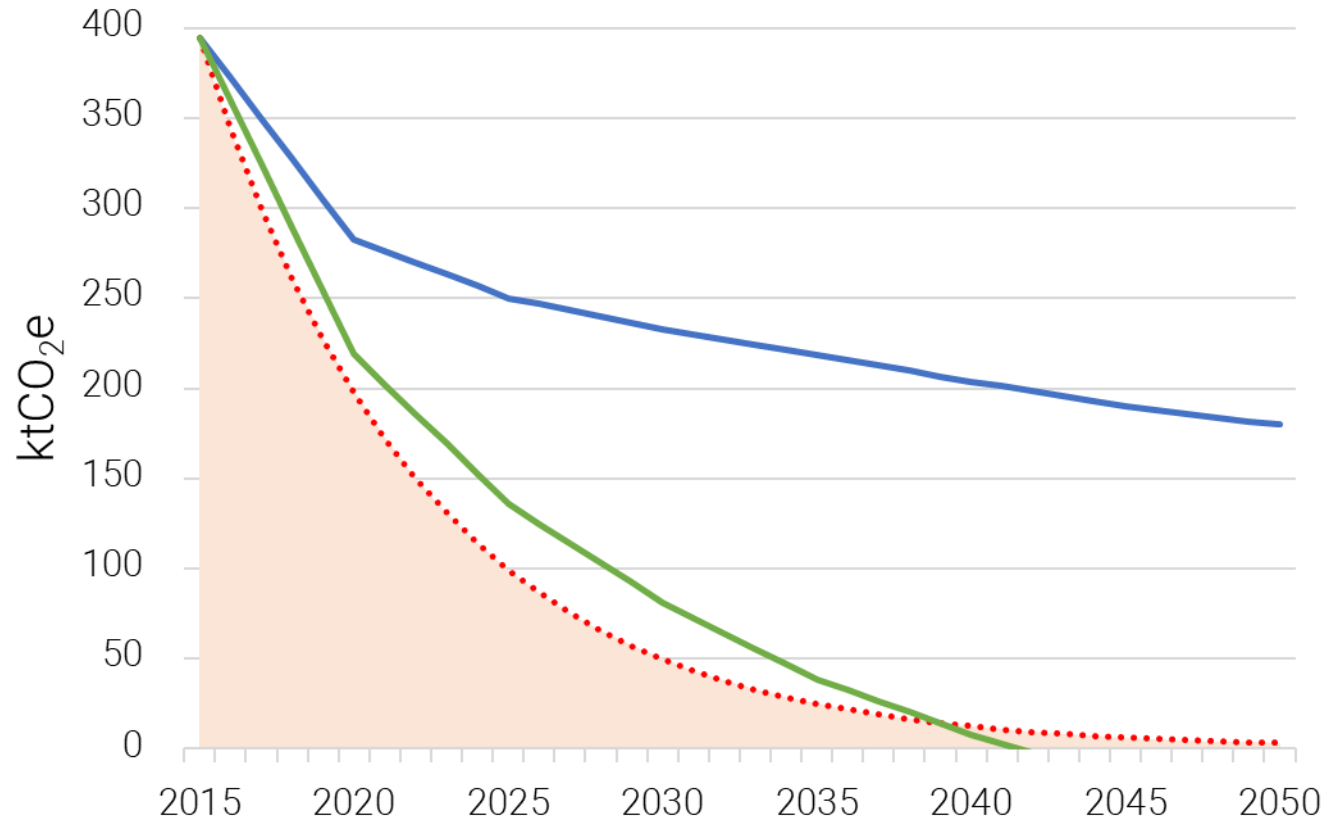


Figure 8: Worthing Pathways for borough-wide carbon reduction.

## Historic Emissions Reductions

BEIS publishes local authority emissions data each year, with a two year lag between collection and reporting. Data is typically released in June, meaning that 2017 is the most recently available year.

Between 2015 and 2017, Worthing's emissions fell by just under 10%, due mainly to the "greening" of the electricity grid. Differences in the two methodologies between SCATTER and BEIS mean that any direct comparisons must be heavily caveated.

## Pathways Key

**Business-as-usual (BAU):** Assumes actions in line with current, national policy, such as nationally led decarbonisation of the electricity grid. This will still require a significant level of effort locally.

**SCATTER Level 4:** Assumes actions significantly beyond national policy and grid decarbonisation, across both energy supply and energy demand measures. Achieves carbon neutrality by the early 2040s.

**Carbon Budget pathway:** Assumes action which is aligned to the climate science set out by the Tyndall Centre. This Pathway is one way of allocating a finite, carbon budget (the area underneath the line) and is not based upon tangible energy supply and demand measures within the region. The beige area would last only seven years at current emissions levels.



## Energy supply & demand

**The energy system has two main components; energy supply, and energy demand.** In this report, the term ‘energy system’ relates to energy in the form of solid, liquid and gaseous energy that is used to provide fuel, heat and electricity across buildings, transport and industrial sectors. Energy must be supplied to each of these sectors, in order to meet the demand for energy that the sectors require. Demand drives the amount of supply we need. Businesses, residents and public services all play a part in contributing to this demand.

**Future demand is hard to predict.** Recently published analysis within the National Grid’s Future Energy Scenarios (FES) 2019 indicates that even under a scenario that meets the UK’s net zero by 2050 (Two Degrees), electricity demand still increases. SCATTER’s L4 Pathway on the other hand (consistent with the legacy 2050 Pathways tool), assumes that electricity demand still reduces overall. Factors such as increased electrification of heat and transport are naturally big drivers for the increase, but incentives and opportunities for demand reduction and energy efficiency measures are still significant and could slow or tip trends in the other direction.

**Reducing demand should always come first.**

**Economically**, this usually makes sense, whether at an individual, organizational or district level. For example, energy bills can reduce and at a district level, costs associated with installing new generation assets, new grid connections and grid reinforcement works can be minimised.

**Socially**, there are benefits if citizens can be better off if they shift to more active forms of transport such as walking and cycling or increase efficiency of journeys by car sharing.

**Environmentally**, emissions savings can often be achieved much quicker by implementing various demand side behaviour changes or ‘quick win’ efficiency measures. This can help safeguard carbon budgets and avoid placing too much reliance on slower, riskier, renewable supply infrastructure to deliver the emissions savings so critically required.

**The potential for demand reduction is still huge.** The International Energy Agency (IEA) estimated that efficiency measures (i.e. demand side reduction), could contribute 40% towards our emissions targets.<sup>2</sup>

Table 4: FES & SCATTER demand side assumptions at 2030 and 2050.

Source	Change in current <sup>1</sup> demand	
	2030	2050
FES Two Degrees (2019)	▲ 5%	▲ 48%
SCATTER Level 4 (L4) Pathway	▼ -25%	▼ -45%

## 4. Interventions to Achieve Carbon Neutrality



Brighton Energy Co-op installing 100kW Solar PV on the roof of the Worthing Borough Council owned Splashpoint Leisure Centre for South Downs Leisure, Jan 2020

## Pathways tool and interventions

The SCATTER pathways tool models the influence of a range of measures on the emissions from the borough's energy system. This chapter of the report defines the measures which are locally influenceable, and what actions will be necessary to achieve a pathway to carbon neutrality for Adur and Worthing.

The tool operates on more measures and interventions than are listed in this chapter. Not all interventions are listed due to the region's limited local influence on their implementation. The ambition level for these national measures is set to governmental forecasts.

The defined measures are based on **what** is needed to achieve carbon reductions for the L4 pathway and do not consider **how** they can be delivered e.g. policy, feasibility, financing or skills required. Note that all figures provided are against a baseline year of 2015.

## Navigating the tables

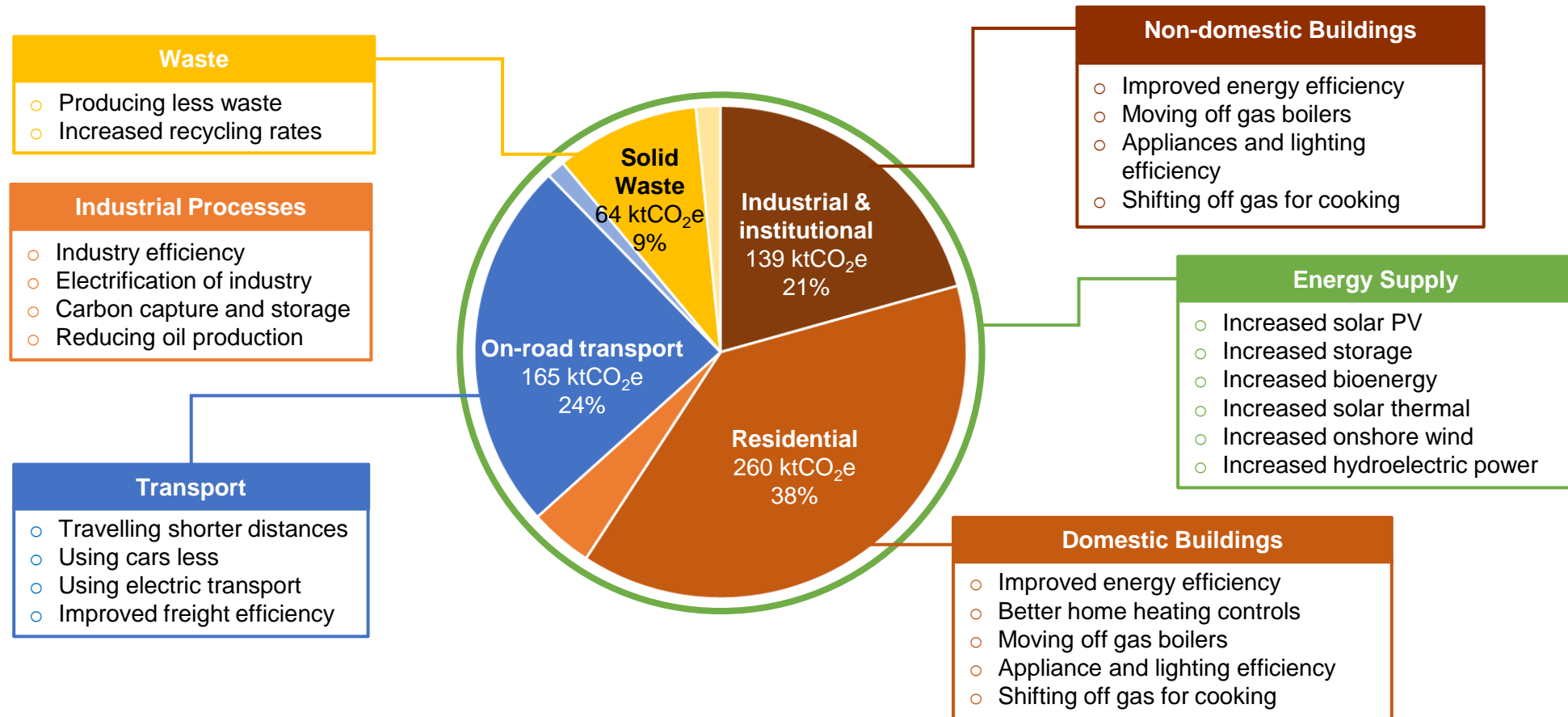
The tables in this chapter provide metrics to understand the nature and extent of measures specific to Adur and Worthing:

- **Measure:** Defines the 'action' or changing activity within a given sector.
- **Current Context:** Describes the existing 'state of play' within the regions. Note that every effort is made to define the current contexts in the same parameters as the SCATTER interventions, though this is not always possible.
- **Interventions:** These are the outputs from the SCATTER pathways tool. They are given at milestones of 2025, 2030 and 2050. The 5- and 10-year milestones give an indication of the urgency for **front-loaded actions** and underscores the need for urgent action. The 2050 milestone is included to offer an 'endpoint' evaluation for the measures that will deliver carbon neutrality for Adur and Worthing.

Measures are broken down into various sectors, which are matched up with the SCATTER sectors listed in Chapter 1 as part of the current emissions inventories.

## Summary of measures

The range of potential carbon reduction measures considered as part of this study is summarised below. This also presents the SCATTER sectors to which the measures correspond. Explanations of each measure are given in at the head of each section.



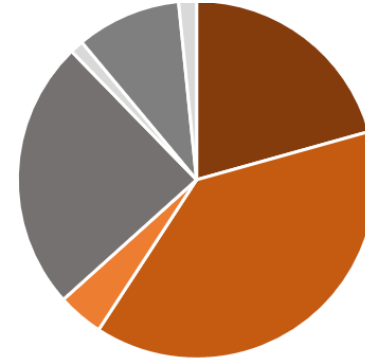
## Domestic and non-domestic buildings



### Decreasing building energy demand and electrifying our heating systems

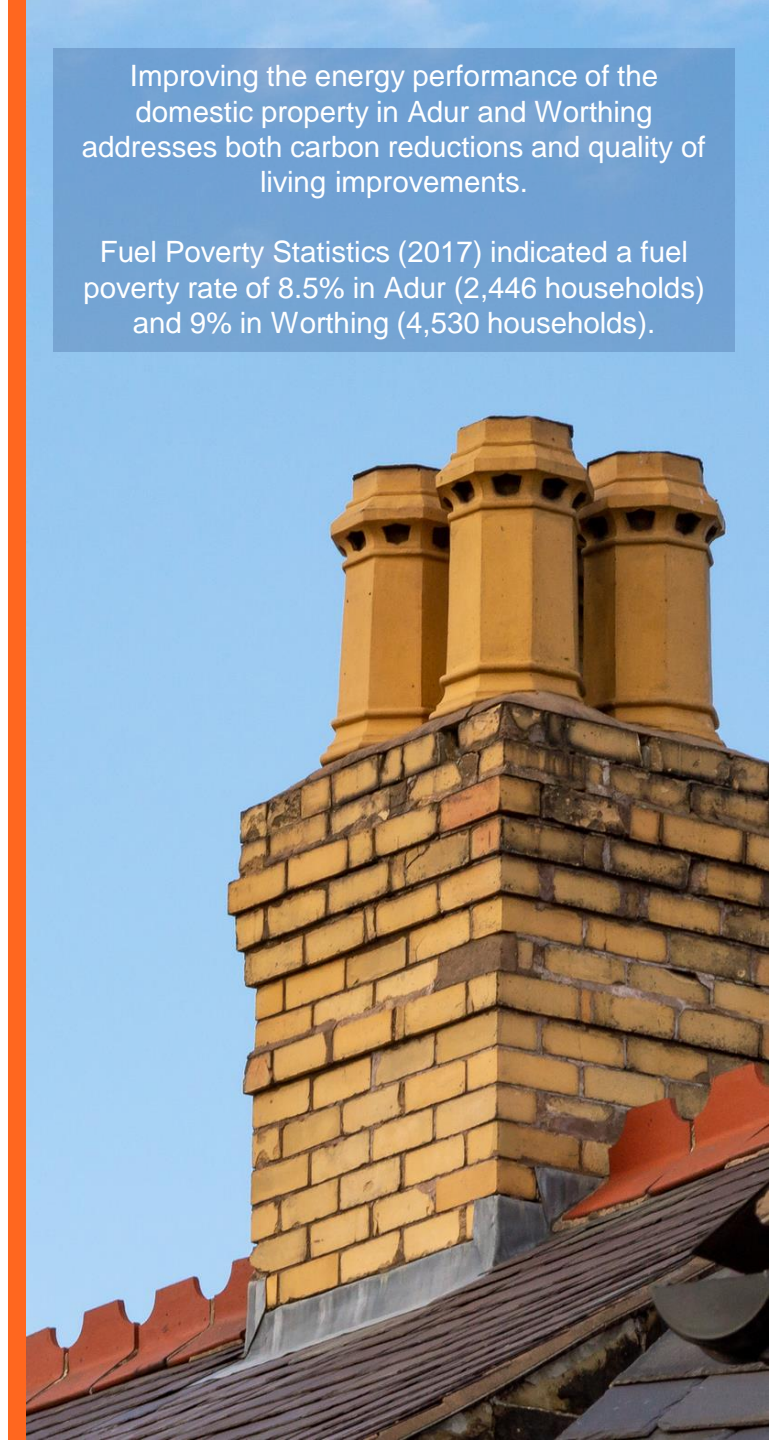
The following measures describe the modelling around reducing the energy demand for heating within domestic and non-domestic buildings:

- **Improved energy efficiency:** The tool plots the effects of improving heat retention within homes, which can be improved through the rollout of deep retrofit measures within homes. Measures include: loft insulation, wall insulation (for both cavity and solid walls), floor insulation, superglazing and draughtproofing. Improvements to commercial practices which reduce energy demands for heating and cooling, including but not limited to improvements to building fabric.
- **Moving off gas boilers:** Considering the uptake of non-fossil fuel sources for heating within homes and commercial properties, including heat pumps, district heating and combined heat and power networks (CHP).
- **Appliance and lighting efficiency:** Considers the reduction in energy demand from more efficient lighting and appliances, including white goods, electrical devices and all forms of lighting.
- **Better home heating controls:** Considers the reduction in energy demand corresponding to the reduction in average temperature of the home. 'Average' denotes the **annual** average across all homes and implies the use of smart control technologies rather than changes to comfort levels and/or healthy temperatures.
- **Shifting off gas for cooking:** Models the uptake of electrical cooking systems and discontinuation of gas cookers.



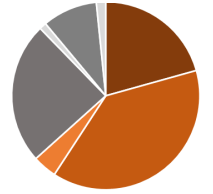
Improving the energy performance of the domestic property in Adur and Worthing addresses both carbon reductions and quality of living improvements.

Fuel Poverty Statistics (2017) indicated a fuel poverty rate of 8.5% in Adur (2,446 households) and 9% in Worthing (4,530 households).





## Domestic Buildings



Measure	Current A&WC Context	SCATTER L4 Pathway		
		2025	2030	2050
Improved energy efficiency <sup>1</sup>	<p><b>Adur:</b> 1,427 ECO measures installed (c.5% of households) between 2013 and March 2019<sup>2</sup> 73% of EPC-rated homes have a rating of D or below<sup>4</sup></p> <p><b>Worthing:</b> 2,946 ECO measures installed (c.6% of households) between 2013 and March 2019<sup>2</sup> 76% of EPC-rated homes have a rating of D or below<sup>4</sup></p> <p>233 Watts/°C average heat loss per house (Referred to in the legacy 2050 Pathways tool as thermal leakiness. See definition opposite)</p>	<p>183 Watts/°C average heat loss per house (21% reduction in thermal leakiness)</p> <p>Indicative retrofit rates:</p> <p>Solid wall insulation: 1,192 households a year Loft insulation: 2,998 households per year Superglazing: 2,703 households per year</p> <p>New builds to PassivHaus<sup>5</sup> or equivalent standard</p>	<p>158 Watts/°C average heat loss per house (32% reduction in thermal leakiness)</p> <p>Indicative retrofit rates</p> <p>Solid wall insulation: 1,235 households a year Loft insulation: 3,104 households per year Superglazing: 2,802 households per year</p> <p>New builds to PassivHaus or equivalent standard</p>	<p>58 Watts/°C average heat loss per house (75% reduction in thermal leakiness)</p> <p>New builds to PassivHaus or equivalent standard</p>

### What is 'thermal leakiness'?

Thermal leakiness is a measure of how well a house **retains heat**. A house with high thermal leakiness will not retain heat very easily and will be more expensive to keep warm. Thermal leakiness varies across the ambition thresholds within SCATTER and depends on three variables, all of which will impact the Watts/°C metric:

- 1) Thermal conductivity of the building fabric (i.e. 'U-values' of ceilings, floors, walls and windows).
- 2) Ventilation (i.e. effectiveness of draught-proofing).
- 3) Temperature difference with the outside (i.e. the average temperature of the home based on the occupant's preference or use of smart thermostats).

1 – For a full list of retrofit measures see Appendix 5, though note that these are non-prescriptive. The measures described are indicative only, and the tool operates performs calculations based on the reductions in thermal leakiness as opposed to the effects of different specific retrofit measures.

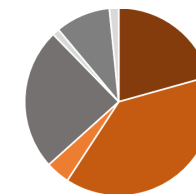
2 – See [ECO measure data](#) – the Energy Company Obligation (ECO) is a government-led scheme which seeks to improve the energy efficiency of homes across Great Britain through the installation of retrofit measures via grant funding.

3 – [Sub-regional fuel poverty statistics for England 2019](#)

4 – [EPC data](#) – only approximately 66% of domestic properties in region are listed as having an EPC (c.53,000 households). For a full list see Appendix 6.

5 – PassivHaus refers to a standard of energy efficiency, where a building uses no more than 15 kWh/m<sup>2</sup> for space heating and cooling.

# Domestic Buildings



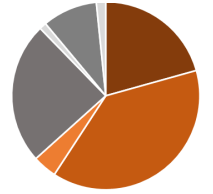
Measure	Current A&WC Context	SCATTER L4 Pathway		
		2025	2030	2050
Moving off gas boilers	<p><b>Adur:</b> c. 26,000 properties (91%) have gas systems installed<sup>1</sup></p> <p><b>Worthing:</b> c. 44,000 properties (88%) have gas systems installed</p> <p>Renewable Heat Incentive (RHI) has accredited 16 domestic installations for renewable heat systems in <b>Adur</b> and 23 in <b>Worthing</b> since 2014<sup>2</sup></p>	<p><b>Adur:</b> 33% of household stock have a new heating system</p> <p><b>Worthing:</b> 35% of household stock have a new heating system</p> <p>Majority of heating systems are gas boilers, with some heat pumps<sup>3</sup> (14%)</p>	<p><b>Adur:</b> 48% of household stock have a new heating system</p> <p><b>Worthing:</b> 49% of household stock have a new heating system</p> <p>Majority of heating systems are gas boilers, with an increased share of heat pumps (26%) and district heating (1%)</p>	<p>In both <b>Adur</b> and <b>Worthing</b>, every house has a new heating system installed</p> <p>Majority of heating demand is delivered by heat pumps (90%) with the remainder from resistive heaters and district heating</p>
Appliance & lighting efficiency	<p>Consumption by domestic lighting decreased 7% between 2015 and 2018<sup>4</sup></p> <p>The total mean domestic electricity demand in 2018 was 3.64 MWh in <b>Adur</b> and 3.55 MWh in <b>Worthing</b><sup>5</sup></p>	<p>Average demand per household is 2.42 MWh (20% reduction relative to 2015)</p>	<p>Average demand per household is 2.12 MWh (30% reduction relative to 2015)</p>	<p>Average demand per household is 0.93 MWh (69% reduction relative to 2015)</p>
Shifting off gas for cooking	47% electrified <sup>6</sup>	69% electrified	76% electrified	100% electrified
Better home heating controls <sup>7</sup>	Current average temperatures are approximately 17.3°C <sup>8</sup>	16.8°C	16.7°C	16.0°C

See Appendix 7 for a description of the various heating technologies assumed within SCATTER

1 – Assuming 1 meter per household based on 2018 data from: [Gas network data](#)  
 2 – <https://www.gov.uk/government/statistics/rhi-monthly-deployment-data-may-2019>  
 3 – Air-source and ground-source heat pump technology  
 4 – [Sub-national electricity consumption statistics 2005 to 2018](#)  
 5 – [Electricity demand data](#)

6 – based on legacy SCATTER assumptions  
 7 – Reductions may be achieved through better heating controls (i.e. 'Smart thermostats') that zone the heat, as opposed to reducing comfort  
 8 – ECUK (2017) Table 3.16: Internal and external temperatures 1970 to 2012

## Domestic Buildings



### Local examples of best practice

A programme to install 250 air source heat pumps in dwellings in West Sussex is planned through the [Innovate UK funded Smarthubs project](#)

[LEAP](#) free energy advice service have installed over 1,200 LED lightbulbs in homes across **Adur and Worthing**, cumulatively saving 750 tCO<sub>2</sub> over the next 10 years

### National policy drivers & schemes

Gas boilers will be banned in **new** homes from 2025

Clean Growth Strategy set targets to upgrade as many houses to EPC band C by 2035 (2030 for all fuel-poor households)

Third phase of the Energy Company Obligation (ECO3) will conclude in 2022

[The Future Homes Standard](#) provides an update to Part L of the building regulations. However, it has been argued that the proposed changes are not ambitious enough.

[Minimum energy efficiency standards \(MEES\)](#) in the private rented sector and non-domestic property prevents landlords from letting properties if they are rated below EPC Band E.

### National examples of best practice

**Sunderland City Council** invested in the [largest gas replacement project](#) to switch to heating provided by ground source heat pumps to a block of 364 flats.

**Trent and Dove Housing** [retrofit programme](#) includes the installation of ground-source heat pumps for 130 residents

**Exeter City Council** have developed [103 certified Passivhaus](#) homes as part of their low energy development plans.

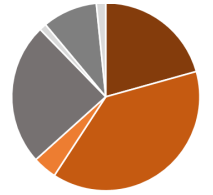
**South West England** [Ready for Retrofit](#) report assessed local barriers and enablers in order to stimulate long term growth in the retrofit market





## 4. Interventions to Achieve Carbon Neutrality

### Non-Domestic Buildings



Measure	Current A&WC Context	SCATTER L4 Pathway		
		2025	2030	2050
Improved energy efficiency	<p><b>Adur:</b> 64% of EPC-rated commercial 'lodgements' are rated D or lower<sup>1</sup></p> <p><b>Worthing:</b> 67% of EPC-rated commercial 'lodgements' are rated D or lower<sup>1</sup></p>	16% reduction in commercial heating and cooling demand against 2015 levels	24% reduction in commercial heating and cooling demands against 2015 levels	45% reduction in commercial heating and cooling demands against 2015 levels
Moving off gas boilers	<p>89% gas and oil-fired boilers (2015)<sup>2</sup></p> <p>See Appendix 7 for further detail on the type of heating technologies assumed</p>	Reduce gas and oil-fired boilers to 58%	Reduce gas and oil-fired boilers to 46%	All demand met entirely by heat pumps and resistive heaters
Appliances & lighting	Consumption by non-domestic lighting, computers and commercial motors fell 1.7% between 2015 and 2018 <sup>3</sup>	<p>7% reduction from 2015</p> <p><b>Adur:</b> Non-domestic demand is 115 GWh</p> <p><b>Worthing:</b> Non-domestic demand is 217 GWh</p>	<p>10% reduction from 2015</p> <p><b>Adur:</b> Non-domestic demand is 111 GWh</p> <p><b>Worthing:</b> Non-domestic demand is 209 GWh</p>	<p>24% reduction from 2015</p> <p><b>Adur:</b> Non-domestic demand is 95 GWh</p> <p><b>Worthing:</b> Non-domestic demand is 178 GWh</p>
Shifting off gas for cooking	Cooking is 24% electrified	46% electrified	57% electrified	100% electrified

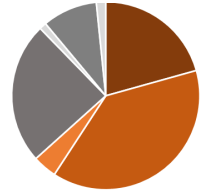
1 – See Appendix 6; a 'lodgement' is assumed to represent the same unit as 'household' (for domestic buildings) and allows comparison between the two different sector's properties.

[Energy Performance of Buildings Certificates](#)

2 – BEIS Total sub-national final energy consumption, 2015, Total Domestic Fuel - Allocated according to ECUK proportions

3 – [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/820753/2019\\_Electrical\\_Products\\_Tables.xlsx](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/820753/2019_Electrical_Products_Tables.xlsx)

## Non-Domestic Buildings



### Local examples of best practice

**Worthing Borough Council** is investigating heat network feasibility within the Worthing Civic Quarter using government funding.

[BISEPS](#) project is led by **West Sussex County Council**, developing secure, competitively-priced, low carbon energy for SMEs in the region.

### National policy drivers & schemes

The [UK Green Building Council](#) was set up in 2013 to investigate and recommend new ways forward to reach zero-carbon buildings.

[Salix Finance](#) offers 100% interest-free capital across Great Britain to deliver energy-saving measures across public sector organisations.

[MEES](#) consultation for privately-rented non-domestic buildings closed in January 2020. The Government's preferred target is that non-domestic property owners in the private sector achieve EPC band B ratings by 2030 across all properties.

### National examples of best practice

**Cornwall Council** have piloted the use of ground source heat pumps at [Tolvaddon Energy Park](#) as part of a £4m investment in 19 commercial units.

**The Carbon Trust's [Green Business Fund](#)** has supported hundreds of small businesses to identify energy savings and energy efficiency improvements.

**Bedfordshire's [sustainable warehouse](#)** was accredited in 2019 as the most sustainable building of its kind in the UK.

**Welsh Government [Planning Policy](#)** requires projects with a floor area greater than 1000m<sup>2</sup> to achieve a BREEAM Very Good rating.

**Nottinghamshire County Council** in partnership with [Salix](#) supported energy reduction projects in 78 schools. Projects included LED lighting upgrades, new Building Energy Management Systems, boiler replacements and improving building fabric insulation.

## Transport



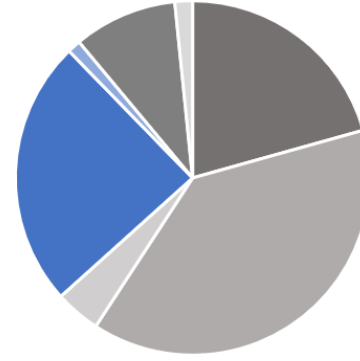
### Changing the way we travel & phasing out fossil fuel vehicles

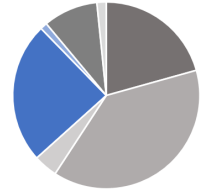
The first group of transport measures model **changes in behaviour** and culture around transport:

- **Travelling shorter distances:** A reduction in the overall mileage travelled by all passengers across all modes.
- **Using cars less:** Changes in the mode of travel passengers use to complete their journeys. These are broken down into car (which includes petrol, diesel, hybrid and electric vehicles) active (walking and cycling) and public (train and bus).
- **Improved freight efficiency:** A change in the mode of travel for freight and commercial journeys. Across Adur and Worthing there are approximately 600 heavy goods vehicles.

The second group of transport measures consider the **adoption of electric vehicles** and the phasing out of petrol and diesel as a means of fuelling our transport:

- **Shift to zero carbon cars:** Uptake of hybrid and electric passenger vehicles, including plug-in hybrids and the phasing out of petrol/diesel vehicles. The tool does **not** consider hydrogen-fuel vehicles.
- **Shift to zero carbon buses:** Uptake of hybrid and electric public transport buses and phasing out of diesel buses.
- **Rail electrification:** Considers the emissions savings resulting from electrifying rail networks

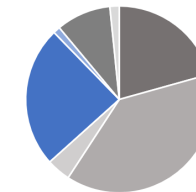




Measure	Current A&WC Context	SCATTER L4 Pathway		
		2025	2030	2050
Travelling shorter distances	<p><b>Adur:</b> 10.2% of residents work from home and the most common distance travelled to work is 5-10km<sup>1</sup></p> <p><b>Worthing:</b> 10.4% of residents work from home and the most common distance travelled to work is less than 2km<sup>1</sup></p>	<p>Overall travel demand drops 17% relative to 2015 levels</p> <p>25% reduction in car transport <b>mileage</b></p>	<p>Overall travel demand drops 25% relative to 2015 levels</p> <p>27% reduction in car transport <b>mileage</b></p>	<p>Overall travel demand drops 25% relative to 2015 levels</p> <p>38% reduction in car transport <b>mileage</b></p>
Using cars less	<p><b>Adur:</b> 2.5% of people regularly cycle to work and 99.2% of households are within two kilometres of a railway station<sup>2</sup></p> <p><b>Worthing:</b> 3.4% of the population regularly cycle to work and 88.2% of households are within two kilometres of a railway station<sup>2</sup></p>	<p>6% reduction in car transport <b>share</b> against 2015 levels</p> <p>Modal share of public transport (rail &amp; bus) is 18%</p> <p>Modal share of active transport (walking &amp; cycling) is 6%</p>	<p>10% reduction in car transport <b>share</b> against 2015 levels</p> <p>Modal share of public transport (rail &amp; bus) is 20%</p> <p>Modal share of active transport (walking &amp; cycling) is 6%</p>	<p>22% reduction in car transport <b>share</b> against 2015 levels</p> <p>Modal share of public transport (rail &amp; bus) is 29%</p> <p>Modal share of active transport (walking &amp; cycling) is 9%</p>
Improved freight efficiency	<p>It is estimated that in <b>Adur</b> there are approximately 4,500 LGVs and 400 HGVs<sup>3</sup></p> <p>It is estimated that in <b>Worthing</b> there are approximately 5,600 LGVs and 200 HGVs<sup>3</sup></p> <p>71% of freight emissions in the UK are from on-road transport<sup>4</sup></p>	<p>Road freight using diesel falls below 99% of total modal share<sup>5</sup></p>	<p>Road freight using diesel falls below 98% of total modal share</p>	<p>Road freight using diesel falls below 93% of total modal share</p>

Refer to Appendix 8 for further information on assumptions on other modes of transport.

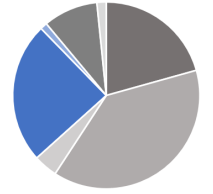
# Transport



Measure	Current A&WC Context	SCATTER L4 Pathway		
		2025	2030	2050
Shift to zero carbon cars	3 public charging points listed on the council website West Sussex Electric Vehicle Strategy estimated in a high uptake scenario that the county will require 3,305 public charging points by 2025 <sup>1</sup>	51% EV, 13% PHEV/HEV, 36% petrol/diesel	75% EV, 14% PHEV/HEV, 11% petrol/diesel	100% EV
Shift to zero carbon buses	There are 16 local bus services operating in <b>Adur</b> <sup>2</sup> , No evidence to suggest trialing of low emission buses in either Adur or Worthing	48% EV, 40% PHEV/HEV, 12% petrol/diesel	76% EV, 24% PHEV/HEV	100% EV
Rail electrification	As of October 2017, 34% of Great Britain's railway routes were electrified <sup>3</sup>	Rail is 100% electrified	Rail is 100% electrified	Rail is 100% electrified

### Transport Glossary

- EV – Electric Vehicle
- PHEV – Plug-in Hybrid Electric Vehicle
- HEV – Hybrid Electric Vehicle
- ULEV – Ultra Low Emission Vehicle



### Local examples of best practice

**West Coastway line** is fully electrified between Brighton and Southampton, but holds no rail freight capacity

[easitADUR & WORTHING](#) offers discounted travel options for public transport and cycling

**Brighton & Hove** announced 30 new hybrid buses with the capability to run in a 'zero-emissions mode' through the city's Ultra Low Emissions Zone

[West Sussex Electric Vehicle Strategy](#) estimates that the county will require 3,305 public charging points by 2025 and 7,346 by 2030 and is developing a Network Plan by the end of 2020 to work towards this

### National policy drivers & schemes

[Go Ultra Low](#) is a national scheme aiming to inform consumers and promote the savings associated with switching to EV

[Moving Forward Together](#) strategy commits bus operators to only purchase ultra-low or zero carbon buses from 2025. The current [definition](#) for an ultra-low emissions bus target is a 30% reduction in GHG emissions against Euro VI average performance

UK Government operating an [open consultation](#) (concluding July 2020) on ending the sale of new petrol, diesel and hybrid cars and vans by 2035, or earlier if a faster transition appears feasible

### National examples of best practice

**London Borough of Waltham Forest** has a [scheme](#) to improve walking and cycling has developed 24km of cycle route and trained 15,000 to cycle

**Nottingham City Council** introduced a [Workplace Parking Levy](#) congestion charge to encourage employers to reduce the number of free workplace parking places they provide to staff and switch to alternative modes of transport

**Bath's** [BreATHe](#) project will roll out levies for higher emission vehicles within Bath city centre

**Bristol** has introduced a fleet of [10 new electric cars](#) which are available to rent by the public

**Edinburgh City Council's** [Electric Vehicle Framework](#) outlines that in residential developments where there are 10+ parking spaces, every 6 spaces should include an electric vehicle charging point



## Waste & Industry



### Improving waste streams

The following measures within the waste sector are defined within the tool:

- **Producing less waste:** An overall reduction in the weight of waste produced across all streams, for both commercial properties and domestic homes.
- **Recycling rates:** Models the different destinations for waste streams.

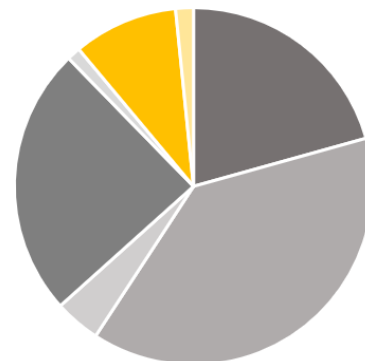
The in-boundary emissions impacts will largely relate to treatment (if it occurs in boundary) and transport. However, it is important to note that there are other emissions impacts associated with waste that may occur outside of the authority boundary. For example, in the production process associated with the item that has been consumed.

Where such emissions occur outside of the local authority region boundary; the associated embodied emissions are not be accounted for here - these would only be reflected using consumption-based accounting which relies on methodologies outside of the scope of SCATTER.

### Improving the efficiency of industrial processes

The following industrial measures are defined within the tool:

- **Industry efficiency:** Changes in sectoral emissions through improvements to equipment efficiency and process development.
- **Electrification of industry:** Increasing the degree of electrification of industrial processes (including chemical, metal and mineral processing).
- **Carbon capture and storage:** Uptake of carbon capture and storage technology across industrial sectors and processes.
- **Reducing oil production:** Reduced demand for oil and petroleum products against baseline levels, assuming no changes to the operational processes at refineries themselves.





Measure	Current A&WC Context	SCATTER L4 Pathway		
		2025	2030	2050
Producing less waste <sup>1</sup>	<p><b>Adur:</b> 21,519 tonnes of household waste and 2,402 tonnes of non-household waste was collected in 2017-2018<sup>2</sup></p> <p><b>Worthing:</b> 38,913 tonnes of household waste and 5,175 tonnes of non-household waste was collected in 2017-2018<sup>1</sup></p> <p>The volume of waste has increased steadily from 2014-15 by 3%<sup>2</sup></p>	8% decrease in overall quantity of waste against 2015 levels	11% decrease in overall quantity of waste against 2015 levels	20% decrease in overall quantity of waste against 2015 levels
Increased recycling <sup>3</sup>	<p><b>Adur:</b> 34% of household waste for recycling, composting and reuse in 2017/18<sup>2</sup></p> <p><b>Worthing:</b> 36% of household waste was sent for recycling, composting and reuse in 2017/18<sup>2</sup></p>	55% of commercial and household waste goes to recycling	61% of commercial and household waste goes to recycling	85% of commercial and household waste goes to recycling

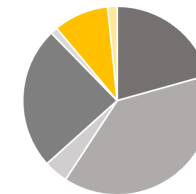
1 – Percentages are defined in terms of weight, not volume. Other categories within SCATTER include Commercial and Industrial waste, Construction & Demolition waste, Sewage Sludge and Landfill Gas.

2 – [Local Authority Collected and Household Waste Statistics 2014/15 - 2017/18, England](#)

3 – Waste destinations consist of 'recycling' (one category), 'landfill', 'composting', and 'incineration or EfW'. Updates made to the original DECC Pathways Calculator in respect of EU Waste Directive 2035 Targets.



## Industry



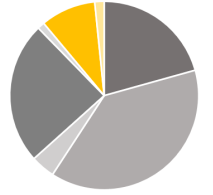
The energy intensity of industry has been set to the maximum ambition level as it includes key measures like industry electrification and energy demand. However, this intervention also incorporates the use of Carbon Capture and Storage (CCS). We recommend that no reliance is placed on such technology by A&WC given that is still in the very early stages of development and has limited precedent in the borough. **All reductions are given against a 2015 baseline:**

Measure	Current A&WC Context	SCATTER L4 Pathway		
		2025	2030	2050
Industry efficiency	Per BEIS figures, total emissions from industry and commercial sources decreased 33% between 2011-17 <sup>1</sup>	51% reduction in emissions from industry	55% reduction in emissions from industry	76% reduction in emissions from industry
Electrification of industry	35% of UK industrial energy consumption in 2018 was electric <sup>1</sup>	41% of UK industrial energy use is electrified	44% of UK industrial energy use is electrified	66% of UK industrial energy use is electrified
Carbon Capture and Storage (CCS) on industry	No CCS facilities or research in district or borough <a href="#">Progress report</a> into breakthrough technologies states that government cannot assume that CCS will be running at scale by 2050	2% of UK industrial process emissions are captured by CCS	4% of UK industrial process emissions are captured by CCS	42% of UK industrial process emissions are captured by CCS

Oil production is assumed to follow governmental projections, which is correspondingly set as the lowest ambition level within the tool.

Measure	Current A&WC Context	SCATTER Level 1 Pathway		
		2025	2030	2050
Oil production	No significant oil or petroleum product manufacturing within Adur and Worthing	18% reduction in oil production relative to 2015 levels	36% reduction in oil production relative to 2015 levels	77% reduction in oil production relative to 2015 levels

## Waste & Industry



### Local examples of best practice

Household waste in Adur & Worthing has [dropped by 14%](#) since Adur & Worthing Councils moved to alternate weekly bin collections, whilst recycling waste has increased by over 3%

Brighton & Hove Food Partnership coordinate [community composting schemes](#) to help residents reduce food waste going to incineration under the East Sussex waste contract

### National examples of best practice

**Loughborough** [Food Waste Processing](#) projects aim to improve the reliability of anaerobic digesters.

**Powys Council** [achieved the greatest reduction](#) in carbon associated with recycling in the UK. This partly down to shifting the collection schedule.

**Bristol's** ['Slim my Waste- Feed my Face'](#) trial campaign reduced the amount of general waste by 10%.

**London's** [Library of Things](#) projects promote a 'borrow not buy' movement for rarely-used items.

### National policy drivers & schemes

The UK has a recycling target for packaging of 70% by 2030

The [Waste and Resource Strategy](#) defines a 25-year plan for England to increase the value received from waste and promote a circular economy

A [mandatory food waste collection](#) system is expected to drive up recycling

An [extended producer responsibility](#) for packaging material is planned for introduction in 2023

## Renewable Energy Supply

### Meeting demand with green energy

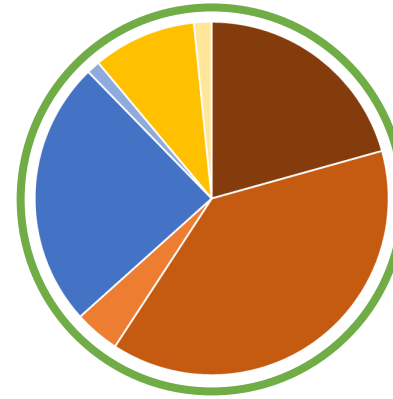
The measures across the buildings, transport waste & industry sectors are primarily focused on the reduction of demand for energy, as well as the adoption of technologies which are powered by electricity as opposed to fossil fuels (e.g. natural gas).

A crucial factor in transforming these measures into carbon emissions reductions is the adoption of **renewable electricity supply**, which sits across all sectors.

The tool considers a wide range of renewable technologies:

- **Solar PV:** Capacity from solar photovoltaic (PV) cells, either as roof-mounted arrays or at ground-level.
- **Storage and battery technology capacity.**
- **Bioenergy supply:** Capacity from bioenergy which is both imported from out-of-boundary sources (as both feedstock and energy supply) and from in-boundary biomass stations.
- **Solar thermal:** Capacity from solar thermal technology, which differs from solar PV, but is still treated as a solar array on rooftops.
- **Onshore wind:** Capacity from onshore wind turbines. The added capacity from offshore wind turbines is treated at the national level.
- **Hydro:** Capacity from hydroelectric power stations.
- **Wave, tidal and tidal stream:** Capacity from wave, tidal & tidal stream sources. Treated at the national level.

For all of the supply technologies referenced in this section, if the technology is not feasible in the district boundary to the extent suggested, then the residual capacity is assumed to occur outside the boundary i.e. it is assumed that other regions would compensate for the lack of supply from this technology.



## Renewable Energy Supply

Measure	Current A&WC Context	SCATTER Level 4 Pathway		
		2025	2030	2050
Solar PV	<p><b>Adur:</b> Up to 2018, there have been 715 installations with 2.8 MW installed capacity and an annual output of 2.69 GWh<sup>1</sup></p> <p><b>Worthing:</b> Up to 2018, there have been 929 installations with 3.5 MW installed capacity and an annual generation of 3.41 GWh</p>	<p>0.47 km<sup>2</sup> of PV arrays across roof space (equivalent to arrays on 43% of households)</p> <p>159 MW installed capacity<sup>2</sup></p> <p>120 GWh generated per year</p>	<p>0.67 km<sup>2</sup> of PV arrays across roof space (equivalent to arrays on 58% of households)</p> <p>226 MW installed capacity</p> <p>295 GWh generated per year</p>	<p>1.52 km<sup>2</sup> of PV arrays across roof space (equivalent to arrays on all eligible households plus a further 0.25 km<sup>2</sup> on ground-mounted arrays)<sup>3</sup></p> <p>518 MW installed capacity</p> <p>390 GWh generated per year</p>
Storage	Battery storage projects are planned to be installed at multiple sites in Adur and Worthing as part of the iUK funded Smarthubs project.	2.41 GW storage capacity in standby generators <sup>4</sup>	2.52 GW storage capacity in standby generators	2.69 GW storage capacity in standby generators
Bioenergy supply (heat & electricity)	<p><b>Adur:</b> In 2018, there was 1 plant biomass installation with a capacity of 5.1 MW</p> <p><b>Worthing:</b> In 2018, there was 1 sewage gas plant installed with a capacity of 0.4 MW</p>	23 MW installed capacity	25 MW installed capacity	38 MW installed capacity
Solar thermal	No installed capacity through the government-supported <a href="#">Renewable Heat Incentive</a> scheme as of September 2019 <sup>1</sup>	5.9 MW installed capacity (equivalent to approximately 1,400 family homes) <sup>5</sup>	7.5 MW installed capacity (equivalent to approximately 1,800 family homes)	13.9 MW installed capacity (equivalent to around 3,300 family homes)

1 – Based on 2018 data from: [BEIS renewables data](#)

2 – The % of households quoted is taken from an installation occupying 16m<sup>2</sup> of roof space and household number projections, with an assumed maximum coverage rate of 80% (as per the Energy Savings Trust [Guidance](#))

3 – “Eligible” here relates to households that have suitably sized rooves, that are pitched at a suitable angle, and are oriented in a suitable direction. This figure varies from region to region but in some cases can be as high as 90% of households. A more conservative estimation of 80% of households being eligible was made here.

4 – Standby generators are similar to batteries in that they are a source of stored energy if the primary supply fails or is insufficient i.e. generators serve to store the energy produced from PV arrays during the day which can then be used during the evening when it is dark.

5 – “family homes” relates to an occupancy of 3-5 people, with a 6m<sup>2</sup> solar thermal array with a total capacity of 4.2 kW.

## Renewable Energy Supply

Within SCATTER, offshore wind technology is treated at the national level and models a steady increase in capacity up to 2025. Offshore wind is not treated using the same principles as land-based technologies because the number of local authorities with direct influence, control and/or ownership of a local offshore site for wind farm developments is very small.

It is worth noting that turbines used on offshore farms have, on average, a higher rating than onshore equivalents. **The number of turbines defined within the SCATTER L4 pathway assumes an average rating of 2.5 MW per turbine.** At Rampion Wind Farm off the coast of Worthing the average turbine rating is 3.45 MW.

Measure	Current A&WC Context	SCATTER Level 4 Pathway		
		2025	2030	2050
Onshore wind <sup>1</sup>	<p><b>Adur:</b> Up to 2018, 2 installations of onshore wind at Shoreham Port, with 0.2 MW of installed capacity and an annual generation of 428 MWh<sup>2</sup></p> <p><b>Worthing:</b> No installed on-shore capacity as of 2018, though offshore Rampion Wind Farm has 116 turbines with a combined capacity of 400 MW</p>	<p>40 MW installed capacity</p> <p>16 onshore turbines installed (2.5 MW rating), equivalent to an additional 12 turbines at Rampion (3.45 MW rating)</p>	<p>59 MW installed capacity</p> <p>23 onshore turbines installed, equivalent to an additional 17 turbines at Rampion</p>	<p>148 MW installed capacity</p> <p>59 onshore turbines installed, equivalent to an additional 43 turbines at Rampion</p>

### A note on supply technologies

SCATTER estimates values for the installed capacity of each supply technology, by taking a nationally assumed capacity figure (L1 was aligned to the 2017 National Grid's Future Energy Scenario, Two Degrees) and scaling down to region based on a local authority's size proxy (e.g. population, number of households, land area). This serves as an indicator for the nature and extent of renewable supply required to future demand.

SCATTER **does not** account for the geographies and local contexts unique to a given local authority, which we acknowledge play a very important role in the viability of a given technology.

## Renewable Energy Supply

The following energy technologies are included within the SCATTER tool but have lower feasibility given their limited national uptake to date. Acknowledging this, they are treated with the minimum ambition level within the tool (L1). As noted on the introduction, for these or any of the supply technologies referenced in this section, if the technology is not feasible in the district boundary to the extent suggested, then the residual capacity is assumed to occur outside the boundary i.e. it is assumed that other regions would compensate for the lack of supply from this technology.

Measure	Current A&WC Context	SCATTER Level 1 Pathway		
		2025	2030	2050
Hydro power	No installed capacity as of 2018	3.5 MW installed peak capacity	3.7 MW installed peak capacity	5.4 MW installed peak capacity
Wave, tidal and tidal stream	No installed capacity as of 2018 Total national generation from wave and tidal was 9.3 GWh in 2018	Energy generation from wave, tidal stream and tidal wave grows steadily to 2900 GWh nationally by 2050.		

## Renewable Energy Supply

### Local examples of best practice

**Splashpoint Leisure Centre** in Worthing had 100 kWh solar array installed as part of the first community energy scheme in the borough.

**Shoreham Port** is one of eleven ports to hold Eco Port status, with two 100 kW wind turbines and a 2.2 MW PV array

[Solar farm](#) at **Westhampnett** combines a 7.4 MW PV array and 4.4 MW battery unit to produce and store energy – completed as a subsidy-free project

Plans for a 20 MW grid balancing battery storage project have been planning approval at Halewick Lane, **Sompting** and will be delivered in 2021

### National examples of best practice

**Warrington Borough Council** own [two solar farms](#) outside of the borough .Enough energy is generated to power a town and it is expected to generate income for the local authority

**Forest Heath Council** own the solar farm at [Toggam Farm, Lakenheath](#) and have used the proceeds to plug funding gaps in frontline services

[Stockport Hydro](#) was Greater Manchester's first community owned hydroelectric project. It has been operational since 2012 and generates enough clean energy to power 60 homes

### National policy drivers & schemes

The [UK government](#) has set a target to achieve 15% of its energy consumption from renewable sources by 2020.

[Contracts for Difference](#) scheme is the governments principal mechanism for encouraging investment in renewables

UK [National Energy and Climate Plan](#) sets out integrated climate and energy objectives, targets, policies and measures for the period 2021-2030

## Renewable Energy Supply – Comparative Study



The feasibility of given renewable technologies varies greatly from district to district, given the constraints of local geographies and land usage (e.g. hydroelectric power in a flat area, large wind farms in a geographically small area etc.). The below table is intended to serve as a reference for the variety of technologies available across a number of different landscapes and geographies. The compared authorities have been chosen on the basis that they represent similar economic output and numbers of households and allow Adur and Worthing to note its performance against peer authorities. Note that ‘wind’ relates to onshore wind **only** given the relative lack of influence an authority has over offshore projects.

Local Authority	Households <sup>1</sup>	GVA (£m) <sup>1</sup>	Current installed capacity, selected renewable technologies <sup>2</sup>				Total installed capacity (MW) <sup>2</sup>	Renewable energy capacity per unit area (kW/km <sup>2</sup> )
			PV	Wind	Hydro	Organic fuels*		
Adur and Worthing	74,907	3,755	6.3	-	-	5.4	12.0	161.2
Dundee City	-3%	-5%	4.1	0.1	0.2	10.6	15.0	250.1
Barking & Dagenham	-6%	+5%	5.2	0.003	-	3.6	8.7	241.6
Poole	-11%	+6%	11.4	-	-	9.3	20.7	319.3
Knowsley	-14%	+6%	10.5	0.5	-	0.3	11.3	130.4
Colchester**	-2%	+5%	90.5	0.04	0.04	11.3	101.8	309.4
West Lothian**	+0.2%	+1%	8.1	105.1	-	1.0	114.2	267.0
Telford & Wrekin**	-9%	+2%	40.9	0.1	-	7.1	48.0	165.4

Table 5: Comparative metrics for Adur and Worthing and other UK local authorities.

All percentages listed are relative to the figures for Adur and Worthing.

\*includes anaerobic digestors, sewage & landfill gas, municipal solid waste, animal & plant biomass

\*\*these local authorities represent regions of far greater area than Adur and Worthing but are nonetheless similar in terms of GVA & households.

Adur and Worthing’s onshore renewable energy is split between solar PV and organic fuels. Excluding the offshore wind development at Rampion, Adur has relatively low levels of installed renewables when compared to peer authorities (even after accounting for the varying areas of each authority).



## Intervention Emissions Savings Estimates

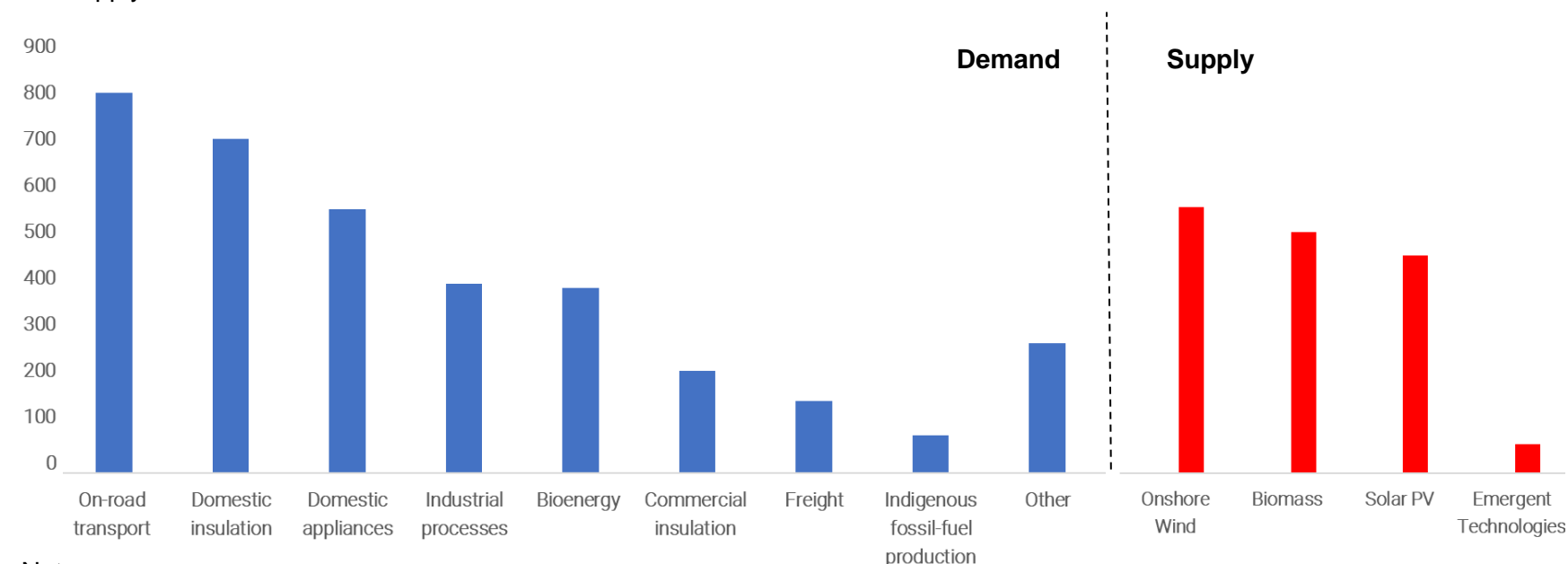
Table 6: Demand side measure cumulative savings to 2030

Demand-side measure	Cumulative saving to 2030 (ktCO <sub>2</sub> e)
On-road transport	826
Domestic insulation	726
Domestic appliances	573
Industrial processes	411
Bioenergy	402
Commercial insulation	223
Freight	157
Indigenous fossil-fuel production	83
Other	283

Table 7: Supply side measure cumulative savings to 2030

Supply-side measure	Cumulative savings to 2030 (ktCO <sub>2</sub> e)
Onshore Wind	591
Biomass	535
Solar PV	484
Emergent Technologies	66

The estimated cumulative savings to 2030 for demand-side measures are presented below (blue). Supply-side measures (red) have also been presented, though please note the limitations of such estimates and the importance of not summing the demand and supply.



### Notes:

- It is not appropriate to sum any savings presented from renewable supply with savings achieved on the demand side of the energy system, as this may result in double counting.
- Intervention is critical on the demand side to realise emissions savings from renewable supply. For example, if heating systems are not electrified, then a decarbonised electricity grid will have limited impact. Similarly if the grid is not decarbonised, savings from Electric Vehicles will not be as great.
- 'Emergent' technologies are hydro, tidal and wave power. 'Other' constitutes the following: rail transport, waste & recycling, commercial appliances & fossil fuel production emissions
- 'Bioenergy' relates to the consumption of hydrocarbons (solid, liquid & gaseous) as well as other organic fuels.

## Emissions Savings Summary

### Comparisons against base year

This section provides an indication of relative savings by sector expressed as % reductions and intensity metrics within Adur and Worthing.

The Global Protocol for Community-Scale Greenhouse Gas Emission Inventories describes how GHG inventories such as those in SCATTER can be used as a basis for performance tracking and goal setting. Progress can be assessed in a number of ways, but here a **base year emissions goals** approach and a **base year intensity goals** approach have been used.

The base year emissions goals approach compares emissions reductions relative to an emissions level in an historical baseline year (in this case, 2017 has been chosen as the most recent dataset). These emissions reductions are typically represented in percentage terms and are shown in the table below:

SCATTER sector	% reduction against 2017 by 2030
Domestic Buildings	69.6%
Non-domestic Buildings	63.6%
Transport	82.2%
Waste & Industry	124.4%
<b>Total</b>	<b>76.0%</b>

Table 8: Base year emissions goals approach to emissions tracking. Percentage reduction exceeding 100% within the waste & industry sector indicates that emissions are net-captured, either by means of CCS technologies or other means of sequestration. Note that the above figures relate to emissions within Adur and Worthing.

The **base year intensity goals** approach compares changes in the emissions intensity relative to an historical baseline year. Emissions intensity can be defined as the amount of emissions per unit of a given parameter; most commonly population. In 2017, the UK average emissions intensity per capita was 5.3 tCO<sub>2</sub>/head. Two base year intensity goals are shown in the tables below; emissions intensity per capita and emissions intensity per household.

Emissions intensity per capita is calculated from the ratio of projected emissions to projected population, and emissions intensity per household is similarly calculated from the projected growth in the number of households.

Year	Emissions intensity per capita, Adur and Worthing		Emissions intensity per household, Adur and Worthing	
	tCO <sub>2</sub> e/head	% reduction against 2017 levels	tCO <sub>2</sub> e/hh	% reduction against 2017 levels
2017	3.30	N/A	8.18	N/A
2025	1.21	63%	2.64	68%
2030	0.71	79%	1.51	82%

Table 9: Intensity emissions reduction approach to emissions tracking within Adur and Worthing.

## Appendices

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## Data Tables for SCATTER and BEIS Emissions Summaries – Adur

Sector	Scope 1 & 2 Emissions, ktCO <sub>2</sub>
Industry and Commercial Electricity	23.2
Industry and Commercial Gas	13.2
Large Industrial Installations	-
Industrial and Commercial Other Fuels	10.0
Agriculture	1.0
Domestic Electricity	27.0
Domestic Gas	56.0
Domestic 'Other Fuels'	4.0
Road Transport (A roads)	62.1
Road Transport (Motorways)	-
Road Transport (Minor roads)	26.5
Diesel Railways	0.1
Transport Other	12.2
LULUCF Net Emissions	-3.6
<b>Grand Total</b>	<b>231.6</b>

IE = Included Elsewhere  
 NE = Not Estimated  
 NO = Not Occurring

Sub Sector	Direct, ktCO <sub>2</sub> e	Indirect, ktCO <sub>2</sub> e
Residential buildings	56.6	38.1
Commercial buildings & facilities	6.1	3.4
Institutional buildings & facilities	15.3	17.1
Industrial buildings & facilities	6.7	9.9
Agriculture	0.7	0
Fugitive emissions	0	0
On-road	80.4	IE
Rail	0.1	IE
Waterborne navigation	0.002	IE
Aviation	0	NO
Off-road	0	IE
Solid waste disposal	31.9	0
Biological treatment	0	0
Incineration and open burning	0	0
Wastewater	4.0	0
Industrial process	0	0
Product use	0	0
Livestock	1.36	0
Land use	0	0
Other AFOLU	0	0
Electricity-only generation	0	0
CHP generation	0	0
Heat/cold generation	0	0
Local renewable generation	0	0
<b>Sub-total</b>	<b>203.1</b>	<b>68.4</b>
<b>Grand total</b>	<b>271.5</b>	

**Notes:**

- BEIS data (above) and SCATTER data (right) are compiled using different methodologies.
- Within the SCATTER model, national figures for emissions within certain sectors are scaled down to a local authority level based upon a series of assumptions and factors.
- Agriculture & livestock figures were omitted from the profiles given in Section 1.



## Appendix 1b

### Data Tables for SCATTER and BEIS Emissions Summaries – Worthing

Sector	Scope 1 & 2 Emissions, ktCO <sub>2</sub>
Industry and Commercial Electricity	48.8
Industry and Commercial Gas	36.3
Large Industrial Installations	0.1
Industrial and Commercial Other Fuels	11.8
Agriculture	0.5
Domestic Electricity	47.2
Domestic Gas	100.2
Domestic 'Other Fuels'	4.9
Road Transport (A roads)	44.2
Road Transport (Motorways)	-
Road Transport (Minor roads)	39.7
Diesel Railways	9.3
Transport Other	0.5
LULUCF Net Emissions	-3.0
<b>Grand Total</b>	<b>343.4</b>

IE = Included Elsewhere  
 NE = Not Estimated  
 NO = Not Occurring

Sub Sector	Direct, ktCO <sub>2</sub> e	Indirect, ktCO <sub>2</sub> e
Residential buildings	100	65.5
Commercial buildings & facilities	11.2	7.2
Institutional buildings & facilities	19.0	36.7
Industrial buildings & facilities	13.6	21.2
Agriculture	0.42	0
Fugitive emissions	0	0
On-road	84.2	IE
Rail	8.2	IE
Waterborne navigation	0.002	IE
Aviation	0	NO
Off-road	0	IE
Solid waste disposal	31.9	0
Biological treatment	0	0
Incineration and open burning	0	0
Wastewater	6.9	0
Industrial process	0	0
Product use	0	0
Livestock	1.4	0
Land use	0	0
Other AFOLU	0	0
Electricity-only generation	0	0
CHP generation	0	0
Heat/cold generation	0	0
Local renewable generation	0	0
<b>Sub-total</b>	<b>276.7</b>	<b>130.7</b>
<b>Grand total</b>	<b>407.4</b>	

#### Notes:

- BEIS data (above) and SCATTER data (right) are compiled using different methodologies.
- Within the SCATTER model, national figures for emissions within certain sectors are scaled down to a local authority level based upon a series of assumptions and factors.
- Agriculture & livestock figures were omitted from the profiles given in Section 1.

## Data Tables for SCATTER and BEIS Emissions Summaries – Adur and Worthing combined

Sector	Scope 1 & 2 Emissions, ktCO <sub>2</sub>
Industry and Commercial Electricity	71.9
Industry and Commercial Gas	49.5
Large Industrial Installations	0.1
Industrial and Commercial Other Fuels	21.9
Agriculture	1.5
Domestic Electricity	74.2
Domestic Gas	156.2
Domestic 'Other Fuels'	8.9
Road Transport (A roads)	106.3
Road Transport (Motorways)	-
Road Transport (Minor roads)	66.1
Diesel Railways	9.4
Transport Other	12.6
LULUCF Net Emissions	-6.6
<b>Grand Total</b>	<b>572.0</b>

IE = Included Elsewhere  
 NE = Not Estimated  
 NO = Not Occurring

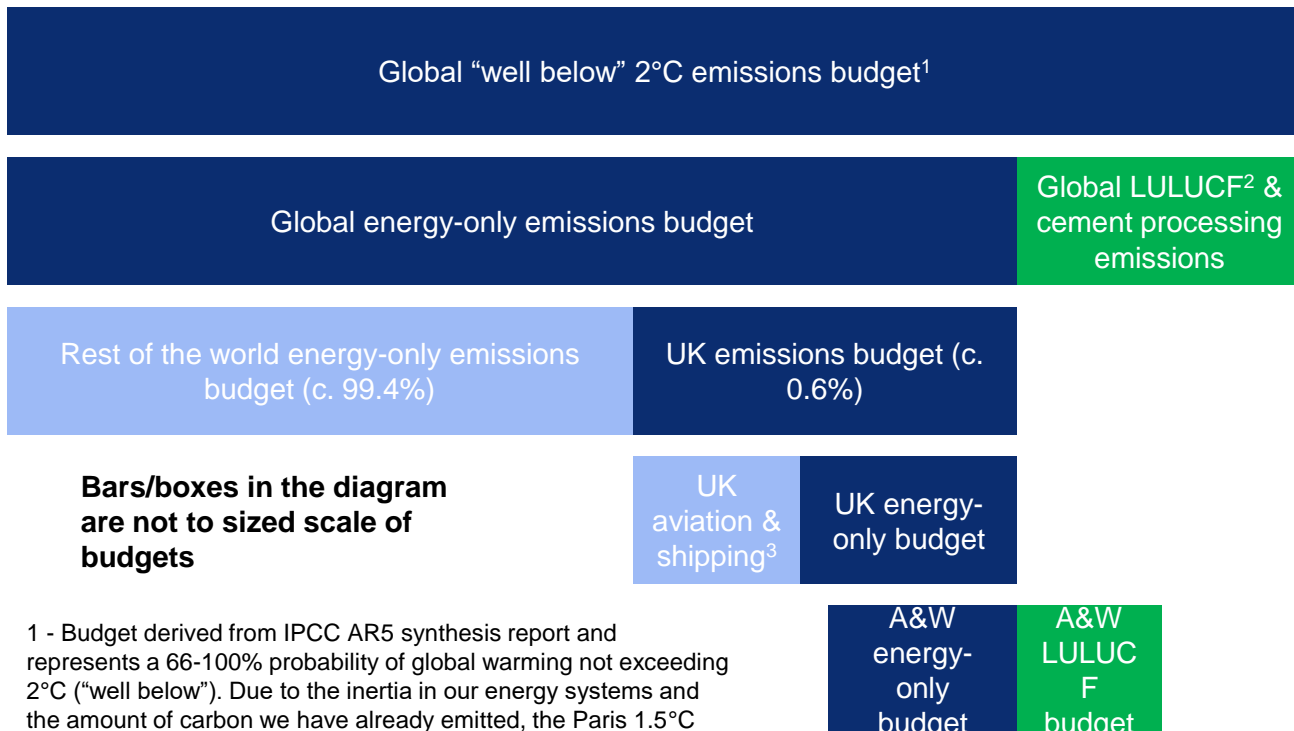
Sub Sector	Direct, ktCO <sub>2</sub> e	Indirect, ktCO <sub>2</sub> e
Residential buildings	156.6	103.6
Commercial buildings & facilities	17.3	10.6
Institutional buildings & facilities	34.3	53.7
Industrial buildings & facilities	20.3	31.3
Agriculture	1.09	0
Fugitive emissions	0	0
On-road	164.5	IE
Rail	8.2	IE
Waterborne navigation	0.004	IE
Aviation	0	NO
Off-road	0	IE
Solid waste disposal	63.9	0
Biological treatment	0	0
Incineration and open burning	0	0
Wastewater	10.9	0
Industrial process	0	0
Product use	0	0
Livestock	2.7	0
Land use	0	0
Other AFOLU	0	0
Electricity-only generation	0	0
CHP generation	0	0
Heat/cold generation	0	0
Local renewable generation	0	0
<b>Sub-total</b>	<b>480.0</b>	<b>199.1</b>
<b>Grand total</b>	<b>679.1</b>	

### Notes:

- BEIS data (above) and SCATTER data (right) are compiled using different methodologies.
- Within the SCATTER model, national figures for emissions within certain sectors are scaled down to a local authority level based upon a series of assumptions and factors.
- Agriculture & livestock figures were omitted from the profiles given in Section 1.

## Appendix 2

### Deriving the Adur and Worthing carbon budget



1 - Budget derived from IPCC AR5 synthesis report and represents a 66-100% probability of global warming not exceeding 2°C (“well below”). Due to the inertia in our energy systems and the amount of carbon we have already emitted, the Paris 1.5°C commitment is now only likely to be viable if negative emissions technologies (NETs) prove to be successful at a global scale.

If the 13% emissions reduction rates for Adur and Worthing are achieved and NETs are deployed at the scales assumed in the global models, then the targets adopted may be considered as a 1.5°C compatible. This also expressly assumes that other carbon cycle feedbacks, such as methane released due to melting permafrost etc., do not occur, and that an overshoot of 1.5°C does not result in increased feedbacks that further accelerate warming at lower budgets than the IPCC budgets currently estimate.

2 - Land Use, Land Use Change & Forestry

3 - UK Aviation & Shipping is accounted for at the national level. If emissions due to aviation and shipping increases, then a smaller proportion of the UK-wide budget is available for the energy-only budget and vice versa.

#### Adur and Worthing’s budget

The carbon budget (3,700 ktCO<sub>2</sub> for the period 2020-2100) sets out a finite emissions limit that should not be exceeded in order that Adur and Worthing remains in line with the Paris Agreement. The budget itself is derived from a ‘scaling-down’ approach – a full methodology is [available to view](#) in the print version of the Tyndall Centre’s research.

The Tyndall Centre for Climate Change Research have based this budget on a 2°C global average temperature rise, on the basis that:

1. The Paris Agreement commits us to limiting warming to this level.
2. Global modelling for both 1.5°C and 2°C assume planetary scale negative emissions.

#### Negative Emissions Technologies (NETs)

NETs remain a highly speculative and uncertain development and are leaned upon heavily in IPCC models. Large-scale NETs are not likely to be viable within the boundary of Adur & Worthing due to the profile of emissions.

If research, development and demonstration of NETs shows that they may work at scale, and then they are rolled out globally at unprecedented rates, 1.5°C may theoretically be achievable. However this is only made possible if rapid, deep 2°C mitigation begins now and additional feedbacks do not occur.

## Appendix 3

### Summary list of modifications between SCATTER and DECC Pathways Calculator

Measure	Updated from original Pathways Calculator?
<b>Energy generation &amp; storage</b>	
Onshore wind	N
Biomass power stations	Y
Solar panels for electricity	N
Solar panels for hot water	N
Storage, demand shifting & interconnection	N
Geothermal	N
Hydro	N
CCS	N
<b>Bioenergy sourcing</b>	
Increase in land used to grow crops for bioenergy	Y
Reduction in quantity of waste	N
Increase the proportion of waste recycled	Y
Bioenergy imports	N
<b>Transport</b>	
Reducing distance travelled by individuals	N
Shift to zero emission transport	Y
Choice of fuel cell or battery powered zero emission vehicles	N
Freight: Shift to rail and water and low emission HGVs	N

Measure	Updated from original Pathways Calculator?
<b>Domestic buildings</b>	
Average temperature of homes	N
Home insulation	Y
Home heating electrification	Y
Home heating that isn't electric	N
Home lighting & appliances	N
Electrification of home cooking	N
<b>Commercial buildings</b>	
Commercial demand for heating and cooling	Y
Commercial heating electrification	Y
Commercial heating that isn't electric	N
Commercial lighting & appliances	N
Electrification of commercial cooking	N
<b>Industrial processes</b>	
Energy intensity of industry	Y

#### Notes:

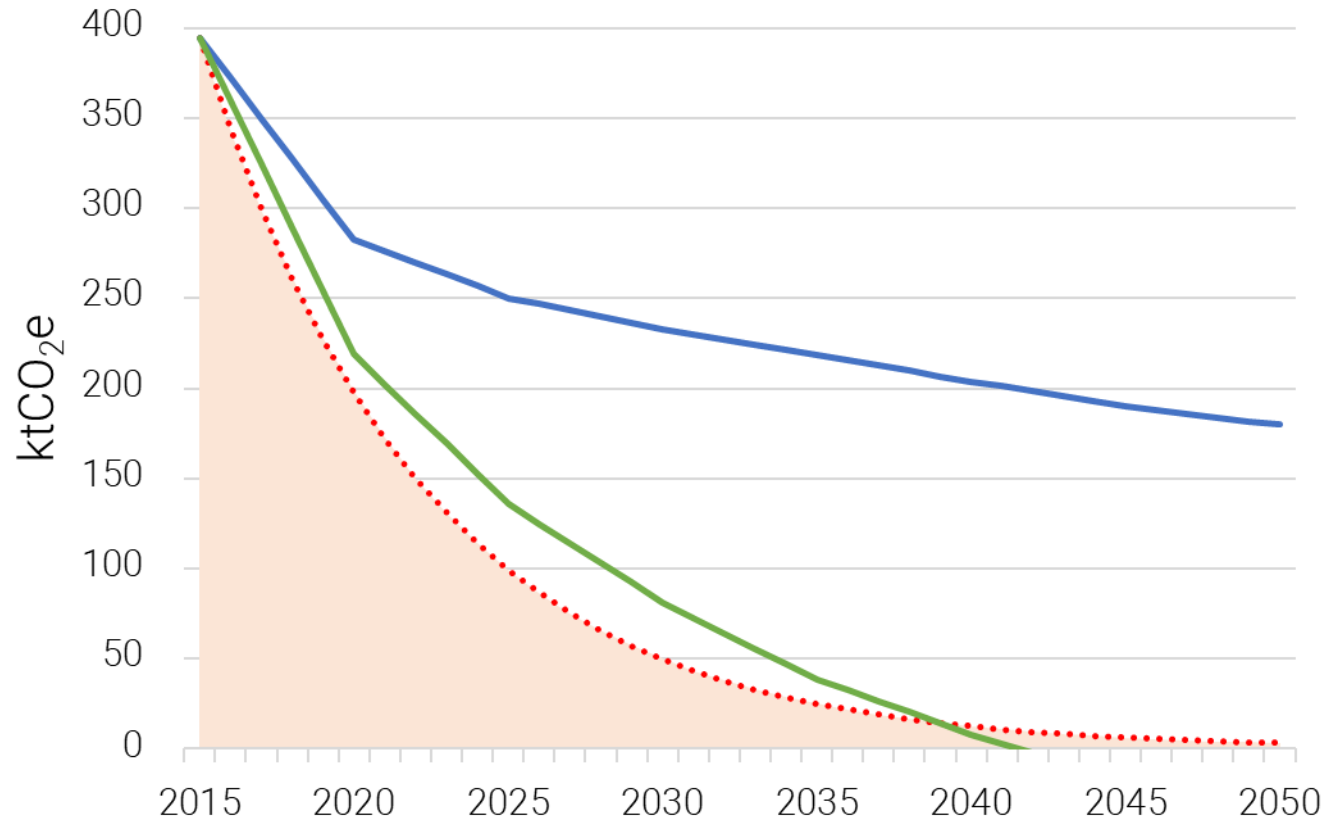
- Updates flagged do not include scaling to local region – it is assumed that this happened for all measures. They relate to instances where the upper threshold of the ambition has been pushed further (i.e. at Level 4)
- Some updates amended forecasts and predictions of technology uptake
- Updates exclude alignment of Level 1 ambition to the National Grid FES (2017)
- Note that bioenergy source did not have material bearing on the model due to assumptions linked to bioenergy shortfalls (i.e. it is assumed that bioenergy would be sourced from outside of region, or another renewable source would be used). Waste assumptions may however drive more sustainable consumption behaviours.



## Appendix 4

### Pathways Summary – Adur and Worthing combined

#### Carbon Reduction Pathways for Adur and Worthing combined



#### Historic Emissions Reductions

BEIS publishes local authority emissions data each year, with a two year lag between collection and reporting. Data is typically released in June, meaning that 2017 is the most recently available year.

Between 2015 and 2017, Adur and Worthing's emissions fell just under 9%, due mainly to the "greening" of the electricity grid. Differences in the two methodologies between SCATTER and BEIS mean that any direct comparisons must be heavily caveated.

#### Pathways Key

**Business-as-usual (BAU):** Assumes actions in line with current, national policy, such as nationally led decarbonisation of the electricity grid. This will still require a significant level of effort locally.

**SCATTER Level 4:** Assumes actions significantly beyond national policy and grid decarbonisation, across both energy supply and energy demand measures. Achieves carbon neutrality by the early 2040s.

**Carbon Budget pathway:** Assumes action which is aligned to the climate science set out by the Tyndall Centre. This Pathway is one way of allocating a finite, carbon budget (the area underneath the line) and is not based upon tangible energy supply and demand measures within the region. The beige area would last only seven years at current emissions levels.

## Appendix 5a

## Adur Domestic retrofit measures assumed within SCATTER

Retrofit Measure	Indicative number of households in Adur retrofitted per annum						
	2020	2025	2030	2035	2040	2045	2050
Year	2020	2025	2030	2035	2040	2045	2050
Solid wall insulation	237	245	253	262	341	3	3
Cavity wall insulation	47	16	22	26	109	-	-
Floor insulation	270	279	288	298	389	297	297
Superglazing	537	555	573	593	774	590	590
Lofts	586	610	631	655	875	-	-
Draughtproofing	1,888	47	63	75	303	3	3

## Notes:

- This data is included within SCATTER but is not directly linked to the emissions calculation in the model (it was used to inform cost assumptions in the original legacy DECC 2050 Pathways calculator).
- The numbers shown are the minimum assumed measures for the L4 Pathway, as ambition was pushed further than the legacy DECC tool to which this table relates.
- 2050 household levels are predicted to be 35,377, derived from non-region specific growth assumptions in legacy DECC Pathways tool.
- Household is defined as per <https://www.gov.uk/guidance/definitions-of-general-housing-terms#household>
- The average heat loss per home includes new builds (at PassivHaus standard), which will contribute to lowering the average over time.
- For further detail, please refer to Section D of [the DECC 2050 Pathways guidance](#):

## Appendix 5b

### Worthing Domestic retrofit measures assumed within SCATTER

Retrofit Measure	Indicative number of households in Worthing retrofitted per annum						
	2020	2025	2030	2035	2040	2045	2050
Solid wall insulation	427	445	462	480	619	5	5
Cavity wall insulation	891	53	59	61	202	-	-
Floor insulation	488	507	527	547	706	535	535
Superglazing	970	1,009	1,049	1,088	1,403	1,064	1,064
Lofts	1,068	1,115	1,161	1,204	1,588	-	-
Draughtproofing	3,407	151	167	173	560	5	5

#### Notes:

- This data is included within SCATTER but is not directly linked to the emissions calculation in the model (it was used to inform cost assumptions in the original legacy DECC 2050 Pathways calculator).
- The numbers shown are the minimum assumed measures for the L4 Pathway, as ambition was pushed further than the legacy DECC tool to which this table relates.
- 2050 household levels are predicted to be 63,802, derived from non-region specific growth assumptions in legacy DECC Pathways tool.
- Household is defined as per <https://www.gov.uk/guidance/definitions-of-general-housing-terms#household>
- The average heat loss per home includes new builds (at PassivHaus standard), which will contribute to lowering the average over time.
- For further detail, please refer to Section D of [the DECC 2050 Pathways guidance](#):

## Appendix 6

### Energy Performance Certificates (EPCs)

Non-domestic EPC ratings for Adur and Worthing, 2008-19		
EPC rating	Number of lodgements	
	Adur	Worthing
A	6	4
A+	0	2
B	77	104
C	223	489
D	264	622
E	143	312
F	52	149
G	79	135
Not Recorded	0	2
<b>Total number of lodgements</b>	<b>844</b>	<b>1,819</b>

Domestic EPC ratings for Adur and Worthing, 2008-19		
EPC Rating	Number of lodgements	
	Adur	Worthing
A	4	4
B	535	817
C	4,118	7,928
D	8,349	16,598
E	3,215	7,988
F	785	2,241
G	201	600
Not Recorded	0	0
<b>Total number of lodgements</b>	<b>17,207</b>	<b>36,176</b>

#### Adur and Worthing EPCs

- [Energy Performance Certificates](#) provide an energy efficiency rating from A (most) to G (least) and are valid for 10 years. It provides information on a properties energy use and typical energy costings.
- They can provide a good indication of the level of insulation and thermal leakiness of a property.
- Defining in terms of 'lodgements' allows direct comparison between domestic and non-domestic property.
- In Adur, only 59% of domestic properties carry a publicly available EPC rating.
- In Worthing, only 70% of domestic properties carry a publicly available EPC rating.
- Live reporting on the EPC ratings of all properties (both domestic and non-domestic) can be found at: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-energy-performance-of-buildings-certificates#epcs-for-all-properties-non-domestic-and-domestic>

## Appendix 7

### Domestic & commercial heating and hot water systems assumed within SCATTER

Heating and hot water systems share, as a % of households (domestic)				
Technology package	2020	2025	2030	2050
Gas boiler (old)	44%	37%	31%	6%
Gas boiler (new)	39%	34%	28%	6%
Resistive heating	7%	7%	7%	7%
Oil-fired boiler	6%	6%	5%	1%
Solid-fuel boiler	2%	2%	2%	0%
Stirling engine $\mu$ CHP	-	-	-	-
Fuel-cell $\mu$ CHP	-	-	-	-
Air-source heat pump	1%	9%	18%	52%
Ground-source heat pump	-	4%	9%	26%
Geothermal	-	-	-	-
Community scale gas CHP	1%	0%	0%	0%
Community scale solid-fuel CHP	-	-	-	-
District heating from power stations	-	0%	1%	3%

Heating and hot water systems share, as a % of lodgements (commercial)				
Technology package	2020	2025	2030	2050
Gas boiler (old)	45%	37%	30%	0%
Gas boiler (new)	16%	13%	11%	0%
Resistive heating	18%	16%	14%	7%
Oil-fired boiler	8%	7%	5%	0%
Solid-fuel boiler	-	-	-	0%
Stirling engine $\mu$ CHP	-	-	-	0%
Fuel-cell $\mu$ CHP	-	-	-	0%
Air-source heat pump	9%	17%	26%	60%
Ground-source heat pump	4%	9%	13%	30%
Geothermal	-	-	-	0%
Community scale gas CHP	-	-	-	0%
Community scale solid-fuel CHP	-	-	-	0%
District heating from power stations	0%	1%	1%	3%

#### Notes:

- Domestic (left) and commercial (right) share of heating technologies assumed within SCATTER
- Matrix is unchanged from original DECC Pathways Calculator. It is acknowledged newer technologies or fuel sources such as hydrogen are not reflected in this tool.

## Transport assumptions

Projection of modal share of all passenger transport (units: % of passenger-km)			
Mode	2015	2050 BAU	2050 L4
Walking	4%	4%	4%
Bicycles	1%	1%	5%
Cars, Vans and Motorcycles	80%	80%	62%
Buses	5%	5%	19%
Railways	9%	9%	10%
Travel demand relative to 2015	100%	100%	75%

Ambition level (units: Pax/ vehicle-km) @ 2050			
Mode	2015	2050 BAU	2050 L4
Cars, Vans and Motorcycles	1.56	1.56	1.65
Buses	11.32	11.32	18.00
Railways	0.32	0.37	0.42

### Adur and Worthing's Transport Assumptions

This represents the underlying assumptions around the share of different transport modes in 2050.

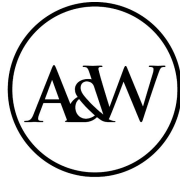
- The comparison between 2050 BAU and 2050 Level 4 pathway shows the need to reduce the share of car transport and shift to modes such as buses, bicycles and railways.
- The final outlines that an overall reduction in distance travelled (regardless of method) is required to decrease by 25% in 2050
- Pax refers to any peoples, persons and occupants (i.e. passengers)

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ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
8 September 2020

Key Decision Yes

Ward(s) Affected: Widewater

## **Purchase of New Salts Farm, Lancing**

### **Report by the Director for the Digital, Sustainability and Resources**

#### **Executive Summary**

##### **1. Purpose**

- 1.1. To agree to purchase 70 acres of farmland known as New Salts Farm, Lancing.
- 1.2. To agree that the land will be held for the purposes of conserving and enhancing the natural environment; enhancing biodiversity; and contributing to the Council's ambition of being Carbon Neutral by 2030.
- 1.3. To agree to promote the land through the next Adur Local Plan preparation process to secure it for these purposes for the long term.
- 1.4. Agree to ring fence part of the capital receipt from the sale of Adur Civic Centre to fund the purchase of the New Salts Farm.

##### **2. Recommendations**

2.1 The Joint Strategic Committee is recommended to:

- i. To agree to the purchase of land at New Salts Farm, Lancing;
- ii. To recommend to Full Council the approval of a total budget

envelope of £925,000 comprising a purchase price of £875,000 and up to £50,000 in fees to cover the cost of acquisition including surveys, fees and stamp duty). This will be funded from borrowing.

- iii. Note the revenue budget consequences of the borrowing will need to be accommodated within the 2021/22 budget as part of budget setting pending the capital receipt being received from the sale of Adur Civic Centre.
- iv. Delegate authority to the Head of Major Projects and Investment to agree detailed terms of the transaction and enter the contract for the purchase subject to a satisfactory survey of the road, and legal and technical due diligence
- v. Authorise £40,000 to be used to prepare an action plan for the improvement of the site for the purposes set out in paragraph 1.2 of this report.

### **3. Background and Context**

- 3.1. New Salts Farm is an area of grazing land located north of the A259 on the eastern edge of Lancing. It forms part of the “green gap” identified in the Adur Local Plan that separates Lancing from Shoreham to the east. The land is valued for its contribution to the local landscape character, the setting of local heritage assets and ensures the local distinctiveness of the villages and towns that make up Adur District. A site plan is shown at Appendix 1
- 3.2. The site was promoted by the current owner Hyde Group through the preparation of the Adur Local Plan in 2016. It was not included in the final housing strategy due to concerns that its development would have the green gap, and around the design of the development to overcome flooding issues. This approach was supported by the Local Plan Inspector in their report.
- 3.3. In spring 2020 Hyde Group undertook a review of their investments in Adur District and concluded that the New Salts Farm site was no longer suitable and offered it for sale.
- 3.4. Adur District continues to have a high housing need, and while there is significant changes expected to be made to the planning system, the

demand for new homes is unlikely to dissipate. Recognising this, the landholding was considered by a number of developers with a view to promoting it in any future local plan review for new homes.

- 3.5. In *Platforms for Our Places: Going Further*, Adur District Council committed to delivering more woodland, help recover natural environments, boost biodiversity and enable community led sustainability initiatives. The Council have been actively working on implementing its Climate Change strategy through a number of energy, waste reduction and biodiversity initiatives, and are working towards its ambition of being a Carbon Neutral organisation by 2030.
- 3.6. The purchase of New Salts Farm therefore enables the Council to achieve two key objectives. Firstly, it would ensure that the adopted planning objective of maintaining a separation between settlements can be maintained for the long term. Secondly, dedicating the site for the purposes of conserving and enhancing the natural environment, enhancing biodiversity, and contributing to the ambition of being Carbon Neutral by 2030 enables the Council to deliver on a central platform commitment within *Platforms for our Places: Going Further*.

#### **4. Working with Hyde Group**

- 4.1 Hyde Group are a registered provider of affordable homes who are very active in Adur District. At present they are building out new affordable homes at the Ropetackle North development, and have recently received planning permission at Kingston Wharf for 255 homes. There is a strong working relationship with Hyde Group on enabling regeneration and delivering affordable housing in the District.
- 4.2 In July 2019 the committee agreed that Hyde Group would be the preferred bidder for the purchase of the former Adur Civic Centre in Shoreham town centre. Plans are progressing for 173 new homes and 1,000 sq.m of office space. A planning application has been delayed by Hyde Group due to coronavirus, however legal contracts have been finalised and substantial pre-application advice has been undertaken by the planning department to ensure a high quality design. Once the Council exchanges contracts on this deal a deposit is payable, with two further payments due to the Council on grant of planning permission, and 12 months after completion.

- 4.3 Building on this relationship, officers have been able to secure a position as the preferred bidder for the New Salts Farm site. It is intended that the cost of purchasing New Salts Farm can be paid for using the forthcoming capital receipt from the sale of Adur Civic Centre and can be ring fenced for this purpose as part of the current budget setting process.

## **5. Future Plans and Next Steps**

- 5.1 At this stage further work is required to identify a best approach to deliver on our intended purposes for the site. There are various opportunities including planting, habitat restoration, or sustainable energy that may be appropriate. Greater understanding of the existing ecology networks, soil structure, flooding, accessibility, landscape and planning issues are required to inform a preferred approach. Engagement with local stakeholders is also recommended to achieve broad support and buy in for a preferred approach.
- 5.2 A project team will be established including representatives from the Major Projects & Investment Service, Sustainability Team, and Environment Service to develop a preferred approach and an investment case. A further report will be prepared for the committee to agree an action plan for the land. It is intended that this will be presented to the committee no later than February 2021.
- 5.3 To ensure the site remains in use for the purposes set out in paragraph 1.2, it is recommended that the Council as landowner promote the land for these purposes within any future local plan review.

## **6. Land Purchase Due Diligence**

- 6.1 In acquiring this site, the council will need to meet the acquisition and ongoing holding and management costs of this site, including any repair liabilities for New Salts Farm Road (a private road forms part of the sale), fencing, security etc.
- 6.2 Officers are currently undertaking a full suite of technical due diligence on the site, including researching the extent of any liabilities and ability to recover these from users, as well as other environmental surveys, legal reports etc. to ensure that the council is fully informed as part of the acquisition.

## **7. Financial Implications**

7.1 There is currently no budget available for the purchase of this site within the capital programme. Consequently to enable the purchase to progress a budget will need to be created, and as we do not have either substantial capital receipts or earmarked reserves, the purchase will need to be funded through borrowing.

7.2 Overall, the cost of the acquisition is estimated to be £925,000 which includes all fees and related charges. The associated borrowing costs will be:

- 2020/21 £11,560
- 2021/22 £30,500

The in-year costs can be funded from the existing treasury management budgets. The overall impact in 2021/22 will be built into the budget for next year. Members are reminded that the Medium Term Financial Plan includes a provision of £80,000 for new items.

7.3 If the Council purchases the site, then it will assume responsibility for the maintenance of the private road. As part of the due diligence process, the condition of the road will need to be assessed and appropriate provision made for annual maintenance responsibilities which are unknown at this time.

7.4 The Council will need to develop a fully costed management plan for the site which will then need to be resourced. It is intended to bring a report back to the Council later in the year addressing this issue.

7.5 The acquisition of the site may present the Council with opportunities to invest in other sustainability initiatives such as solar farm. This may help offset the costs of purchasing the site.

7.6 The sale of Adur Civic Centre to Hyde Group will generate a significant capital receipt for Adur District within the current financial year. Part of this receipt is to be ringfenced to reduce the cost of borrowing and impact on the revenue budget in the medium term.

Finance Officer: Sarah Gobey

Date: 25th August 2020

## **8. Legal Implications**

- 8.1 Section 111 of The Local Government Act 1972 provides that the Council shall have the power to do anything (whether or not involving expenditure, borrowing, or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to the discharge of any of their functions.
- 8.2 Section 1 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.
- 8.3 Section 1 of The Local Government (Contracts) Act 1997 provides that every statutory provision conferring or imposing a function on a Local Authority confers the powers on the Local Authority to enter into a contract with another person for the provision of making available of assets or services, or both for the purposes of, or in connection with, the discharge of the function by the Local Authority.
- 8.4 The maintenance of the unadopted road is a potential ongoing liability for the Council, subject to a contribution towards the cost of upkeep from other users of the road. The extent of those contributions are still being assessed via legal due diligence.

Legal Officer: Andrew Mathias

Date: 24th August 2020

### **Background Papers**

- Platforms for our Places
- Sustainable AW

### **Officer Contact Details:-**

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## **Sustainability & Risk Assessment**

### **1. Economic**

- It is considered that there will be a minor positive impact in economic terms. There is currently low economic value derived from the site from the existing grazing license and the proposed action plan can be used as a means to deliver investment and improvement.

### **2. Social**

#### **2.1 Social Value**

- The purchase will have a significant positive impact on social value by preserving landscape, separation of settlements and heritage features which are considered to be of significant local social value.

#### **2.2 Equality Issues**

- It is considered that there are no equality issues arising from the proposed purchase. An Equalities Impact Assessment will be prepared when considering the proposed action plan for the site.

#### **2.3 Community Safety Issues (Section 17)**

- It is considered that the purchase will not have any discernible impact on community safety issues

#### **2.4 Human Rights Issues**

- It is not considered to have any impact on Human Rights issues

### **3. Environmental**

- The purchase of the land will have a significant positive impact on environmental improvement.

### **4. Governance**

- The proposed purchase aligns in almost all aspects with Platform 3: Tackling Climate Change and Supporting our Natural Environment in *Platforms for our Places Going Further 2020-2022*

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ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
8 September 2020

Key Decision [Yes/No]

Ward(s) Affected:

## COVID-19 Response to ACL Insolvency - Adur Leisure Sites

### Report by the Director for the Economy

#### Executive Summary

#### 1. Purpose

- 1.1 The purpose of this report is to update members of the Committee on the leisure services in Adur following the insolvency of Adur Community Leisure and to agree a way forward for the reopening of leisure facilities in Adur District.

#### 2. Recommendations

- 2.1 The Joint Strategic Committee is recommended to:
- Note the events and progress to date outlined within the report
  - Approves the creation of a budget of £353,000 to take forward the project as outlined in paragraph 6.
  - Approves the use of Government Covid 19 Emergency Funding for this purpose.
  - If the opportunity arises, delegate authority to the Director for the Economy in consultation with the Leader and the Executive Member for the Environment to award an Adur Leisure Service Provision Contract.
  - Further to paragraph 3.7.3 delegate authority to the Director for the Economy to negotiate the purchase of ACL assets (including any potential lease arrangements) to enable ongoing service delivery.

- Note that a further report will be presented to the committee in November updating members on progress, whether or not a new provider has been identified, and/or the Leader and Executive Member have exercised their authority above.

### **3. Context**

3.1 Adur District Council owns 3 leisure facilities and until recently, these have been operated and maintained by a charitable Trust, Adur Community Leisure (ACL) operating as a subsidiary company of Impulse Leisure. These facilities are:

- Lancing Manor Leisure Centre
  - a dry side leisure centre in Lancing, built in 1971
- Southwick Leisure Centre
  - a dry side leisure centre in Southwick, built in 1972
- Wadurs Community Pool
  - a 25m 5 lane swimming pool in Shoreham, built in 1993

3.2 Following lockdown in March, and in common with many leisure operators across the country, ACL made a request for financial support from the Council to help manage immediate cash flow pressures resulting from the closure of the facilities. On April 28<sup>th</sup> officers agreed under delegated authority (and under the terms of the existing budget) to support ACL with an advance payment of the Annual Service Fee for the period 1<sup>st</sup> April 2020 – 31 March 2021 (£125k), much of this sum went towards paying their staff for the pre-furlough period.

3.3 A subsequent request for further funding was to be the subject of a report to the 7<sup>th</sup> July Joint Strategic Committee. This report benefited from detailed advice from a specialist leisure consultant and was part funded by Sport England as part of a national programme.

3.4 At the meeting of 7<sup>th</sup> July, members of the Joint Strategic Committee, members were informed that following a dialogue with Sport England, a revised proposal had been received on the 6<sup>th</sup> July from Adur Community Leisure, setting out an alternative way forward for the leisure facilities in Adur. Mindful of the late notice and time needed to properly assess the proposal, members of the Committee were advised that it would be inappropriate to discuss the item at that time.

3.5 Accordingly, following a proposal by the Leader of Adur District Council, it was agreed that owing to the urgent nature of the decision and the new proposal put forward by ACL, the Joint Strategic Committee delegated authority to the Leader of Adur District Council, in consultation with the Executive Member for the Environment, for a decision on this matter, following a full report and update from Officers outlining the options.

### 3.6 Update since July

3.6.1 The Council was notified that Adur Community Leisure had declared insolvency following a Board Meeting on 16th July 2020. Sadly, this meant that the ACL staff were issued with redundancy notices and each of the facilities closed.

3.6.2 A creditors meeting was held on 27th July by Smith Williamson (SW), the insolvency practitioner (IP). SW was officially appointed as the liquidator on 28th. The role of the insolvency practitioner is to recover as much of any outstanding debt as possible for each of the creditors. While it is in occupation SW also has direct responsibility for maintenance and security of each of the leisure venues.

3.6.3 Smith Williamson has requested, as part of its duties, time to remain at the properties to investigate what prospect there might be for an operator to step in and run the current leisure operation from one or more of the 3 venues subject to agreement with the Council. Mindful of the significance of leisure and the role it plays in people's lives, and the many clubs and societies that depend on a robust operator being able to open the facilities, the Council has been actively engaging with the IP.

3.6.4 Any new award of the contract to provide leisure services in Adur District must be sanctioned by the District Council which is the freeholder of each of the 3 venues. As such, discussions have been held with the IP over a period of weeks to determine whether a suitable award can be made, noting that the IP is also looking for a sale of the ACL assets to an incoming supplier or the Council is no supplier is sourced.

### 3.7 Implications of Insolvency

3.7.1 Whilst the IP remains in occupation of the facilities, responsible for insuring and securing the buildings, it has retained one member of

ACL staff to ensure the health and safety processes, security and asset management is maintained during this period

- 3.7.2 The IP has made all other staff redundant and has terminated their contracts of employment.
- 3.7.3 Whilst the IP is entitled to remove and sell all ACL assets at any point in time, the IP has agreed not to do this whilst the Council and IP attempt to source an alternative provider. In addition, this enables the Council to carry out due diligence on the IP's asset lists to ensure that no landlord's assets are included in the listing. It is acknowledged that it may, at a future date, assist a speedier return to delivery of Adur leisure services, for the Council to consider the purchase of any ACL assets required for service delivery to ensure any incoming provider is able to swiftly commence service to the community without delay (any benefit to the incoming provider will be addressed within the proposed contract with that provider). It should be noted that given the intended shorter term nature of the interim contract, that unless the current equipment is on site, any incoming provider would have to re-equip the centres with new equipment which would then form part of the new contract price potentially increasing the cost to the Council significantly. At present the ACL assets remain in situ whilst the Council and IP carry out the due diligence process on the asset listing and a negotiation on their price is concluded.
- 3.7.4 Given the financial status of ACL, the IP has confirmed to the Council it is operating at a loss, and is therefore unable to remain in situ for any length of time unless the Council agrees to underwrite the IP's operating costs which include the costs for maintaining and securing the properties and the cost for one member of staff it has retained to carry out the regular and required property maintenance. The IP has asked the Council to reimburse the costs from 14th August in the approximate sum of £13,000 per month. As the Council would be faced with a similar level of costs if it assumed responsibility for the buildings, this seemed a reasonable approach whilst issues around assets and any potential new operator are resolved.

#### **4. Alternative approaches**

- 4.1 The Council is currently considering the ability to enable a third party community group to activate the outdoor areas (3G soccer pitches and tennis courts) as a very short term and interim measure, and is consulting with the IP to see if this is possible, the IP has its own insurance and other issues to consider and to do this would have to agree to release these areas from its control.
- 4.2 It has also been considered whether or not it is appropriate to take the properties back from the IP to enable smaller community groups to run individual areas of a facility but at this stage, this would create additional user health and safety risks, costs, maintenance and insurance issues, as well as additional management, security and resource issues for the council. Additionally any incoming community group would have to be sufficiently financially robust to meet the insurance, utility challenges as well as the potential for possible claims from the previous staff.
- 4.3 In considering the alternative approaches, advice is being taken from the appointed leisure consultant on best approaches to achieve a strong and resilient service outcome.
- 4.4 Traditional routes to procuring a leisure operator are time consuming and expensive. The Covid-19 Pandemic provides an added urgency and Council officers have examined what alternative approaches may be available under the new policies and legislation that the Government has introduced since the Pandemic began. It should be noted that there is significant disruption in the Leisure market at present so it is not an optimal time to find a new long-term provider.

#### **5. Issues for consideration**

- 5.1 The importance of leisure in people's lives has taken on a new dimension since the beginning of the Covid-19 Pandemic. Many individuals, clubs and societies have contacted the Council to express their concerns about the facilities remaining closed once ACL passed into insolvency.
- 5.2 The operation of leisure services will be challenging both operationally and financially for some foreseeable time, in particular whilst social distancing measures continue to apply. Any new provider will need to be sufficiently financially robust to manage and maintain the facilities and any new contract award will need to reflect the new challenges alongside changes in the needs and expectations of local communities and the importance of leisure

to people's health and well being. The Sport England leisure consultant is reviewing this as part of his instruction, to advise on how a longer term service delivery review to meet the new challenges.

## **6. Interim Procurement Strategy**

- 6.1 Given the community need and extreme urgency to activate the venues as soon as practical, it is intended to let a shorter term contract rather than undergo a full procurement process at this time. This can be done by using the Cabinet Office Procurement Policy Note PPN01/20 which remains in force, and enables the Council to negotiate and make a direct award. It is noted however that given the current climate and the future unknowns, there may not be many, if any, sufficiently viable parties interested in running Adur leisure services.
- 6.2 In parallel to this, the Council has commissioned the consultant recommended by Sport England to undertake a shadow bid to ensure that any deal offered by an incoming provider will represent value for money in light of COVID 19 restrictions and current market conditions for leisure providers.
- 6.3 Seeking to let a shorter term emergency contract will also provide time for the Council to fully assess the type of leisure service that it would like to support in the future, and to review its facilities with the aim of developing a leisure investment strategy. Again consultant support is required to collate information and report on this review. This will inform the tender process when the Council seeks to procure an operator for the longer term.
- 6.4 Whilst there is significant interest in operating elements of current service, it is the Council's view that it is better to contract with one provider who is capable of managing all of our venues and facilitating community use with a good track record in leisure management.

## **7. Engagement and Communication**

- 7.1 The Council has been in regular contact with the IP practitioner Smith Williamson to ensure it is in a position to enable a smooth transition to a new operator and to protect the Council's interests.
- 7.2 The duties of the IP practitioner are to investigate what prospect there might be for an operator to step in and run some of the current leisure operation from one or more of the 3 venues. Mindful of the significance of leisure and the role it plays in people's lives, and the many clubs and societies that

depend on the facilities, the Council has been actively engaging with the insolvency practitioner on this matter.

- 7.3 The Director for the Economy has kept in regular contact with the Executive Member for the Environment and the Leader and regular briefings given on the position with respect to ACL.

## **8. Financial Implications**

- 8.1 The annual budget for the operation of the ACL contract is £135,000 for 2020/21.

- 8.2 The consultancy support for the review of the contract cost £9,750 and was part-funded by Sport England £2,080 with the residual costs funded from within existing budgets.

- 8.3 The Council will need to release funding now for:

- Management of the facilities until the end of the financial year;
- Consultancy support for the interim procurement and the strategic review of leisure facilities;
- Any leasing costs associated with the equipment previously leased by ACL;
- Funding for the acquisition of ACL owned leisure equipment to ensure best value in any interim procurement and efficient reactivation of the sites.

Overall a budget of £353,000 is requested. Full details of the breakdown of this amount is available on request. No breakdown is provided in the report due to the commercial nature of the negotiations with the IP for the acquisition of the equipment and the potential negotiations with any leisure operator.

- 8.4 At present, it is not known what the final cost associated with any new operator is. To support the interim procurement our consultant will produce a shadow bid to ensure that any costs proposed by any operator will be reasonable. Clearly due to the impact of Covid 19, the costs in the next couple of years are likely to be higher. If additional budget is required, this will be addressed in the update report in November when it is hoped that a new operator will be identified and contract negotiations will be near final.

- 8.5 The Council has received £768k in emergency funding from the Government for support during this period. It is proposed to allocate part of this funding

towards the net cost of the proposed funding package. Elsewhere on the agenda is the budget monitoring report which estimates, that after allowing for government funding and the cost pressures associated with Leisure, the Council's overall position is a minor underspend of £54,000. If any deficit emerges during the year this will be funded from the reserves that were set aside for this purpose at the year end.

Finance Officer: Sarah Gobey

Date: 21st August 2020

## **9. Legal Implications**

- 9.1 Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 9.2 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.
- 9.3 Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 9.4 The Cabinet Procurement Policy Note - Responding to COVID-19 01/20 dated March 2020 acknowledges that in such exceptional circumstances authorities may need to procure goods, services or works with extreme urgency and this is permissible under Regulation 32(2)(c) of the Public Contract Regulations 2015 which reads: the negotiated procedure without prior publication may be used for public contracts in any of the following cases.... (c) insofar as it is strictly necessary where, for reasons of extreme urgency brought about by events unforeseen by the contracting authority the time limits for the open or restricted procedure cannot be complied with . It is further recommended that the term of the emergency contract be proportionate to the nature of the emergency.
- 9.5 If Regulation 32 is not used by the Council, it is open for the Council to use regulation 72(1)(d) where a new contractor replaces the one to which the authority originally awarded the contract as a consequence of the initial contractor's insolvency. Awards under this regulation must be on the same



contract terms, and the incoming supplier must be able to meet or better the original contractor's qualitative selection.

- 9.6 Any eventual provider of leisure services in Adur, will need to consider at the time of operation, whether in all the facts and circumstances surrounding the insolvency of ACL and the reopening of the services, whether there are any subsisting TUPE Transfer and/or potential redundancy payments liabilities to the previous ACL staff.
- 9.7 Any arrangement entered into with any new supplier is to be compliant with the rules on state aid that are in force at the time of any contract. For the time being and until December 2020, the European Commission has published a temporary framework setting out a new and acceptable level of aid for emergency COVID situations up to a sum of EUR800,000 subject to publishing and reporting requirements.

## **Background Papers**

### **Officer Contact Details:-**

Martin Randall

Director for the Economy

01903 221209

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## **Sustainability & Risk Assessment**

### **1. Economic**

The pandemic has had a major impact on the wider economy and has made operating conditions in the leisure sector challenging. Remaining limitations on operating leisure facilities will need to be taken into account in any financial plan for re-opening facilities.

### **2. Social**

#### **2.1 Social Value**

The pandemic has had a major impact on the lives of individuals, families and our communities. Leisure and its relationship with health and well being will be of vital importance to local communities as we recover.

#### **2.2 Equality Issues**

The pandemic has had a disproportionate impact on some communities and this will need to be reflected in our recovery planning for leisure.

#### **2.3 Community Safety Issues (Section 17)**

The pandemic has raised a number of community safety issues both direct and indirect. Leisure, health and well being have an important role to play in this regard.

#### **2.4 Human Rights Issues**

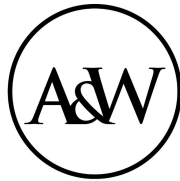
No specific matters.

### **3. Environmental**

The environmental impact of leisure provision is an increasingly important consideration and encompasses aspects such as travel and the management of buildings and facilities.

### **4. Governance**

Governance advice will be sought from the councils's Monitoring Officer at each stage of the process.



ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
8 September 2020

Key Decision Yes

Ward(s) Affected:

## **COVID - 19 Financial Support - South Downs Leisure Trust**

### **Report by the Director for the Economy**

#### **Executive Summary**

#### **1. Purpose**

- 1.1 The purpose of this report is to set out the findings of recent work to understand the implications of the Covid-19 Pandemic for the delivery of leisure services in Worthing Borough Council and to make a decision around the level of financial support that is provided to the operator, South Downs Leisure Trust.

#### **2. Recommendations**

- 2.1 It is recommended that the Joint Strategic Committee:
- Approves the financial package of support for South Downs Leisure Trust for 2020/21.
  - Approves the use of Government Covid 19 Emergency Funding for this purpose.

### **3. Context**

#### **3.1 National context**

3.1.1 On 23<sup>rd</sup> March, the Government introduced a lockdown in the UK to address the spread of COVID-19 and this resulted in the closure of all leisure facilities. At the same time as their income streams effectively ceased, leisure operators have faced on-going costs for operating and maintaining buildings and facilities. As a consequence, many leisure operators have faced the threat of financial insolvency and/or have become insolvent.

3.1.2 As facilities have begun to re-open since mid-July, operators have also faced additional costs due to the need to invest in new Personal Protective Equipment (PPE) for staff and customer safety, new signage and safety screens, staff training and additional supervisory staff, as well as investing in marketing and communications to provide clear guidance and advice for customers.

3.1.3 The net result is that the vast majority of leisure operators across the UK have approached their local authorities to seek financial support for their retained closure costs and to help them address a significant funding gap over the coming months whilst there remain limits on the operation and capacity of gyms, pools, sports and recreational spaces.

#### **3.2 Worthing context**

3.2.1 Worthing Borough Council (WBC) has 4 leisure facilities operated and maintained under a Funding and Management Agreement by South Downs Leisure (SDL). These facilities are:

- Worthing Leisure Centre
- Splashpoint Leisure Centre
- Davison Leisure Centre (dual use)
- Field Place

3.2.2 The Funding and Management Agreement commenced on 1 May 2015 and terminates on 31 March 2040. Under the terms of the Funding and Management Agreement, SDL pays the Council a Contract Service Fee. In addition, a gain share agreement also exists between the Borough Council and South Downs Leisure Trust whereby any surplus generated is transferred into either a Risk Reserve or Improvement Reserve account.

- 3.2.3 During the lockdown and subsequent to reopening most of the leisure facilities, South Downs Leisure Trust has taken a proactive approach and has communicated exceptionally well with its customers and partners, including the Borough Council.
- 3.2.4 Investment in new screens allowed the Trust to establish more than 200 virtual classes each week. In April, the introduction of a South Downs Leisure App meant that 12,000 attendees could benefit from 20 weekly classes. The Trust has also invested in a system to deliver live streaming of classes direct to people's homes.
- 3.2.5 To facilitate re-opening, 85 pieces of equipment have been installed in the Main Hall at Worthing Leisure Centre so that it can operate as a Gym; the existing Gym at Worthing Leisure Centre has been converted into a Spinning Studio and racquet sports relocated to the Davison site.
- 3.2.6 In common with many leisure operators, South Downs Leisure Trust has had to make cost savings and redundancies, albeit the latter have affected less than 15% of staff.

#### **4. Issues for consideration**

##### **4.1 Request for financial support**

- 4.1.1 Following the closure of the facilities and prior to the commencement of this review, SDL requested lockdown support from the Council in the form of waiving payments due from SDL to WBC and repaying almost all of the gain share detailed above to SDL in the form of a grant. The specific requests are set out in the Exempt Appendix 2.
- 4.1.2 To assist considering this request and mindful of its significance, officers commissioned SLC Leisure Consultants, a team with a nationally recognised profile to develop and agree a business plan for the recovery period which establishes a provisional financial position for the agreed recovery period, based on revised income and expenditure projections and reopening scenarios. This approach has been endorsed and is being supported by Sport England through the provision of grant funding to Local Authorities for consultancy work which will help Councils through a process of positive engagement with the operators to identify solutions to the challenges relating to COVID-19.
- 4.1.3 The recovery business plan provided by the operator and the accompanying narrative has been scrutinised by SLC through a

desktop review and interrogation of specific figures and assumptions with the operator. The operator has provided information as required, to supplement the recovery business plan. The report does highlight significant risks for the Council in providing SDLT with financial support, including a second spike and lockdown; uncertainty about the levels at which customers return; and increased costs as a result of new operational safety requirements. However, since the SLC report has been received, the anticipated level of financial support has been revised downward.

- 4.1.4 The SLC summary highlights SDLT's track record as an experienced and capable operator that has shown its capacity and confidence in planning for recovery.

## **5. Engagement and Communication**

- 5.1 Early in the lockdown period, officers of the Borough Council have established 2 weekly meetings with the Chief Executive and Financial Director of South Downs Leisure Trust to monitor the contractual and financial implications and the Pandemic.

## **6. Financial Implications**

- 6.1 Under the terms of the contract, South Downs Leisure Trust are expected to pay the Council an annual service fee. The budget for this income is £90,460 in 2020/21.
- 6.2 The consultancy support for the review of the contract cost £6,250 and was part-funded by Sport England £2,080 with the residual costs funded from within existing budgets.
- 6.3 The pandemic has compromised the ability of the Trust to generate income, initially due to the lockdown itself and, more latterly as the facilities have opened, as a result of the impact of social distancing and health protection measures. In parallel, the Trust has additional costs associated with reconfiguring the spaces, cleansing and PPE. Whilst the Trust have endeavoured to mitigate the cost impacts through furloughing the staff and setting up on-line classes, inevitably the financial impacts for the Trust are very significant.
- 6.4 The Council, in common with many others, has been approached for additional funding for both 2020/21 and 2021/22 to support the provision of

leisure. Thereafter, it is expected that the Trust will revert to paying the Council an annual service fee.

- 6.5 The Government has announced additional funding to support Council's lost income from fees and charges. The Council will receive 75p for every £1.00 lost after bearing the impact of the first 5% of income lost from fees and charges. Consequently, the Council will receive some direct government funding towards the funding package requested.
- 6.6 Overall, financial impact of the net level of support is set out in the Exempt Appendix 2
- 6.7 The Council has received £1,322,000 in emergency funding from the Government for support during this period. It is proposed to allocate part of this funding towards the net cost of the proposed funding package. Elsewhere on the agenda is the budget monitoring report which estimates that after allowing for government funding and the cost pressures associated with Leisure, the Council's overall deficit for the year will be £362,000 which will be funded from the reserves that were set aside for this purpose at the year end.
- 6.8 In parallel to seeking funding from the Council, the Trust is carefully monitoring the availability of funding from other sources. It is possible that the DCMS will provide additional funding for leisure operators. If the Trust is able to source other funding then the call on the Council's resources will reduce and this will be embedded into the associated legal documentation. In addition, if the financial performance of the Trust is better than expected then the amount of funding requested will be reduced. It has been agreed that the level of funding requested will be on an open book basis with regular reviews of the performance of the Trust.
- 6.9 As observed elsewhere on the agenda, there is an inconsistency in the Government's approach. Those Councils who provide leisure directly will be covered fully by the income guarantee, whereas Councils who have chosen to outsource their leisure services will not receive the same level of support.
- 6.10 There does of course remain the risk of a second quarantine and the impact that this may have on our leisure operator. If this manifests, then the amount of financial support needed may need to be revisited.

Finance Officer: Sarah Gobey

Date: 20th August 2020

## **7. Legal Implications**

- 7.1 Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 7.2 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.
- 7.3 Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 7.4 Under Clause 29.7 of the Funding and Management Agreement dated 1st May 2015 the Council is entitled at its own election or if requested by the Trust to make exceptional payments in the event of any major catastrophic and unanticipated event that has a material and adverse impact on the Trust's Business Plan and/or Services, although the Council can reserve the right to recover these funds from the Trust within an agreed timeframe. Under the existing Agreement the parties have the power to make contract variations on the terms set out in this report, which may also include a term that if SDL revenue increases, or the Department for Digital Culture Media and Sport provides additional funding for leisure services, that any amount paid shall be recovered over the duration of the Agreement term.
- 7.5 In March 2020 the European Commission published a State Aid temporary framework to support the economy during the COVID-19 pandemic, which recognises that in these exceptional circumstances undertakings of all types face a lack of liquidity. The Commission recognised that temporary and limited amounts of necessary and targeted aid to undertakings, can be an appropriate solution providing that (and of relevance here):-
- a) The aid does not exceed EUR 800,000 per undertaking in the form of direct grants, repayable advances, tax or payments advantages; all figures used must be gross, that is, before any deduction of tax or other charge.
  - b) The aid is granted on the basis of a scheme with an estimated budget.



- c) The aid may be granted to undertakings that were not in difficulty (within the meaning of the Article 2(18) of the General Block Exemption Regulation) on 31 December 2019;
- d) The aid is granted no later than 31 December 2020. (If the aid is granted in the form of tax advantages, this deadline is not applicable and the aid is considered granted when the 2020 tax declaration is due.)

In addition the Council is to keep detailed records of aid granted to confirm the above necessary conditions have been observed, and further consider a notification to the EU Commission for the grant of aid under this temporary framework.

Legal Officer: Joanne Lee

Date:21/08/20

**Officer Contact Details:-**

Martin Randall

Director for the Economy

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## **Sustainability & Risk Assessment**

### **1. Economic**

The pandemic has had a major impact on the wider economy and has made operating conditions in the leisure sector challenging. Remaining limitations on operating leisure facilities will need to be taken into account in any financial plan for re-opening facilities.

### **2. Social**

#### **2.1 Social Value**

The pandemic has had a major impact on the lives of individuals, families and our communities. Leisure and its relationship with health and well being will be of vital importance to local communities as we recover.

#### **2.2 Equality Issues**

The pandemic has had a disproportionate impact on some communities and this will need to be reflected in our recovery planning for leisure.

#### **2.3 Community Safety Issues (Section 17)**

The pandemic has raised a number of community safety issues both direct and indirect. Leisure, health and well being have an important role to play in this regard.

#### **2.4 Human Rights Issues**

No specific matters.

### **3. Environmental**

The environmental impact of leisure provision is an increasingly important consideration and encompasses aspects such as travel and the management of buildings and facilities.

### **4. Governance**

Governance advice will be sought from the councils's Monitoring Officer.



ADUR & WORTHING  
COUNCILS

Key Decision [No]

Ward(s) Affected:  
Castle Ward

## Investing in sports and recreation - Football pitches at Palatine Park

### Report by the Head of Environmental Services

#### Executive Summary

##### 1. Purpose

- 1.1. Approval is sought for the commencement of a project comprising of: The design, manufacture and installation of a single 106m x 70m 3G football pitch on an existing natural turf pitch site at Palatine Park including new fencing, associated hardstanding, access for players and maintenance equipment, extended car parking and forming a new natural 7 v 7 grass pitch.
- 1.2. Planning permission has been granted subject to conditions.
- 1.3. The construction tender phase is complete, and award has been made to Lano. Their tender cost is £842,301.86 (exclusive of contingency and VAT).
- 1.4. A 62% Football Foundation capital grant has been approved against a total project cost of £916,543 which equates to a maximum payment of £569,043 to cover the costs of installation.
- 1.5. Management of the facility will be via South Downs Leisure who would implement a community management plan to ensure the facility is correctly operated.
- 1.6. S106 receipt funding from Worthing Borough Council of £340,000 has previously been committed as part of the capital programme.
- 1.7. Worthing Town FC funding equates to £7,500.

##### 2. Recommendations

- 2.1 The Joint Strategic Committee is recommended to:

- i. Approve an increase in the capital budget of £76,540 funded by external funding as set out in paragraph 6.2 below;
- ii. Authorise the use of £340,000 of s106 monies to deliver the build;
- iii. Authorise the letting of a contract for construction of the facility to Lano, the preferred bidder for the build phase;
- iv. Approve the creation of a Project Steering Group to manage the build;
- v. Approve the appointment of South Downs Leisure to manage the asset in future years on the terms set out in the Football Foundation Funding Agreement and authorise the amendment of the existing Funding and Management Agreement between the Council and the Trust to include the new facility.
- vi. Authorise the Head of Environmental Services to execute and return the Grant Acceptance Form on the terms set out in the Award Letter dated 24th July 2020 by 24th September 2020 incorporating the general terms and conditions of the grant funding agreement.

### **3. Context**

- 3.1. Worthing Town FC is a large, successful Club based at Palatine Park. The Club currently has 41 teams and is in the Sussex County League (Step 6 of the Football Pyramid). The Club is Worthing's only FA Charter Standard Community Club and has boys and girls teams across all ranges. The Club currently has nearly 500 players and over 90 volunteers.
- 3.2. In 2012, the Club moved into a new Clubhouse on Palatine Park. The Clubhouse was secured with a £1.1 million funding award from the Football Foundation (FF). The Club has a 25 year lease (commencing in 2012) with the Council and this lease allows the Club to have first use of the various adult and junior pitches on Palatine Park.
- 3.3. The Club has been keen to have a 3G facility on Palatine Park for some years. The current grass pitches are prone to flooding and as the number of teams have increased, the level of wear and tear on the existing pitches has increased. The FF has been keen to assist the development of the Club given its size and its FA Charter status and its commitment to the development of the game in the local community. The FF also recognises that Worthing has a lack of 3G pitches in the Town.
- 3.4. The proposal here is for the creation of an artificial 3G grass pitch with 8 LED floodlight columns at 16m high, plus two 6m pathway lighting columns. The natural pitches will be heightened by 500mm and bunded to the South. There will also be 1.2m and 4.5m high fences installed with associated gates. Container storage will

be provided, and there will be erection of an acoustic barrier and hard surfacing of existing 'overspill' car park. (SEE APPENDIX 1 for general site plan).

- 3.5. The installation, as outlined in 3.4, supports the commitments contained within the Councils strategy 'Platforms for Our Places' to support the development of a Sports and Activity Strategy, whilst promoting and enabling the health and wellbeing of our populations.
- 3.6. Worthing Town FC invested in preparing plans for the site, and Adur and Worthing Councils, along with the FF and South Downs Leisure, prepared a bid for the FA Facilities Fund. Planning permission was granted on the 7th of February 2020, a tender process was undertaken for the proposed construction works, and a grant application to the Football Foundation was approved on the 9th July 2020.
- 3.7. Palatine Park Palatine Road Worthing West Sussex. In pursuance of their powers under the above-mentioned Act, Order and the Regulations for the reason stated hereunder the Council hereby notify you that they PERMIT under Regulation 3 of the Town and Country Planning General Regulations, 1992, the above development, in accordance with the application and relevant correspondence registered on 24th July 2019.
- 3.8. The proposal is to build a 3G pitch on land directly to the north of the existing Clubhouse. Although, the 3G pitch would result in the loss of a grass pitch, it would allow for greater use and provide a better training and match facility for the Club and local community. The Club lack winter training facilities and currently book 3G facilities outside of the Borough.
- 3.9. The Councils' Open Space, Sport and Recreation Study identifies the lack of 3G facilities in the Borough. Whilst a new facility was provided at Durrington High School, this is a sand based surface more suited to hockey. The only 3G facility in the Town is at Worthing Football Club but this has more limited community use. The provision of a number of smaller 5-a-side pitches at the Leisure Centre has been very successful.
- 3.10. It is intended that the proposed 3G AGP facility will be managed and operated by South Downs Leisure who would implement a community management plan to ensure the facility is correctly operated, providing a structure for day to day management, overall responsibilities, direct reporting systems, maintenance and security, community use of the facilities, community booking procedures, training, staffing and staff development and local resident communication.
- 3.11. It is anticipated usage of the facility will change as a result of market forces, but initially Monday and Tuesday evenings will be reserved for community usage through pre-arranged bookings, with Wednesday to Friday evenings reserved

for the various age groups of Worthing Town FC. Saturdays and Sundays until 16.00hrs will be used for matches and training for the various age groups of Worthing Town FC with afternoon and evening time-slots for community pre-arranged bookings. The facility will not be open access with usage only through pre-arranged bookings. Weekday evening matches are not planned to take place regularly as there are currently no leagues with that 'kick-off' time. However, towards the end of the football season occasional weekday evening matches may be required to alleviate fixture congestion and cancelled matches during the season.

### 3.12. **Procurement of construction company:**

- Following the 2020 framework protocols this is a transitional project and subject to a single stage tender process. Tenders were issued to six framework suppliers on the 23 April 2020 via the e-tendering portal.
- Robinson Low Francis (RLF) reviewed the tender documentation on our behalf based on the framework quality scoring system. Each supplier was given a quality score, and a commercial score.
- RLF recommended Lano as the preferred AGP supplier based on their tender at a cost of £842,301.86 (exclusive of contingency and VAT). Their construction programme is 14 weeks.

### 3.13. **Grant Status:**

- The Football Foundation (Foundation) has approved a capital grant offer of **62%** of a total project cost of **£916,543**, subject to a maximum payment of **£569,043**, to Worthing Borough Council and Worthing Town Football Club Limited
- The FF has approved additional funding to a value of £16,869 for consultant services. These fees will be paid by the FF directly to the Framework Management Consultant (Robinson Low Francis), and to the Specialist Testing Consultant (Sports Labs).

## **4. Issues for consideration**

- 4.1. A Project Steering Group must be created to take responsibility for delivering the Football Development Plan. The named partners in the plan are responsible for delivery as participants, with each partner responsible for their own targets, while also collaborating on joint initiatives such as girls' development, disability football, coach education and recreational football. The Steering Group also will act as a

forum for the main users of the funded facilities to provide feedback and constructive suggestions to the South Downs management.

4.2. The membership will consist of representatives from the partners involved in the development of the Football Foundation application and listed below:

- Adur & Worthing Councils - Head of Environmental Services Ben Milligan
- South Downs Leisure - Chief Executive Duncan Anderson
- South Downs Leisure - Worthing Leisure Centre Manager Mike McGinley
- Worthing Town FC - Chief Executive Pauline Fox
- Worthing Town FC - Chairman Richard Willis
- Worthing Town FC – Facilities Manager Mark Deacon
- Worthing Town FC - Club Secretary Paul Woodley
- Worthing Town FC – Girls Team Co-ordinator Sarah Poyntz
- Worthing Town FC Worthing Town FC - Vets Manager Mark Christie
- Albion in the Community - Chief Executive Matt Dorn
- Sussex FA – Development Manager Paul Saunders

In addition, the following individuals and organisations will be invited to attend meetings:

- Worthing Borough Council Parks Service
- The Football Foundation

## **5. Engagement and Communication**

5.1. Worthing Town FC consulted widely among the club membership and the community. A petition was undertaken, and the signatures of 150 parents and local residents who support the proposals were collected. Over 200 letters of support have also been received and were uploaded as supporting evidence in the FF grant bid.

5.2. A wide range of responses were gathered during the planning process.

## **6. Financial Implications**

6.1. The overall approved budget for this project is currently £840,000 funded from a combination of external funding (£500,000) and S106 receipts (£340,000). Subsequently, the amount of funding generated from external bodies has increased as follows:

- A 62% Football Foundation capital grant has been approved against a total revised project cost of £916,543 which equates to a maximum payment of £569,043 to cover the costs of installation.
- Worthing Town FC funding for the project of £7,500.

6.2. The revised budget for the scheme is £916,540 which is funded as follows:

	£
Contract sum	842,300
Professional fees and contingency sums	74,240
Revised scheme cost	<u>916,540</u>
Funded as follows:	
S106 receipt	340,000
Football Foundation Grant	569,040
Worthing Football Club	7,500
Total funding	<u>916,540</u>

6.3. The construction tender phase is complete, and award is recommended to be made to Lano. Their tender cost is £842,301.86 (exclusive of contingency and VAT).

6.4. If the Project was delayed post Grant Award, and the recommended supplier was not given a Letter of Intent / Works order before 18th November 2020, then there is a risk of cost increases due to material prices increasing. It would be advisable, by recommendation of RLF, to budget an additional £25,000 + VAT for material cost increases if there is a risk that this may occur.

6.5. Surplus income generated by South Downs Leisure, a non-profit organisation, from the 3G pitches at Palatine Park after allowing for reasonable operational and maintenance costs from SDLT will be reinvested in Football Development within the Borough in compliance with the funding agreement. Of this, at least £25,000 per year of any surplus income will need to be set aside into a reserve to cover the full replacement cost of the 3G carpet at the end of its useful life (within a reasonable cycle of 10-12 years), as determined by an independent pitch specialist and in consultation with the Football Foundation. These financial arrangements will need to be included within any agreement with South Downs Leisure Trust governing the management of the pitch.

Finance Officer: Sarah Gobey

Date: 25/08/2020

## 7. Legal Implications



- 7.1. Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 7.2. 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
- 7.3 s1 Local Government (Contracts) Act 1997 confers power on the local authority to enter into a contract for the provision of making available assets or services for the purposes of, or in connection with, the discharge of the function by the local authority
- 7.4 The Council is required to grant a charge over the property on which the facility is being developed, and enter into a restriction over the Land at Palatine Park to protect the Football Foundation's grant funding investment during the delivery period. The Football Foundation has met the legal costs of its own Solicitor in registering the restriction.
- 7.5 The Grant Award Letter dated 24th July 2020 contains terms and conditions in addition to the general terms and conditions for the Grant Funding Agreement that the Council must comply with to avoid a potential claw back of funding.
- 7.6 The Council has until 24th September to accept the terms and conditions of the Grant Award by completing and sending a Grant Acceptance Form after this date unless extended in writing the offer will lapse. Prior to this date, the Council ought reasonably to have finalised and agreed its terms of service delivery with South Downs Leisure and have incorporated those terms into the existing Funding and Management Agreement between South Downs Leisure and Worthing Borough Council dated 1st May 2015. This Agreement does allow for the transfer of additional services and assets to the Trust. The Council will be required to incorporate the new soccer pitch into the Agreement and also ensure that SDL are bound to comply with the terms of the Grant Funding Agreement in managing and maintaining the facility on behalf of the Council.
- 7.7 To avoid any potential claw back of the grant funding, it is important that the members of the Project Steering Group (to be set up and referred to in the recommendations) read and comply with the terms and conditions of the Award Letter and the Grant Funding Agreement and do all reasonable matters to ensure that South Downs Leisure is able to comply with its contractual arrangements for delivery and maintenance of the soccer pitch with the Council, which is to be recorded in the existing Funding and Management Agreement.

Legal Officer: Joanne Lee

Date: 25/08/20

**Officer Contact Details:-**

Ben Milligan

Head of Environmental Services

Project Manager

[ben.milligan@adur-worthing.gov.uk](mailto:ben.milligan@adur-worthing.gov.uk)

## **Sustainability & Risk Assessment**

### **1. Economic**

- The proposal will create an economic opportunity that will see a facility be used all year round, not just when the weather is suitable. Surplus generated will be used to fund football development within the Borough.

### **2. Social**

#### **2.1 Social Value**

- Palatine Park has a catchment area that predominantly caters for the west of Worthing but also the whole of the Borough as it is easily accessible for users who travel by car. This is a densely populated area and there is significant demand for a 3G pitch at this location as evidenced by the consultation with the club membership and South Downs Leisure. The site is well served by public transport with good bus services which is important in an area where car ownership is low. The Index of Multiple Deprivation data shows that within a 2 mile catchment area there are wards ranked as in the top 10% and 20 most deprived in the country. The majority of Worthing Town FC players come from a catchment area within two or three miles of Palatine Park which includes a number of neighbourhoods which have social and economic challenges. Castle, Durrington and Northbrook wards all have communities which are ranked in the top 20% most deprived areas in the country.

#### **2.2 Equality Issues**

##### **2.2.1 Provision of Disability Football.**

- There will be provision of day time football coaching sessions for two special schools and provision for a pathway for children to play in the club disability team.
- There will be provision of junior boys disability football team training sessions.
- There will be retention of one existing junior boys disability team and development of one new team.
- Teams will be entered in the Sussex FA Disability League.
- Disability football matches and tournaments will be hosted

##### **2.2.2 Provision for Female Football**

- A Wildcats Centre will be hosted on the 3G with a pathway to club teams
- Provision of Girls Night training match play.
- Provision of Worthing Town FC Ladies training match play.
- Growth of four new female teams over five years from the current eight teams to twelve teams.
- Hosting of an annual Girls Football Week Festival linked to club recruitment to girls' teams

##### **2.2.3 Provision of Veterans Football**

- Retention of players in the existing Worthing Town vets teams and enter a veteran leagues
- Provision of a Vets recreational “Turn Up and Play” football session.
- Provision of Walking Football tasters and coaching sessions on 3G.
- Develop Palatine Park 3G as a centre for Sussex FA Walking Football League 50+ and 60+ games every month.

### **2.3 Community Safety Issues (Section 17)**

- Not applicable

### **2.4 Human Rights Issues**

- Not applicable

### **3. Environmental**

- Palatine Park has areas that are at risk of surface water flooding and has had historical issues with waterlogged pitches. The new artificial pitch is designed to reduce the risk of surface water flooding by means of a formal drainage system connected to adjacent surface water sewers with restricted flows to ensure no increase in flood risk downstream and included allowance for climate change.

### **4. Governance**

- Are there any implications for or alignment with the Councils’ priorities, specific action plans, strategies or policies?
- Are there any implications to the Councils’ reputation or relationship with our partners or community?
- Any implications for resourcing, risk management (including health and safety), the governance of the either Council?

Appendix 1: General site plan and floodlight locations.



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