



ADUR & WORTHING
COUNCILS

26 October 2020

Joint Strategic Committee	
Date:	3 November 2020
Time:	6.30 pm
Venue:	Remote Meeting via Zoom

Committee Membership:

Adur District Council: Councillors; Neil Parkin (Adur Chairman), Angus Dunn (Adur Vice-Chairman), Carson Albury, Brian Boggis, Emma Evans and David Simmons

Worthing Borough Council: Councillors; Daniel Humphreys (Worthing Chairman), Kevin Jenkins (Worthing Vice-Chairman), 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 6 October 2020, copies of which have been previously circulated.

3. Public Question Time

To receive any questions from members of the public.

Questions should be submitted by **noon on Friday 30 October 2020** to Democratic Services, 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. Working towards the councils' carbon neutral target: progress update (Pages 1 - 12)

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

6. Joint Overview & Scrutiny Committee Review of Climate Change (Pages 13 - 28)

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

7. Joint Overview & Scrutiny Committee Review of Adur Homes Repairs and maintenance service (Pages 29 - 44)

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

8. Re-Opening Adur's Leisure Facilities (Pages 45 - 54)

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

9. A Partnership Approach to Secure New Homes at Teville Gate (Pages 55 - 68)

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

10. Supporting the Creative and Digital Sector - Colonnade House Redevelopment (Pages 69 - 80)

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

11. 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 12 and 13. 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

12. Property Portfolio Purchase in Worthing (Pages 81 - 96)

13. Re-Opening Adur Leisure Facilities - Exempt Appendix (Pages 97 - 98)

To consider an exempt appendix relating to item 8.

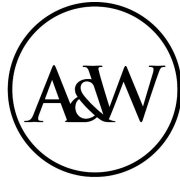
Recording of this meeting

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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ADUR & WORTHING
COUNCILS

Joint Strategic Committee
3 November 2020
Agenda Item [...]

Key Decision: No

Ward(s) Affected: All

Working towards the councils' carbon neutral target: progress update

Report by the Director for Digital, Sustainability & Resources

Executive Summary

1. Purpose

- 1.1. On 9 July 2019 Joint Strategic Committee (JSC) declared 'Climate Emergency'. As part of the declaration, Members committed to *work towards becoming carbon neutral by 2030*.
- 1.2. In December 2019 JSC approved the adoption of the councils *Carbon Neutral Plan* which sets out an ambitious pathway for the councils to become carbon neutral by 2030. The councils have also made a voluntary commitment under the Government's *Emissions Reduction Pledge 2020* to report annually on carbon emission reductions.
- 1.3. This report presents the first year's carbon emissions report. To achieve the 2030 carbon neutral target, an average reduction of 10% will need to be achieved annually. When compared to 2018/19, emissions from the councils' buildings and vehicles reduced by more than 13% in the past year.
- 1.4. Due to new data becoming available, it is proposed to re-baseline the council's carbon emissions to ensure greater accuracy in the coming years
- 1.5. An outline of future carbon reduction projects is presented (Section 6).

2. Recommendations

- 2.1. That the Committee notes the councils' current carbon emissions and emerging carbon reduction work programme for 2020/21 and 2021/22 which aims to deliver meaningful carbon reductions in the years ahead.
- 2.2. That the Committee approves:
 - 2.2.1. the publication of the carbon emissions report on the council website; and
 - 2.2.2. the submission of these figures to the government department of Business Energy and Industrial Strategy (BEIS) under the voluntary Emissions Reduction Pledge 2020

3. Context

- 3.1. Adur & Worthing Councils declared a climate change emergency on 9 July 2019, becoming the first West Sussex District and Borough to do so. Alongside this declaration, the councils set a target to be carbon neutral by 2030.
- 3.2. The councils' adopted: *Adur & Worthing Councils' Carbon Neutral Plan: Working towards the 2030 target* on 3 December 2019 and a Carbon Reduction Team has recently been established as part of the Sustainability Team within the Digital, Sustainability & Resources directorate to facilitate work to achieve the target, and attract funding to contribute to the councils decarbonisation.
- 3.3. Platform 3 of *Platforms for our Places*, is *Tackling Climate Change and Supporting Our Natural Environment*. Platform 3 recognises the urgent need to act on climate change and commits to actions to decarbonise the councils' transport, buildings and services.
- 3.4. Strong commitments have been made in *Sustainable AW*, to reduce carbon emissions. These include signing up to the *UK100 Cities Pledge* and making the government's voluntary Emissions Reductions Pledge 2020

- 3.5. As a requirement of the Emissions Reduction Pledge 2020, the councils committed to report on their emissions annually. This report sets out the emissions for the year 2019/20 for the councils.
- 3.6. A year has passed since the carbon neutral target was adopted. To achieve this target approximately 10% reduction must be delivered year on year through the decade. Some years may see lesser and some greater emissions reductions, depending on interventions delivered and climatic conditions. For the first year of this decade, an emissions reduction of 13% has been achieved.
- 3.7. Work has commenced on new carbon reduction projects that will deliver further carbon reduction savings, as outlined in Section 6.

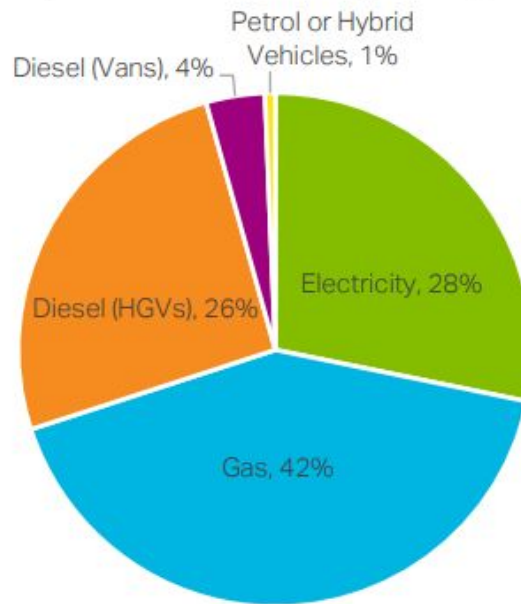
4. Background

- 4.1. As part of the *Carbon Reduction Plan*, AECOM were commissioned to report on the councils' carbon emissions, in line with the methodology defined within the *BEIS Emissions Reduction Pledge 2020 guidance*.
- 4.2. Under this guidance, emissions are categorised into Scope 1, 2 and 3:

Category	Description	Data analysed
Scope 1	Direct emissions from sources owned or controlled by the reporting organisation.	Metered gas data in properties owned and operated by, and where the councils pay for gas. Diesel and petrol consumption for council-owned vehicle fleet and mileage figures for pool cars
Scope 2	Indirect emissions from the generation of energy purchased by the reporting organisation.	Metered electricity data in properties owned and operated by, and where the councils pay for, electricity
Scope 3	Indirect emissions that result from other activities that occur in the value chain of the reporting organisation, either upstream or downstream.	Scope 3 emissions are those from indirect council operations, for example leisure or cultural sites not operated by the council. The council is not responsible for the direct payment of bills relating to this consumption and therefore they do not form part of the Emissions Reduction Pledge.

- 4.3. Based on the data available to AECOM at the time, the councils' carbon emissions for the year 2018-19 were **2,908 tonnes of CO2 equivalent (tonnesCO2e)**, broken down as follows:

Figure 2. Scope 1 & 2 emissions by fuel type (2018-19)



- 4.4. Since the figures above were produced, the councils have created a new Carbon Reduction Team. This means that the councils are now capable of conducting this reporting in-house.

5. 2019/20 Emissions

Building Emissions

- 5.1. Analysis of the councils emissions associated with gas and electricity use in buildings between 2019/20 revealed that emissions reduced by 13.85%, broken down as follows:

	Emissions (tonnesCO2e)		% change
	2018/19	2019/20	
Electricity	1014	856	-15.58%
Gas	1116	979	-12.28%
Total	2130	1835	-13.85%

Table 1: 2019/20 Building emissions

- 5.2. The 13.85% reduction is primarily due to:
- 5.2.1. the installation of a 20kWp Solar photovoltaic array at the Shoreham Centre (March 2019)
 - 5.2.2. an increase in renewable energy generation across the UK, contributing to lower emissions for every unit of electricity consumed;

- 5.2.3. a warmer winter, resulting in reduced gas consumption¹; and
- 5.2.4. the council no longer being responsible for a small number of buildings.

5.3. Since 2019, the council has procured 100% renewable electricity for all council buildings and sites through it's corporate energy contract. However, according to the BEIS emissions reporting methodology, this cannot be counted towards the councils emissions reduction.

Vehicle Emissions

5.4. Using the same methodology used by AECOM, 2019/20 emissions from vehicles reduced by 3.4%:

	Emissions (tonnesCO2)e		% change
	2018/19	2019/20	
Transport	873	843	-3.44%

Table 2: 2019/20 Vehicle Emissions

- 5.5. Actions that have been taken to contribute to the 3.4% emissions reduction include:
- 5.5.1. the entire rental fleet of cars for business travel parked at Worthing Town Hall being switched to hybrid from petrol or diesel; and
 - 5.5.2. early emissions reductions associated with the three new full electric vans that have replaced the diesel vans in the fleet parked at Commerce Way (January 2020).

6. Project Pipeline and Forecast

- 6.1. The council has been working to progress the 'next steps' proposed in the Carbon Reduction Plan. This has included the creation of the Carbon Reduction Team within the Sustainability Team in September 2020.
- 6.2. A pipeline of carbon reduction projects is now being progressed. This includes over the next 2 years:
- 6.2.1. The Worthing Civic Quarter Heat Network
 - 6.2.2. Exploring solar farm development

¹ Whilst the winter of 2018/19 was noteworthy in its warmth, the winter of 2019/20 was particularly mild. This has a significant effect on gas consumption across the UK. More information can be found on the Met Office reports:
https://www.metoffice.gov.uk/binaries/content/assets/metofficegovuk/pdf/weather/learn-about/uk-past-events/summaries/uk_monthly_climate_summary_winter_2020.pdf
https://www.metoffice.gov.uk/binaries/content/assets/metofficegovuk/pdf/weather/learn-about/uk-past-events/summaries/uk_monthly_climate_summary_winter_2019.pdf

- 6.2.3. Rooftop solar PV installations on corporate buildings
 - 6.2.4. Replacing gas heating systems with renewable heating systems (heat pump based systems)
 - 6.2.5. Insulation, energy efficiency and air-tightness works
 - 6.2.6. Plans to switch council fleet and rental cars to full electric vehicles wherever possible.
- 6.3. There is currently significant government funding available for some of the projects above through funding streams such as the Public Sector Decarbonisation Scheme; and grants through the South East Energy Hub. Multiple bids are being prepared to enable the councils to take maximum benefit from the schemes.
- 6.4. Updates will be provided to members and Joint Strategic Committee as appropriate to seek approval for bid applications, capital spend, and contract awards.
- 6.5. Due to the timescales involved in securing funding and project delivery, it is unlikely that any significant carbon reduction projects will be delivered prior to March 2021 (the end of the next reporting period). As such, it is expected that there will only be minor emissions reductions for 2020/21, with more significant reductions beginning from 2021/22.

7. Baselines for future years

- 7.1. The original AECOM report established building emissions as **2035tCO₂e**, however the Carbon Reduction Team have now been able to calculate more accurate figures through thorough and detailed analysis. The figures in Table 1, above, use a BEIS approved methodology to calculate the emissions and it is recommended that future reporting uses these figures as the building baseline figure.
- 7.2. For vehicles, the figures presented in Table 2 used estimates of emissions based on mileage travelled, rather than fuel consumed (as used in the AECOM report). The Council's Transport Manager was able to provide actual diesel/petrol consumption figures for the fleet for 2019/21. This is a more accurate representation of emissions and is the recommended methodology by BEIS.
- 7.3. Using this calculation method gives emissions from Vehicles as 1186tCO₂e and it is recommended to use this figure for future reporting years. This is a

significant increase over the estimated 843tCO₂e using the approximate emissions factors. This variation is likely to be due to:

- 7.3.1. The age of Adur & Worthing vehicles being older than those used as 'average vehicles' by BEIS
- 7.3.2. Adur & Worthing vehicles undertaking different journey types to the average vehicles (for example, regularly stopping refuse vehicles travelling in hilly areas and operating bin lifts will consume more fuel than another vehicle of similar size)
- 7.3.3. The difficulty of using catch-all averages for all vehicles of a certain class (i.e. not all 17T vehicles will have the same fuel consumption).

New Baseline Figures

7.4. The new baseline figures are therefore proposed as follows:

Tonnes of CO ₂ equivalent (2019/20)	
Electricity	856
Gas	979
Vehicles	1186
Total	3021

Table 3: Proposed new baseline emissions

7.5. This gives a breakdown of carbon emissions by fuel type is as follows:

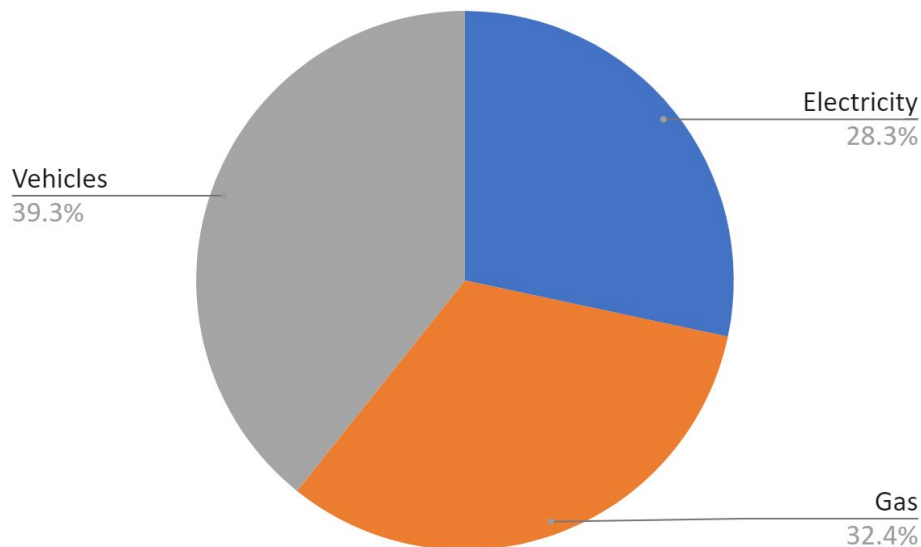


Figure 1: emissions by fuel type

8. Summary

- 8.1. When calculated using the AECOM methodology used for the Carbon Neutral Plan, emissions from the councils' buildings and vehicles reduced by more than 13% in the past year.
- 8.2. The council now has the ability to calculate these figures internally and, to ensure consistency, it is recommended to adopt the figures presented at 7.4 as a baseline for comparison in future years.
- 8.3. A large project pipeline is under development that should significantly reduce the councils' carbon emissions. Due to the timescales involved in project delivery, it is likely the first reductions will be noted during the 2021/22 emissions reporting.

9. Engagement and Communication

- 9.1. The following internal groups and teams have been consulted in order to compile these figures and programmes of work: Carbon Reduction Delivery Group (a cross-departmental subgroup established to progress part of Platform 3); Technical Services & Facilities; Environmental Services; Housing; Major Projects; Finance; Procurement; Legal; Democratic Services; Planning.
- 9.2. The following external groups have been consulted as part of the Worthing Civic Quarter Heat Network Project:
 - 9.2.1. BEIS (Heat Network Delivery Unit, and Heat Networks Investment Programme)
 - 9.2.2. West Sussex County Council
 - 9.2.3. Ministry of Justice (Worthing Law Courts)
 - 9.2.4. Worthing Theatres and Museums
- 9.3. Consultation has also been undertaken with the following external groups relating to carbon emissions reporting:
 - 9.3.1. TEAM (energy management software supplier)
 - 9.3.2. BEIS (emissions reporting)

10. Financial Implications

- 10.1. There is currently £2.2m allocated to deliver energy efficiency and renewable energy improvements within the capital programme.

	2020/21	2021/22	2022/23	Total
	£	£	£	£
Adur District Council	327,210	325,000	325,000	977,210
Worthing Borough Council	409,000	400,000	400,000	1,209,000
	<hr/>	<hr/>	<hr/>	<hr/>
	736,210	725,000	725,000	2,186,210

- 10.2. The budgets have been included on an 'invest to save' basis and each proposal or programme of works should generate a saving over the life of the investment. Each scheme is subject to a business case and approved by the Executive Member of Resources prior to spend.
- 10.3. Wherever possible, external funding will be sought to ensure the councils' reduce their capital expenditure whilst delivering carbon reduction projects. In parallel to this, Salix interest free loans will be investigated to improve the potential business cases.

Finance Officer: Sarah Gobey

Date: 22nd October 2020

11. Legal Implications

- 11.1 The Climate Change Act 2008 is the basis for the UK's approach to tackling and responding to climate change and imposes obligations on Local Authorities to reduce emissions of carbon dioxide and that climate change risks are prepared for.
- 11.2 The statutory obligations imposed on the Councils were increased in June 2019 by the introduction of the Climate Change Act 2008 (2050 Target Amendment) Order 2019, SI 2019/1056. This instrument increases the required percentage reduction of greenhouse gas emissions from at least 80% to at least 100% by 2050.
- 11.3 Section 111 of the Local Government Act 1972 enables the Council to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.

Legal Officer: Susan Sale

Date: 22nd October 2020

Background Papers

- [Working towards the 2030 target - Adur & Worthing Councils' Carbon Neutral Plan \(JSC 3/12/19\)](#)

- Adur & Worthing Councils [Carbon Neutral Plan](#)
- Adur & Worthing Councils [Platforms for our Places](#)
- Adur & Worthing Councils [SustainableAW](#)
- [BEIS, 'Emissions Reduction Pledge 2020: Guidance for emissions reporting in the public and higher education sectors in England 2018-2020'](#)
- [Public Sector Decarbonisation Fund](#)
- [UK 100 Cities Pledge](#)
- [Climate Change Act 2008 \(2050 Target Amendment\) Order 2019](#)

Officer Contact Details:

Dan Goodchild, Carbon Reduction Manager

Tel: 07825 865210, dan.goodchild@adur-worthing.gov.uk

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. Improved energy efficiency across the councils' assets reduce ongoing revenue requirements for energy purchasing.

2. Social

2.1 Social Value

By securing affordable, low carbon energy into the future, the councils protect budgets from future energy price rises, drawing less budget into council operational costs away from services delivery that benefit local communities.

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)

No impacts 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 ongoing carbon reduction is to mitigate the predicted catastrophic impacts of climate change on the environment, economy and communities.

4. Governance

The reporting and management of carbon reduction emissions show leadership in response to our declaration of a climate emergency. This aligns with national legislation (the Climate Change Act 2008); national and regional policy, and the councils own policy.

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Joint Strategic Committee
3 November 2020



ADUR & WORTHING
COUNCILS

Key Decision [No]

Ward(s) Affected:N/A

JOSC Review of Climate Change

Report by the Director for Digital, Sustainability & Resources

Executive Summary

1. Purpose

- 1.1 The Joint Strategic Committee (JSC) is asked to receive and note the findings and recommendations of the Joint Overview and Scrutiny Committee (JOSC) review of climate change issues. These recommendations follow on from the discussions of a Working Group set up by JOSC. A copy of the report from the Working Group is attached as Appendix 1 to this report.
- 1.2 The Working Group was pleased that there is work being undertaken by the Councils to address climate change, however, it identified some strong recommendations to help the Councils and other partners tackle climate change and to help the Councils keep on course to meet the aims of Sustainable Adur & Worthing and to help the Councils tackle some of the biggest environmental issues of this time.

2. Recommendations

- 2.1 That the Committee note the report, findings and recommendations from the JOSC Working Group; and
- 2.2 That the Committee agrees to receive a report in January 2021 on the issues raised by the JOSC Working Group and consideration of the

implications for each recommendation contained in the Scrutiny report at Appendix 1 in order for the Executive to provide a formal response to the JOSC.

3. Context

- 3.1 As part of its Work Programme, the JOSC agreed to undertake a review of climate change issues.
- 3.2 Councillors Carol Albury, Catherine Arnold, Bob Smytherman and Carl Walker were appointed to the Working Group. Chrissie Gunter of Adur Green Party and Jo Paul of Worthing Green Party were appointed as co-opted members to support the Working Group. Councillor Catherine Arnold was appointed as Chairman of the Working Group and Councillor Bob Smytherman as Vice-Chairman.
- 3.3 The following Terms of reference and project objectives for the review were agreed:-
- (i) To receive a briefing on climate change issues to enable Members to be better informed to fully scrutinise the issues;
 - (ii) To scrutinise the Adur & Worthing Carbon Neutral Plan and review how the Councils are implementing the Carbon Neutral Plan aims by 2030. This would be done using available best practice and information available from other Councils on this issue;
 - (iii) To scrutinise the processes and outcomes of the proposed Adur & Worthing Climate Change Strategy;
 - (iv) To liaise with representatives from the West Sussex Climate Change Task and Finish Group on the outcomes and objectives from that Group to help enhance the scrutiny of Climate Change issues in Adur and Worthing;
 - (v) To lobby Government as appropriate to provide the powers and the resources to make the 2030 target, as set out in the Carbon Neutral Plan, possible; and
 - (vi) To consider if there is a need for any recommendations to be put to the Joint Strategic Committee/relevant Executive Members to help with the implementation of the Adur & Worthing Carbon Neutral Plan and the Adur & Worthing Climate Change Strategy.

3.4 The JOSC Working Group has concluded its work and reported the findings and recommendations to JOSC on 17 September 2020. JOSC resolved that the Working Group report and recommendations should be submitted to JSC but did not endorse those recommendations. The findings and recommendations from the Working Group are contained in Appendix 1 to this report.

3.5 JSC is now requested to consider the findings and recommendations from the JOSC Working Group to provide the formal Executive response.

4. Issues for consideration

4.1 The JOSC Working Group has identified a number of conclusions and recommendations which are intended to help each Council and other partners tackle climate change and to help each Council keep on course to meet the aims of Sustainable Adur & Worthing and to help the Councils tackle some of the biggest environmental issues of this time.

5. Engagement and Communication

5.1 As part of its report, the JOSC Working Group held discussions with relevant Council Officers, a West Sussex County Councillor and Officer and representatives from local climate change interest groups.

6. Financial Implications

6.1 There are no direct financial implications relating to this report but if implemented, some of the recommendations from the Working Group will have financial implications for the Councils.

7. Legal Implications

7.1 Under Section 111 of the Local Government Act 1972, the Council has the power to do anything to facilitate, or which is conducive or incidental to the discharge of any of their functions.

7.2 Section 1 of the Localism Act 2011 provides a Local Authority to do anything that individuals generally may do (subject to any current restrictions or limitations prescribed in 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.

Background Papers

Report to the Joint Overview and Scrutiny Committee 17 September 2020

Minutes of the Joint Overview and Scrutiny Committee 17 September 2020

Officer Contact Details:-

Mark Lowe

Scrutiny & Risk Officer

Tel 01903 221009

mark.lowe@adur-worthing.gov.uk

Sustainability & Risk Assessment

1. Economic

Matter considered and no direct issues identified.

2. Social

2.1 Social Value

Matter considered and no direct issues identified.

2.2 Equality Issues

Matter considered and no direct issues identified.

2.3 Community Safety Issues (Section 17)

Matter considered and no direct issues identified.

2.4 Human Rights Issues

Matter considered and no direct issues identified.

3. Environmental

Matter considered. Developing the Councils and communities role in Tackling Climate Change and Supporting our Natural Environment is one of five platforms for development in “Platform for our Places : Going Further”. The report from the Working Group attached as an appendix to this report includes updates on how the Councils are working to develop this platform.

4. Governance

Matter considered. The JOSC Working Group was set up in accordance with the JOSC Procedure Rules and forms part of the agreed JOSC Work Programme for 2020/21. Recommendations from the review are required to be presented to the Joint Strategic Committee for consideration.



ADUR & WORTHING COUNCILS

Scrutiny review of Climate Change issues

Report by the Joint Overview and Scrutiny Working Group

1.0 Summary

- 1.1 This report sets out the results of a scrutiny review of climate change issues in Adur and Worthing which has looked at how Adur and Worthing Councils (the Councils) are implementing the aims of the Adur & Worthing Sustainability Framework including the Adur & Worthing Carbon Reduction Plan which is seeking carbon neutrality for the Councils by 2030 and also the plans to develop and inform future policy in a climate change strategy.
- 1.2 The scrutiny review has been undertaken by a Working Group of the Adur & Worthing Councils Joint Overview and Scrutiny Committee (JOSC).
- 1.3 The aim of the review has been to scrutinise climate change issues to help the Councils protect and improve the environment in Adur & Worthing and also help combat some of the biggest environmental issues of time including climate change, biodiversity loss, energy efficient developments, clean energy production and storage and the impact of transport on poor air quality, water efficiency, water quality and waste reduction.
- 1.4 The review has coincided with the Councils agreeing a Carbon Reduction Plan which aims for the Councils to be carbon neutral by 2030, plans by the Councils to deliver the aims of the Sustainability Framework including holding a Climate Assembly and the Zero 2030 Conference held in March 2020, therefore, the Working Group hopes that the review findings can feed into the processes for these issues and help the Councils deliver the aims of the Framework and Carbon Neutrality whilst also publishing a public benchmark and demonstrating progress against it.

2.0 Climate Change - Scope and Terms of Reference for the review

- 2.1 Climate change has been described as a change in global or regional climate patterns, in particular a change apparent from the mid to late 20th century onwards and attributed largely to the increased levels of atmospheric carbon dioxide produced by the use of fossil fuels. Since this definition has emerged

Local Councils across the United Kingdom have moved to declare a Climate Emergency in their areas. On 9 July 2019 Adur & Worthing Councils declared a Climate Emergency which means that the Councils recognise that predicted global warming threatens future communities, populations, biodiversity and economies and that measures currently being taken are not enough to stop global warming and limit the changes predicted to be brought by it. The Councils have also committed to work towards becoming carbon neutral by 2030.

- 2.2 The Working Group has also recognised and agreed the urgent need that the climate emergency should be addressed and climate action taken to reduce greenhouse gas emissions and strengthen resilience and adaptive capacity to climate-induced impacts, including: climate-related hazards integrating climate change measures into local and national policies, strategies and planning; and improving education.
- 2.3 In order to try and address the issues connected with climate change, the Scrutiny Working Group agreed the following terms of reference and scope for the review:-
- (i) To receive a briefing on climate change issues to enable Members to be better informed to fully scrutinise the issues;
 - (ii) To scrutinise the Adur & Worthing Carbon Neutral Plan and review how the Councils are implementing the Carbon Neutral Plan aims by 2030. This should be done also using available best practice and information available from other Councils on this issue;
 - (iii) To scrutinise the processes and outcomes of the proposed Adur & Worthing Climate Change Strategy;
 - (iv) To liaise with representatives from the West Sussex Climate Change Task and Finish Group on the outcomes and objectives from that Group to help enhance the scrutiny of Climate Change issues in Adur and Worthing;
 - (v) To lobby Government as appropriate to provide the powers and the resources to make the 2030 target, as set out in the Carbon Neutral Plan, possible; and
 - (vi) To consider if there is a need for any recommendations to be put to the Joint Strategic Committee/relevant Executive Members to help with the implementation of the Adur & Worthing Carbon Neutral Plan and the Adur & Worthing Climate Change Strategy.

3.0 Membership of the Joint Overview and Scrutiny Climate Change Working Group

- 3.1 A Joint Overview and Scrutiny Working Group was set up by JOSC to undertake the review and the membership of the Working Group was as follows:-

Councillor Catherine Arnold - Adur District Council (Chairman)
Councillor Bob Smytherman - Worthing Borough Council (Vice-Chairman)
Councillor Carol Albury - Adur District Council
Councillor Carl Walker - Worthing Borough Council

Co-opted Members were appointed to support the Working Group:
Chrissie Gunter - Adur Green Party
Jo Paul - Worthing Green Party

4.0 Method of the review

- 4.1 The JOSC requested that the Working Group undertake the review as part of the 2019/20 JOSC Work Programme. From the start of the review, the Working Group wanted to ensure that it was briefed on the background to Climate Change in Adur & Worthing to make sure that it fully understood what the Councils were striving to achieve in relation to climate change and the work that was being undertaken working with the communities and local business partners to achieve the aims of the Sustainable Adur & Worthing Framework and subsequent work to help the Councils work towards carbon neutrality by 2030.

- 4.2 The Working Group has held detailed evidence gathering meetings with the following witnesses:-

Rod Thick, Worthing Fair Trade;
Amber Benbow, Greenpeace;
Barbara O'Kelly, Adur Residents Environmental Action Group (AREA);
Heather Godfrey, Independent voice and member of Extinction Rebellion;
Clive Andrews, Shoreham-By-Cycle;
Francesca Iliffe, Strategic Sustainability Manager, Adur & Worthing Councils;
Moirá Hayes and Ian Moody, Planning Policy Managers for Adur and

Worthing

respectively;

Councillor Kevin Boram, Senior Advisor to the Cabinet Member for the Environment, West Sussex County Council; and
Darryl Hemmings, Transport, Planning and Policy Manager, West Sussex County Council

Written evidence was also supplied by Lloyd Harris, Safety and Resilience Manager, Adur & Worthing Councils

5.0 Findings and Proposals

5.1 The Working Group has received good evidence from the witnesses on climate change in general, on how the Councils can look to work with the communities to achieve the aims of the carbon neutral plan and the Adur & Worthing Sustainable framework.

5.2 Evidence gathered from the witnesses and the Adur and Worthing Councils approach to delivering climate change

5.3 In December 2019, March, April and May 2020, to begin the evidence gathering part of the review, the Working Group received evidence from the witnesses referred to above in Paragraph 4.2 of this report. This included hearing from Francesca Iliffe, Adur & Worthing Councils Strategic Sustainability Manager, on progress in delivering the climate change initiatives. This briefing also included an appraisal of the 'Zero 2030' Community led conference held on 4 March. The Working Group was advised that the Councils had produced a Carbon Neutral Plan in December 2019

[Working towards the 2030 target - Adur & Worthing Councils' Carbon Neutral Plan](#)

The Councils had also approved a refreshed Sustainability Framework in December 2019 [SustainableAW Refresh - increasing ambition and deepening engagement](#) The Sustainability Framework is set out here

<https://www.adur-worthing.gov.uk/media/Media.152062.smxx.pdf>

Key issues raised by the witnesses were as follows:-

- That Fair Trade should be promoted on the Council website.
- There was not enough in the Adur and Worthing Sustainability Framework to explain how the relevant information will be disseminated to the wider audience. The view was that there needed to be some form of more detailed education plan provided for this.
- The Council's vehicles need to be improved for emission control.
- A good anti idling campaign was needed to be provided around schools and at level crossings.
- Bus routes needed to be with electric vehicles and with routes that encourage people to stop using cars and the Councils should ensure that more greenspace is provided in new developments.
- There should be more tree planting and shops to be required to pick up litter outside of their premises.
- Children's playgrounds to be provided near all new developments.
- The communities should be fully involved in the delivery of the Carbon Neutral Plan and the Sustainability Framework. There was a need to ensure that there is more community consultation, engagement and promotion about sustainability and that there is more accessible information about sustainability.

- That when letting contracts, the Councils should consider choosing companies that demonstrated through their supply chain that they have a good carbon reduction record.
- That the Councils make more use of the green areas for rewilding and exploit any opportunity for nature to be re-established whenever a site is cleared.
- That the District, Borough and County Councils needed to work better together in tackling climate change and there was a need for smaller, more immediate spending on selected small inexpensive improvements that will bring immediate benefit.
- Local Plans, Joint Area Action Plan (JAAP), Sustainable Planning documents (SPD's) and air quality mitigation statements need to be good quality and continue to address sustainability issues. They need to contain 'requirement' type language where possible to support radical carbon reduction.
- Planning enforcement teams to ensure that planning conditions relating to sustainability are tightly enforced. Evidence provided indicated that they are not. Use Section 106 funding to appoint extra enforcement staff?
- County Council to be encouraged to implement projects quickly to speed up sustainability. The view was that the County Council are sometimes too slow in delivering Highway projects for example.
- That the revised West Sussex Transport Plan and any applications for infrastructure funding should include a weighting in favour of carbon reduction objectives. At present the Plan has no such weighting in place.

5.4 As part of the evidence gathering for the review, the Working Group was also informed about the work and consultations undertaken by the West Sussex County Council to develop a Climate Change Strategy for 2020 - 2030 (Subsequently agreed in July 2020). The County Council had set up a Climate Change Advisory Group to advise on the preparation of a climate change strategy to deliver action for climate change and evidence was provided by Councillor Kevin Boram of West Sussex County Council who was Chairman of the Group and Senior Advisor to the Cabinet Member for the Environment. The Working Group notes this work but has made comments on the Strategy itself and the consultation undertaken, as part of the recommendations later on in this report.

5.5 The Working Group was also provided with information on the content of the West Sussex Transport Plan and the proposed consultation on the review of the Plan which was planned for 2021/2022.

5.6 Future work on Climate Change

5.7 Climate change measures being undertaken by the Councils to work towards carbon neutrality by 2030 have been moving at pace since the review began and the Working Group have been kept up to date on the progress with this work. The Working Group has welcomed this work covering the following issues:-

- Plans to create a Climate Assembly from Autumn 2020 as an approach to improve public engagement in climate change and help inform future policy and action locally including the development of a Climate Change Strategy based on the outcomes - Invitations are being sent to local residents inviting them to apply to take part in the Assembly <https://www.adur-worthing.gov.uk/news/pr20-087.html> ;
- Production of an online SustainableAW magazine (first edition July 2020) to help showcase and inform the communities about local sustainable activity and how they can get involved and also help them understand the scale and urgency of the issues. <https://www.adur-worthing.gov.uk/sustainable-aw-magazine/>

6.0 Conclusions and recommendations

- 6.1 The Working Group would like to thank Officers and the witnesses for their support and invaluable contributions into this review. The Working Group is pleased that there is work being undertaken by the Councils to address climate change, however, some strong recommendations have been identified to help the Councils and other partners tackle climate change which the Working Group would like to put to the Joint Strategic Committee for review to help the Councils keep on course to meet the aims of Sustainable Adur & Worthing and to help the Councils tackle some of the biggest environmental issues of our time.
- 6.2 A large part of this review and the evidence gathered has taken place during the ‘lockdown’ of the Covid-19 pandemic and some of the findings look at ways to change how the Councils and other partners operate and can become more climate resilient and learn from the pandemic to adapt to change and adopt new behaviours. The recommendations focus on the need for the Councils to review what else is being done to tackle climate change across West Sussex, the need to ensure that the communities in Adur and Worthing are fully briefed on the aims of Sustainable Adur & Worthing, that the Councils drive towards sustainable development and further ways for large scale carbon emissions reduction.
- 6.3 The Working Group recognises that there will need to be continued scrutiny and is recommending that it continues to meet to undertake this Scrutiny and oversight. The Working Group makes no apologies for the number of recommendations which it considers are needed and will help complement the detailed approach to climate change and the many factors and variables already included in the Adur & Worthing Sustainability framework that identify carbon reduction.

7.0 Recommendations

Adur & Worthing Councils

7.1 That Adur and Worthing Councils monitor the work being undertaken to achieve carbon neutrality by 2030 and ensure that:-

- **The aims of the Adur & Worthing Sustainability framework and the delivery of the Carbon Neutral Plan with a baseline carbon reduction figure are more accessible and communicated via the Councils website in a proactive manner allowing more engagement with the communities about promotion of sustainability.**
- **A carbon reduction baseline figure is published on the Councils website;**
- **Public update reports are provided on this work at regular intervals.**
- **The Fair Trade Directory is published on the Councils website.**

Reason - To ensure that the Councils and the communities are kept informed of the progress. The Communities need to be closely involved in the delivery of the Carbon Neutral Plan and the Sustainability framework and to be informed of its progress to ensure better community engagement. These extra requirements will ensure community involvement, transparency and demonstrate clear progress towards achieving carbon reductions.

7.2 That Adur & Worthing Councils and West Sussex County Council be urged to review work on Climate change being undertaken by other Local Authorities that are more advanced in their work and to assess how they have created firm action plans to deal with the issues;

Reason - To assess and learn how other Local Authorities across the United Kingdom are approaching the review of Climate Change with a view to learning from and adopting best practice.

7.3 That Adur District Council ensures that energy efficiency retrofitting of Adur Homes properties is undertaken and that there is a realistic and ambitious timeframe set for this;

Reason - To help reduce greenhouse gas emissions, increase the energy efficiency and sustainability of the buildings and help reduce overall energy bills for tenants and leaseholders.

7.4 That the Councils should consider only letting contracts to companies that have a good carbon reduction record identified in their supply chain. The Councils should adopt a local green procurement Strategy and produce a sustainability code of practice for companies. The Councils should also encourage this good practice to be extended to all other businesses operating in Adur and Worthing.

Reason - To help with overall carbon reduction and encouraging good business practice by other local businesses and supporting these local businesses who operate these practices.

- 7.5 That the Councils ensure that the Adur and Worthing Local Plans are of a good quality and continue to address sustainability. The Local Plans also should contain 'requirement' type language rather than 'encouragement' type language where possible and also should require biodiversity gain and carbon reduction. There should also be a Planning sustainability checklist. Relevant Officers are advised to ensure that recommendations for Planning applications to be considered by the Adur & Worthing Planning Committees should have regard to the requirements of the Adur & Worthing Local Plans, the Joint Area Action Plan and the AW Sustainability framework. Officers should also be requested to change the current Validation requirements to require applicants to submit a carbon reduction statement for developments of 11 dwellings or more (with appropriate targets).**

Reason - To help improve the sustainability standards of development to improve quality of life in the areas, help reduce carbon and complement the aims of the Councils in striving towards climate change. To engage with the developers at an early stage regarding the principles of energy efficiency.

- 7.6 That JOSOC agree to keep the JOSOC Climate Change Working Group constituted to monitor the progress with the actions recommended and report back to JOSOC at regular intervals to ensure regular oversight and scrutiny is also taking place.**

Reason - To ensure that progress in delivering the climate change actions is being monitored and scrutinised.

- 7.7 That the Councils allocate additional funding to be used for relevant campaigns to help promote alternatives to car use, to help reduce vehicle emissions and help assist in the overall aim for better air quality.**

Reason - To help promote alternatives to car use and improve air quality and reduce carbon emissions.

West Sussex County Council

- 7.8 That West Sussex County Council be requested to ensure that the proposed review of the West Sussex Transport Plan should encourage modal shift and be transformative.**

This modal shift should involve the introduction of a series of innovative measures to allow for:-

- **Long term cycle infrastructure, including segregated cycle lanes and electric charging points;**
- **Sustainable Transport hubs - Where active travel, public and sustainable modes of transport can interchange; and**
- **Electric vehicle fleet, infrastructure and charging points**

Reason - To help reduce vehicles and road traffic congestion and move away from car based travel through major investment in public transport, walking and cycling, radically reduce all emissions by 45%, to help make roads more environmentally friendly, improved air quality to help improve cycling safety and to ensure safer public health and fitness for Adur and Worthing residents engendering safe and improved cycling and walking infrastructure.

- 7.9 That the work of West Sussex County Council in agreeing a West Sussex Climate Strategy be noted but that the Working Group considers that the West Sussex Climate Change Strategy 2020 - 2030 is very abstract and there is a lack of urgency and tangible targets which means that there are some gaps between the Strategy and the goals. It is considered that West Sussex County Council should review how it consults with experts when drafting Strategy documents of this kind in the future.**

Reason - To make West Sussex County Council aware of its concerns about the Strategy and the lack of consultation which was explained to the Working Group by some of the consultees.

Other partners

- 7.10 That in 12 months or so, all West Sussex District and Borough Councils be asked to consider setting up a Joint Scrutiny Task and Finish Group to review how all the Councils are dealing with Climate Change issues. This Working Group should also focus on the proposed review of the West Sussex Transport Plan and consider recommending changes to the way the Transport infrastructure investment bids are considered to ensure that the bids consider environmental objectives on an equal footing to economic objectives, which does not currently happen.**

Reason - This will enable all of those Councils to review the current position on climate change strategy and action across West Sussex and to assess if anything further needs to be done to combat climate change at a County level. It would also help in overall collaboration on this issue and help ensure that consideration is given in the review of the Transport Plan to applying environmental climate change objectives when considering new transport infrastructure schemes.

Local Government Act 1972

Background Papers:

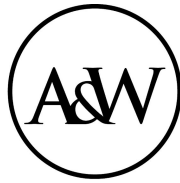
None

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Joint Strategic Committee
3 November 2020



ADUR & WORTHING
COUNCILS

Key Decision [No]

Ward(s) Affected: N/A

JOSC Review of Adur Homes Repairs and maintenance service

Report by the Director for Digital, Sustainability & Resources

Executive Summary

1. Purpose

1.1 The Joint Strategic Committee (JSC) is asked to receive and note the findings and recommendations of the Joint Overview and Scrutiny Committee (JOSC) review of the Adur Homes Repairs and maintenance service. These recommendations follow on from the discussions of a Working Group set up by JOSC. A copy of the report from the Working Group is attached as Appendix 1 to this report.

1.2 The JOSC Working Group was briefed on the changes that have been made and are being made to the delivery of the Adur Homes Repairs and Maintenance service. The Working Group has recognised and accepted that the full improvement of the repairs and maintenance service is not a quick process and will take time to deliver. However, the Working Group has strongly recommended that the Adur District Council Executive Member for Customer Services and senior officers put in place a transformation programme that sets out a timetable to implement improvements to Adur Homes core business of the provision of social housing. The Working Group is also recommending that the transformation programme is endorsed by the Joint Strategic Committee and appropriate progress reporting is implemented in order to ensure that decisions are made to support the transformation programme on a timely basis.

2. Recommendations

- 2.1 That the Committee note the report, findings and recommendations from the JOSC Working Group; and
- 2.2 That the Committee agrees to receive a report in January 2021 on the issues raised by the JOSC Working Group and consideration of the implications for each recommendation contained in the Scrutiny report at Appendix 1 in order for the Executive to provide a formal response to the JOSC.

3. Context

- 3.1 As part of its Work Programme, the JOSC agreed to undertake a review of the Adur Homes Repairs and Maintenance service.
- 3.2 Councillors Catherine Arnold, Kevin Boram, Stephen Chipp, Paul Mansfield and Deb Stainforth were appointed to the Working Group. Councillor Stephen Chipp was appointed as Chairman of the Working Group and Councillor Paul Mansfield as Vice-Chairman.
- 3.3 The following Terms of reference and project objectives for the review were agreed:-
 1. To review the performance of the Adur Homes repairs and maintenance service, including the value for money, and to understand the reasons for that performance;
 2. To review the recommendations/proposed action plan from the recent Audit of the repairs and maintenance service and the work being undertaken by Adur Homes to mitigate the risks identified in the Audit;
 3. To question the Adur Executive Member for Customer Services and Senior Council Officers on the level of the Adur Homes repairs and maintenance service and the response times for the service and communications provided to the tenants on this service;
 4. To consider if there is a need for any recommendations to be put to the Adur Executive/Executive Member for Customer Services to improve the service and the processes.

Outcomes expected - A better understanding of the Adur Homes repairs and maintenance service and confidence that a satisfactory service will be provided within a reasonable timescale.

- 3.4 The JOSC Working Group has concluded its work and reported the findings and recommendations to JOSC on 15 October 2020. JOSC resolved that the Working Group report and recommendations be approved and submitted to JSC. The findings and recommendations from the Working Group are contained in Appendix 1 to this report.
- 3.5 JSC is now requested to consider the findings and recommendations from the JOSC Working Group to provide the formal Executive response.

4. Issues for consideration

- 4.1 The JOSC Working Group has identified a number of conclusions and recommendations which are intended to help Adur District Council improve the Repairs and Maintenance service.

5. Engagement and Communication

- 5.1 The JOSC Working Group has held discussions with the Adur District Council Executive Member for Customer Services, tenant representatives from the former Adur Consultative Forum and Officers responsible for the Repairs and Maintenance service. The Chairman of the new Adur Tenants Forum has also been consulted on the Working Group report and recommendations.

6. Financial Implications

- 6.1 There are no direct financial implications relating to this report.

7. Legal Implications

- 7.1 Under Section 111 of the Local Government Act 1972, the Council has the power to do anything to facilitate or which is conducive or incidental to the discharge of any of their functions.
- 7.2 Section 1 of the Localism Act 2011 provides a Local Authority to do anything that individuals generally may do (subject to any current restrictions or limitations prescribed in existing legislation).

Background Papers

Any papers referenced in the Working Group report.

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Sustainability & Risk Assessment

1. Economic

Matter considered and no direct issues identified.

2. Social

2.1 Social Value

Matter considered. An improved Repairs and Maintenance service will improve social value for Adur Homes tenants.

2.2 Equality Issues

Matter considered and no direct issues identified.

2.3 Community Safety Issues (Section 17)

Matter considered and no direct issues identified.

2.4 Human Rights Issues

Matter considered and no direct issues identified.

3. Environmental

Matter considered and no direct issues identified.

4. Governance

Matter considered. The JOSC Working Group was set up in accordance with the JOSC Procedure Rules which form part of the Constitution and as part of the JOSC Work Programme. Recommendations from the review will need to be presented to the Joint Strategic Committee and the Adur Executive Member for Customer Services.



ADUR & WORTHING
COUNCILS

Scrutiny review of the Adur Homes Repairs and Maintenance service

Report by the Joint Overview and Scrutiny Working Group

1.0 Summary

- 1.1 'Adur Homes' is the Council team responsible for Adur District Council's social housing stock. This report from the Joint Overview and Scrutiny Committee (JOSC) Working Group has reviewed the performance and areas of work of the Repairs and Maintenance service of 'Adur Homes' following concerns about the performance of the service.
- 1.2 This report sets out the findings and recommendations from the JOSC Working Group which was established as part of the JOSC Work Programme in 2019 to review the performance of the Adur Homes Repairs and Maintenance service.
- 1.3 The Working Group report proposes a number of recommendations to be put to the Adur Executive/Adur Executive Member for Customer Services to improve the Repairs and Maintenance service and the processes.

2.0 Background and context to the Adur Homes Repairs and Maintenance service

- 2.1 Adur District Council, under the team name 'Adur Homes', is responsible for managing the Adur District Council social housing stock which contains the following:-
- 2509 tenanted properties
 - 518 leasehold properties
 - 288 sheltered housing properties
 - 1077 garages
- 2.2 The Repairs and Maintenance service of 'Adur Homes' has been undergoing some change over a number of years. Details of the most recent changes to improve the service are set out later in this report. To assist in the delivery of the service a new Responsive Repairs Policy has also been drafted and is

currently subject to consultation for approval in Autumn 2020. A repair guide was due to be produced as well as a new Fire Safety policy being in place and a Gas servicing policy being provided. It was recognised, however, that there was still some way to go before the desired performance level and standards could be achieved.

2.3 The number of repairs and maintenance jobs undertaken by the Service between July 2019 and May 2020 (22,289) had almost doubled compared with July 2018 and June 2019 (11,933) and further analysis was needed to understand how many repair requests this related to and the impact on the service. More than half of all the repairs reported between June 2019 and May 2020 were reported through the Council Customer Contact centre. Repairs being reported via the new digital repairs portal had increased in 2019/20 by 10%.

2.4 Previously, in February 2019, the findings from an Internal Audit report into the

Housing Repairs service and the internal control processes and procedures relating to this service had been released. The Audit had been requested by the former Head of Housing following concerns in respect of repairs processes and the nil assurance Audit report which had been received in respect of void properties. The audit report findings gave only limited assurance and commented that there are weaknesses in the system of internal controls which are such to put the Council objectives at risk and a level of non compliance which also put the Council objectives at risk.

2.5 In March 2019 a scrutiny request was made to the JOSC asking for it to investigate and review the Adur Homes repairs and maintenance service in more detail following claims from Tenants and Councillors who were concerned about response times and the difficulty of communicating with housing staff on repairs/maintenance issues. It was considered that there was a need to establish better lines of communication with tenants and review whether staffing levels are adequate or not. The scrutiny request also wanted an improved service to tenants with greater tenant satisfaction.

3.0 Background to the JOSC Review

3.1 As part of the JOSC Work Programme for 2019/20, JOSC agreed to set up a Working Group to review the Repairs and Maintenance service and to consider ways that the service could be improved. Councillors Catherine Arnold, Kevin Boram, Stephen Chipp, Paul Mansfield, Andy McGregor and Lavinia O'Connor were originally appointed to the Working Group and Councillor Deb Stainforth was appointed as a co-opted Member. Due to membership changes of the main JOSC Councillors McGregor and O'Connor stepped down from the Working Group in 2020/21 and Councillor Stainforth became a full member of the Working Group.

3.2 The Working Group has held a number of meetings to gather evidence and formulate findings and recommendations in June, July and September 2019 and February and July 2020. In October 2019 the Working Group also visited the Council Contact Centre, to listen to tenants calls about repairs and maintenance issues and the Repairs and Maintenance Depot at Commerce Way to speak with the Team.

3.3 The Working Group discussed and agreed the following Terms of Reference and project objectives for the review:-

1. To review the performance of the Adur Homes repairs and maintenance service, including the value for money, and to understand the reasons for that performance;

2. To review the recommendations/proposed action plan from the recent Audit of the repairs and maintenance service and the work being undertaken by Adur Homes to mitigate the risks identified in the Audit;

3. To question the Adur Executive Member for Customer Services and Senior Council Officers on the level of the Adur Homes repairs and maintenance service and the response times for the service and communications provided to the tenants on this service;

4. To consider if there is a need for any recommendations to be put to the Adur Executive/Executive Member for Customer Services to improve the service and the processes.

Outcomes expected - A better understanding of the Adur Homes repairs and maintenance service and confidence that a satisfactory service will be provided within a reasonable timescale.

4.0 Method of the review

4.1 From the start of the review, the Working Group wanted to ensure that it was briefed on as much background and information relating to the Repairs and Maintenance service as possible.

4.2 The Working Group has held evidence gathering meetings with the following witnesses:-

Mary D'Arcy, Former Director for Communities, Adur & Worthing Councils
Catherine Howe, Director for Communities, Adur & Worthing Councils
(July 2020)

Akin Akinyebo, Head of Housing, Adur & Worthing Councils

Anthony Alexander, Housing Operations Manager, Adur & Worthing Councils

Councillor Carson Albury, Executive Member for Customer Services, Adur District Council

Dave Donaldson, Paula Kinsella and Pauline Jeffery, (Tenants and Members of the former Adur Consultative Forum - ACF).

- 4.3 This report has also been shared with Jill Lennon, the Chairperson of the Adur Tenants Forum.

5.0 Improvements to the delivery of the Repairs and Maintenance service

- 5.1 The Working Group has held discussions with the former Director for Communities, Mary D'Arcy, Head of Housing, Akin Akinbeyo, and Adur District

Council Executive Member for Customer Services, Councillor Carson Albury. Discussions have also been held more recently with the new Director for Communities, Catherine Howe. As part of these discussions the Working Group have been briefed on the improvements being made to improve the delivery of the maintenance and repairs service to Adur Homes residents.

- 5.2 Since July 2019 a new staffing structure had been implemented with five new roles created, three of which had been filled but at the time of writing this report, the other two had been paused due to Covid-19 lockdown issues but the recruitment process had recently restarted.

- 5.3 Since January 2020, the Housing Operations Manager had focused mainly on driving through improvements in the maintenance and repairs teams. A Repairs and Modernisation Manager had been recruited in place of the Building Services Manager who was responsible for the inhouse repair team. The officer reported direct to the Housing Operations Manager and brought a wealth of experience running in-house repairs services. Line management of the multi trade operatives was now split between an Assistant Business Support Manager and two chargehands. A Fire Safety Manager had been recruited to oversee fire safety works and a Compliance Health & Safety Officer would be recruited to assist the manager. Recruitment for a fourth maintenance officer was underway.

- 5.4 A new Repairs & Modernisation Manager had also been appointed to improve the Service. Focus had been on recruitment. There had been improvements in the online reporting system with the number of repairs reported through the repairs portal increasing by 10%. More than half of all repairs reported between June 2019 and May 2020 were through the Customer Service Centre and a third were reported by Housing staff.

6.0 Conclusions and recommendations

- 6.1 The Working Group would like to thank the Tenants who contributed to the evidence for this review, Senior Council Officers, the Adur District Council Executive Member for Customer Services and members of the Customer

Contact Centre and Repairs and Maintenance Teams for their support and invaluable contributions to this review.

- 6.2 Appendix A to this report includes some background information to support the thinking behind the report and its recommendations. During the Working Group's work it has become evident that Adur Homes provides a key service within the community. The Working Group has also been briefed on the changes that have been made and are being made to the delivery of the repairs and maintenance service. The Working Group recognises and accepts that the full improvement of the repairs and maintenance service is not a quick process and will take time to deliver.
- 6.3 The Working Group, however, strongly recommends that the Adur District Council Executive Member for Customer Services and senior officers put in place a transformation programme that sets out a timetable to implement the following improvements to Adur Homes core business of the provision of social housing. It is further recommended that the transformation programme is endorsed by the Joint Strategic Committee and appropriate progress reporting is implemented in order to ensure that decisions are made to support this transformation programme on a timely basis.
- 6.4 Given the significant nature of the transformation programme the Working Group recommends that JOSOC continues to closely monitor the performance of Adur Homes.

7.0 Recommendations

- 7.1 That Adur District Council review and implement an appropriate governance structure within Adur District Council to include the appropriate senior officers responsible for delivering key Adur Homes functions.**

Reason - The Adur Homes Management Board, responsible for overseeing and setting the delivery of the strategic objectives of Adur Homes, has not met for nearly a year which the Working Group considers is unacceptable and, therefore, a revised governance structure is required in order to ensure that there is regular oversight and scrutiny of the running of the Adur Homes business.

- 7.2 That Adur District Council ensure that an effective Planned Maintenance Programme and strategy is developed and implemented to deliver a sustainable renewal, repairs and maintenance regime**

Reason - In order to improve the overall quality of the Adur Homes housing stock so that it all meets appropriate standards. Thorough tracking of day to day repairs will ensure that the Programme is informed and flexibility in the system will ensure that new urgent work does not allow the programmed work to slip. The strategy should identify the appropriate levels of

maintenance and repair in addition to setting out a renewal/ replacement programme.

7.3 That Adur District Council identify and implement key performance measures that can be used to monitor the adequacy of service and signpost areas for improvement.

Reason - To ensure that performance can be monitored more closely so that all Departments have a clear idea on faults and direction of travel.

7.4 That Adur District Council continue to implement improvements to maintenance and repairs processes to ensure prompt delivery of services and value for money.

Reason - To help create a more efficient and effective service for Adur Homes residents.

7.5 That Adur District Council implement a revised strategy to improve tenants' timely engagement with Adur Homes. This should include a revised Tenants' Manual which sets out the expectations of both tenants and Adur Homes (including such things as agreed timescales for repairs) and should involve customer journey mapping and the use of the Customer Services Effortless programme to gather customer feedback to help improve the service.

Reason - To improve engagement and consultation with Adur Homes residents and to help in the overall service design process by having the active involvement of Adur Homes residents. This will help in the delivery of the service and make it work better for residents. Customer feedback is essential to help improve the service.

7.6 Continue to improve the voids process which both increases the revenues to Adur Homes but also more importantly reduces the waiting list for social housing.

Reason - To help increase revenue to the Council, reduce spend on temporary accommodation and to help free up properties for occupation by people in need of housing.

7.7 That the JOSC agrees to keep this Working Group constituted for monitoring purposes.

Reason - To ensure that there is additional ongoing oversight and scrutiny of the proposed improvements to the Adur Homes Repairs and Maintenance service and to ensure that the recommendations in this report are being actioned.

**Local Government Act 1972
Background Papers:**

None

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APPENDIX A

Joint Overview and Scrutiny Working Group on the Adur Homes Repairs and Maintenance Service

Background information to support the thinking in the report and the recommendations

This appendix sets out key examples of issues identified during various site visits, including the call centre and operations centre and interviews with the Executive Member for Customer Services, senior officers and tenants. The matters identified are symptomatic of the key recommendations included in the report.

Fundamental issues:

(a) Stock Condition

We note that a number of stock condition reports have been prepared identifying the significant amount of work that needs to be undertaken on Adur Homes housing stock. The quantum of this work is significant, but we note that a strategy to deal with the backlog of repairs, maintenance and renewals has not been developed and the stock condition reports are a few years out of date now. This has led to difficulty in identifying the most appropriate maintenance programme to be delivered. The Stock Condition reports should be brought up to date with a view as to whether stock is cost effective to repair, or redevelop and prioritisation judged against Adur homes waiting list, health/ mental health issues and temporary re-housing.

(b) Tenants' Handbook

The Working Group notes that a revised draft handbook has been in preparation for some time. The timetable for its production and the method of engaging with tenants is unclear and incomplete. We recommend that once a clear transformation and maintenance and renewal strategies are developed a consultation programme is implemented to ensure that the Handbook adequately reflects the relationship between Adur Homes and its tenants.

(c) Performance Monitoring

There are no effective Key Performance Indicators (KPI's) being monitored for this service. This makes monitoring performance and taking corrective action difficult to achieve. This would have identified that the process for handling tenants' enquiries and implementing the required maintenance and renewals programme was unduly complex and inefficient.

The Working Group considers that frontline staff should be involved in the production of these performance measures.

(d) Contract Management

Both the Working Group and Internal Audit found multiple occasions where it is evident that repairs and renewals were completed where value for money was not obtained. Whilst it is noted that certain steps have been taken to improve this matter, further steps need to ensure that optimal value for money is obtained from both the internal and external providers of this service.

(e) Service Standards

Without a Tenants' Handbook, tenants, staff and Councillors have significant difficulty in identifying whether an appropriate service is being delivered on a timely basis as expectations of the level of service is judgmental and open to interpretation. This would also increase trust between all parties. As a simple example, Councillors were promised that all of their queries would receive a response within 10 days. This has failed to occur, nor do Councillors know how many queries are being delivered in that timescale.

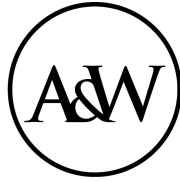
(f) Management of calls and enquiries

The Working Group noted that the process of managing callers enquiries is overly complex and often requires input from staff based in a different office. This increases the risk of:

1. Errors being made; and
2. The provision of an inefficient service.

The transformation programme should set out a process of identifying what and how an effective service should be provided.

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ADUR & WORTHING
COUNCILS

Joint Strategic Committee
3 November 2020

Key Decision [Yes/No]

Ward(s) Affected:

Re-Opening Adur's Leisure Facilities

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 negotiations and progress towards making a direct award to South Downs Leisure (SDL) to secure the sustainable re-opening of leisure facilities in Adur.

2. Recommendations

- 2.1. The Joint Strategic Committee is recommended to:
 - Update members on the current negotiations to progress a direct award with SDL (prior to the Director for the Economy exercising his delegated authority to award the contract in consultation with the Executive Member for the Environment and the Leader of the Council).
 - Approve additional budget of £282,870 for the management of the Leisure Facilities in 2020/21, funded from the emergency grant provided by the government.
 - Note that a direct award is subject to SDL's governance processes.

3. Context

- 3.1 Members of the Committee will recall that the Council was notified that Adur Community Leisure (ACL) had declared insolvency following an ACL Board Meeting on 16th July 2020. Sadly, this meant that ACL staff were issued with redundancy notices and each of the facilities closed.
- 3.2 At their September Meeting, members of the Joint Strategic Committee agreed to delegate authority to the Director for the Economy in consultation with the Leader and the Executive Member for the Environment to make a direct award of an Adur Leisure Service Provision Contract; and to negotiate the purchase of ACL assets (including any potential lease arrangements) to provide the best opportunity for a new operator to get up and running quickly under a sustainable contract.
- 3.3 Mindful of the vital role leisure plays in people's lives and the associated level of urgency, it was agreed that the council should seek to let a shorter-term contract under the current 'emergency powers' set out in Cabinet Office Procurement Policy Note PPN01/20.
- 3.4 A cautionary note was raised in the September report about the prospect of a viable party coming forward. Members of the Committee agreed however, to receive an update on progress at this (November) Committee whether or not a direct award had been made.

4. Progress and Proposals

- 4.1 Following the September Committee, many groups and individuals have contacted the Council to seek reassurance that the facilities will re-open and to offer their services in helping to achieve this goal. Those making contact have emphasised the important role active leisure plays in people's lives and added significance since the beginning of the Covid-19 Pandemic.
- 4.2 Working closely with the appointed Insolvency Practitioner, officers of the council have been approached by potential operators but none of these have been as sufficiently experienced and financially robust to put forward proposals for managing and maintaining the three leisure sites (as well as responding to new challenges and the needs of local

communities), as SDL has evidenced. The officer team has also had the benefit of input and advice from the leisure consultants SLC, who have been able to move swiftly to help prepare a model contract based upon advice from Sport England. The final terms of the model contract are still in negotiation.

- 4.3 Using the COVID-19 emergency provisions, a direct award for a shorter term service contract for a period of 5 years with SDL is proposed after which a full procurement exercise will be run.
- 4.4 The SDL team has an established financial and operational track record and has developed additional businesses to support its core offer in recent years. SDL have been responsible for the provision of leisure services for Worthing since 2014 under the terms of a contractual arrangement with Worthing Borough Council. SDL has built a strong reputation for working with local communities to support health and well-being as well as exemplary work to support people in vulnerable groups.
- 4.5 As is the case with the vast majority of leisure operators nationally, SDL has required additional financial support from Worthing Borough Council to reflect the impact of the Pandemic and in particular, the period earlier in the year when facilities were closed for several months. During the crisis, SDL has responded creatively to provide a safe environment for customers to return to and each of its Worthing sites is open.
- 4.6 Under the terms of the proposed direct award to SDL, Adur's leisure facilities at Lancing and Southwick and will re-open at the beginning of February 2021.
- 4.7 The proposed contract will be framed around the delivery of a Business Recovery Plan prepared by SDLT. Under the terms of this Plan, the facilities will open in a phased manner beginning in February 2021 with Lancing Leisure Centre and then Southwick Leisure Centre, followed by Wadurs swimming pool in March. Understandably, the activities that will be available will need to reflect the operating conditions at that time, in particular any additional controls that respond to the current Pandemic.
- 4.8 The Business Recovery Plan involves a major commitment in time, energy and resources over the coming months to recruit and train staff;

ensure robust ICT; prepare the buildings and test existing equipment and install new equipment in line with all of the relevant health and safety guidance and advice. As part of the Plan, SDL have prepared a detailed schedule of tasks that need to be completed in partnership with the Council and the Council has appointed an officer on a 3 month contract to assist with these preparations.

- 4.9 SDL will move quickly to combine the membership at Adur Community Leisure with the current FIT4 arrangement that applies to Worthing and this would provide FIT4 members with access to all of the facilities in both Worthing and Adur. During November/December, SDL intend to contact as many clubs and groups as possible that used the facilities previously, with a view to welcoming them back.
- 4.10 In the initial phase of re-opening, opening times may be more limited than pre-Pandemic levels There will be an emphasis on securing repeat bookings and fees and charges will be maintained at affordable levels and aligned closely with the Worthing facilities.
- 4.11 SDL will seek to actively engage with local communities on health and well-being opportunities in partnership with the Council over the term of the contract including targeting under-represented groups and providing activities for vulnerable people. As part of the Plan, once remobilised operations have been established, SDLT will link with the Council and NHS around the successful social prescribing model and also look to make the best use of open and green spaces for community activity.

5. Alternative Approaches

- 5.1 It has also been considered whether or not it is appropriate to take the properties back from the Insolvency Practitioner 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. It must be noted this approach would not alleviate the Council of the responsibility for the costs associated with the facilities and those parts of it that remained mothballed, nor would this protect the Council from next year's business rates liability.

- 5.2 In considering the alternative approaches, advice is being taken from the appointed leisure consultant SLC on best approaches to achieve a strong and resilient service outcome.
- 5.3 Traditional routes to procuring a leisure operator are time consuming and expensive and estimated by our Procurement Officers to take between 18 and 23 months. 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.

6. Issues for Consideration

- 6.1 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. The Council has appointed SLC consultants to advise on a longer term service delivery review to meet the new challenges.
- 6.2 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.

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 any new operator and to protect the Council's interests.
- 7.2 Mindful of the significance of leisure and the wellbeing role it plays in people's lives particularly during this COVID-19 pandemic, the Council has received enquiries from many individuals, groups, clubs and societies and has endeavoured to keep them informed of progress.
- 7.3 In line with the September Joint Strategic Committee resolution concerning delegated authority, the Director for the Economy has updated the Executive Member for the Environment and the Leader and provided 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 In September the Council released further funding of £300,000 to fund the following costs:
- 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.
- 8.3 Following negotiations with a leisure supplier, it is now possible to firm up the funding required both in this year and the following 5 years for the provision of leisure services. Overall costs of £717,870 have been identified which exceed the released budget of £435,000 by £282,870. A breakdown of the costs is shown in the confidential appendix.
- 8.4 Whilst the contract payment in 2021/22 is likely to be higher than that paid to previously paid ACL, this reflects the continuing impact of Covid 19 on the income potential of the venues whilst social distancing measures are maintained.
- 8.5 Adur District Council has to date received £943k in emergency funding including its share of the recently announced 4th tranche of funding. In addition, £100m has been made available nationally to support leisure provision. The details of how this is to be allocated is not known at the moment although we are aware that the Department for Digital, Culture, Media and Sport is working closely with Sport England and the Ministry of Housing, Communities and Local Government on the design of the £100 million scheme for local authority leisure provision and that further details are expected shortly.
- 8.6 Adur District Council has the option to continue to mothball the facilities until the pandemic passes and a full procurement exercise can be undertaken. However mothballing the buildings is expected to cost £480,700 in 2021/22 when the Council will assume full responsibility for business rates which would add further financial pressure at this time when government funding is reducing:

	£'000
Staffing costs	114.2
Business rates	175.3

Utilities	46.1
Maintenance	62.4
Insurances	3.5
Leasing costs	79.2
	480.7

By letting a contract using the Covid emergency provisions, any contractor with charitable status benefits from business rate relief and generates income to offset the cost of operating the buildings mitigating the Council's costs within a reasonable timescale acknowledging that a full procurement exercise will take around 18 - 24 months.

Finance Officer: Sarah Gobey

Date: 22.10.20

9. Legal Implications

- 9.1 The Cabinet Office Procurement Policy Note 01/20 dated March 2020 considers that there will be a range of commercial actions that must be considered by contracting authorities in responding to the impact of COVID-19. In such circumstances, authorities may need to procure services with extreme urgency. This is permissible under the current Public Contract Regulations 2015 and recognised in the Policy Note by the Crown Commercial Service.
- 9.2 Regulation 32(c) confirms that in specific cases and circumstances as laid down in the regulations, contracting authorities may award public contracts by a negotiated procedure without prior publication, insofar as it is strictly necessary where for reasons of extreme urgency brought about by events unforeseeable by the contracting authority, the time limits for the open or restricted procedures with negotiation cannot be complied with. The Council's procurement team has confirmed that usual time limits for a procurement process of this nature would take approximately 18-24 months.
- 9.3 Prior to any contract award, the Council must therefore be satisfied that it has sufficient reason to act with extreme urgency in making the proposed direct award as a result of COVID-19. Further financial urgency arises, as the Council must take all reasonable steps to minimise the cost in addition to the urgency to comply with the Council's public wellbeing function, by sourcing a supplier that can deliver leisure and recreational facilities to the residents of Adur.

- 9.4 Although use of Regulation 32 does not require the Council to publish a Voluntary Ex Ante Transparency or VEAT Notice, for transparency purposes and as an additional advance protection to the Council in making the proposed direct award, the Council is advised to publish a VEAT Notice on the OJEU portal, it will in any event be required to publish a contract award notice, but this will be after the contract award has been made.
- 9.5 The Cabinet Office Guidance 051/20, provides for temporary guidance on the rules relating to State Aid, which are to be reviewed on 31st December 2020. There is a new threshold for expenditure of up to EUR800,000 which is aimed at remedying the liquidity shortage faced by undertakings and ensuring that disruption caused by the COVID-19 outbreak do not undermine their viability. This is in effect a de-minimis level for the COVID-19 period with the limit expiring on 31st December 2020 unless it is reviewed. This does not replace or relax the wider EU limits on State Aid, and the non-COVID-19 current de-minimis threshold.
- 9.6 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.
- 9.7 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
- 9.8 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.
- 9.9 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
- 9.10 Under the Public Contract Regulations 2015 where a Public Authority is to enter into a contract for the supply of goods & services, and the value of those goods and services exceeds a financial limit of

[£189,333], any procurement exercise to contract for those goods and services must be conducted in accordance with the Regulations and a failure to do so may be declared upon receipt of a procurement challenge, anti-competitive and in breach of the Regulations.

- 9.11 The direct award under Regulation 32 must be for a term proportionate to the urgency (taking into consideration a requirement for the supplier to make a return on its investment). The proposed term is for a period of 5 years, and the Council will need to ensure that 18-24 months prior to the expiration of that term, a procurement exercise is commenced under the Regulations.

Legal Officer: Joanne Lee

Date 20/10/2020

Background Papers

Report to Joint Strategic Committee 8th September 2020 - COVID-19 Response to ACL Insolvency - Adur Leisure Sites

Officer Contact Details:-

Martin Randall, Director for the Economy

Telephone 01903 221209 Email: martin.randall@adur-worthing.gov.uk

Sustainability and 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

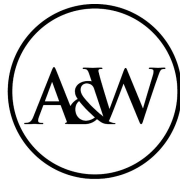
The environmental impact of leisure provision is an increasingly important consideration and encompasses aspects such as travel and the management of buildings and facilities

4. Governance

Governance advice will be sought from the councils's Monitoring Officer at each stage of the process

5. Sustainability & Risk Assessment

A Risk Register will be prepared and assessed through the Project Board. Any associated risks are delegated to the Project Team in the form of a risk assessment. This organic document is assessed on a monthly basis.



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
3 November 2020

Key Decision Yes

Wards Affected: Central & Gaisford

A Partnership Approach to Secure New Homes at Teville Gate

Report by the Director for the Economy

Executive Summary

1. Purpose

- 1.1. To inform members of progress towards a partnership with Vivid Homes Ltd to support the development of Teville Gate and provide 230 new homes; 130 of which will be affordable homes as part of a housing led mixed use development with an emphasis on placemaking and design.

2. Recommendations

- 2.1 That members of Joint Strategic Committee:
 - i) approve the release of £246,000 from the Worthing Borough Council Capacity Issues Reserve to fund the initial costs associated with the project.
 - ii) delegate to the Director for the Economy the authority to enter into a pre-purchase funding agreement with Vivid Homes on the terms proposed within this report

- iii) note that a further report will be presented to the Joint Strategic Committee detailing the final agreement with Vivid Homes and the financial commitment to be made by the Worthing Borough Council and seeking authority to proceed.

3. Progress Following Worthing Planning Committee on 3rd March 2020

- 3.1 Members of the Committee will recall that earlier this year on March 4th, Mosaic Global Investments Ltd. secured planning approval for 'Station Square', comprising 378 new homes, an 83-bedroom hotel, a food store, gym, and retail space on the site of the former Teville Gate.
- 3.2 Since March, the Mosaic team have made a significant commitment of resources to establish the best option for delivering their proposals on the ground; including an extensive dialogue with agencies such as Homes England.
- 3.3 Understandably, the impact of the Pandemic on the wider economy has meant that finding a workable funding solution to support this major development has proven to be particularly challenging. Accordingly, Mosaic has considered a number of alternative options to bring the site forward, and has concluded that the sale of the land to another developer is the best way forward for their organisation.
- 3.4 Mindful of the period that Teville Gate has lain vacant and the considerable progress that resulted in the 'Station Square' planning permission; officers have actively engaged in a dialogue with Mosaic and with national agencies such as Homes England and potential development partners, to establish whether an alternative development proposition can be developed.
- 3.5 The focus of the officer's efforts in these discussions have been on two issues. Firstly, to vocally demonstrate the Council's support to see the site developed without any unnecessary delay. Secondly, and critically, to ensure that the successful purchaser has a track record of seeing development projects through to the construction stage and completion.
- 3.6 The Council team's involvement has been undertaken with the prevailing economic conditions in mind; and very much in the spirit of making appropriate and timely interventions in line with the Council's

Platform commitments and the Council's 'And Then....' response to the Pandemic. There is a real sense of ambition here: not letting the opportunity pass to drive the regeneration agenda forward, in particular at this time, as opposed to waiting for the next proposition to come forward regardless of its merits.

- 3.7 Over the summer months, it became clear that a financially viable scheme at Teville Gate would require additional input from a development team able to invest in the delivery of new homes and in particular, a demonstrable ability to finance and the delivery of affordable homes. With support from Mosaic, officers had discussions with several interested parties to explore ideas and to examine whether any additional intervention was needed.
- 3.8 The outcome of these various discussions is that a proposed partnership between Worthing Borough Council and Vivid Housing Ltd. (Vivid) will purchase the site with a view to developing it on a joint venture basis. This proposed partnership has negotiated an agreement to purchase from Mosaic on a "subject to planning" basis.

4.0 Proposed Joint-Venture Partnership with Vivid

- 4.1 Vivid is a Housing Association and is one of the largest providers of affordable homes and housing-related services in the south of England. Vivid currently has around 31,000 homes and over the next 10 years plans to build a further 17,000 new homes including many for social rent. Vivid was named 'What House? Housing Association of the Year, 2019'. It is evident that Vivid are an experienced and active developer with a track record of delivering complex brownfield sites in the south east and as such we are keen to attract them to invest in this site. Of critical importance, Vivid is a strategic partner with Homes England which means they have access to significant financial resources to deliver developments by March 2024, and is keen to develop new homes in Worthing.
- 4.2 The Council's involvement in the joint venture is considered the best approach. Firstly, the involvement of the Council will give confidence to Vivid about our commitment to seeing the site being developed de-risking the investment from their perspective. Secondly, a genuine partnership will commit the council and Vivid to ensuring that a high quality design is secured. In addition as a member of the joint venture

partnership the Council can continue to press the urgency of moving ahead with the development.

- 4.3 The proposal that Vivid and the Council team have explored is founded on a residential-led, mixed use scheme comprising 230 new homes. Whilst this is a lower total than the scheme that has planning approval, 130 of these new homes would be affordable homes, including a proportion for social rent. 100 homes would be for market sale. This compares with 116 affordable homes included in the Station Square scheme. The new proposal would also include retail; café/ restaurant and community uses. The housing mix would also be more in keeping with the Borough's housing need with the removal of the large number of studio flats in favour of higher quality one and two bed homes.
- 4.4 Overall, the quantum of development on the site will be reduced by comparison with Station Square and the storey heights will be lower. A partnership approach will ensure that the emphasis on placemaking (including high quality public realm) is retained and that links with Worthing Station and the neighbouring new HMRC digital hub building are well expressed as part of the design.
- 4.5 The revised design approach and lower storey heights will reduce the construction risk associated with tall buildings and improve cash flows, improving the deliverability of the scheme overall.
- 4.6 The Council will ensure that as part of the new scheme; 50 car parking spaces are made available for exclusive use of HMRC: this was always the intention with the 'Station Square' scheme and remains part of the Council's enabling approach to supporting the development of the new digital hub and the 900 jobs this will bring to the location.
- 4.7 The nature of the joint venture with Vivid is set out in the Financial Implications section of this report and the detailed agreement will be the subject of a further report to the Committee. In overview, the Council and Vivid have secured an agreement to purchase the site on the basis that the Council will share the development risk of delivering 100 new homes for market sale. The affordable accommodation will be developed and managed by Vivid for the long term with the Council able to secure nomination rights for a proportion of new homes for people currently on the Council's housing waiting list.

5.0 Issues for consideration

- 5.1 The active engagement of a development partner prepared to purchase the site and commit to a joint venture under the terms referred to in this report will help to ensure that development is delivered on this strategically important site.
- 5.2 Alternative models have been considered through dialogue with potential development partners and national agencies such as Homes England to help inform the recommended approach.
- 5.3 A positive intervention on the part of the Council, including an element of managed financial risk, is seen as an appropriate response to securing the delivery of a high quality scheme at Teville Gate with an emphasis on new homes. Should this intervention not succeed for whatever reason, the strategic priority afforded to this site underlines the need to consider use of the Council's statutory power to compulsory purchase.
- 5.4 An earlier alternative approach explored the option of securing direct Homes England funding to close the 'viability gap'. Working with one of Homes England's strategic housing partners has proven to offer a more realistic prospect of delivery.
- 5.5 Doing nothing would represent a very significant risk. In the absence of a viable scheme, there is a danger that Teville Gate is simply sold on and 'landbanked' with all of the subsequent delay and uncertainty that entails. Alternatively, in the pursuit of financial viability, there is a risk that any new developer may seek to maximise housing numbers to the detriment of good design and place making.

6. Engagement and Communication

- 6.1 Council officers have engaged with the landowner/developer, national agencies and potential development partners to explore options for the development of the site. The outcome is a proposed joint venture with Vivid Housing Association and a collaboration to which has secured the purchase of the site.

- 6.2 Officers have the views of the relevant Executive councillors as part of the preparation of this report. In addition to expert advice from legal and financial officers, external advice has been secured from senior consultants at CBRE.

7. Financial Implications

- 7.1 As the proposed joint venture has emerged following the recent circumstances with the site, the Council did not allocate any revenue or capital budgets to fund the potential costs associated with this within the 2020/21 budget.
- 7.2 Initially the Council's financial commitment will be to fund 50% of the deposit and underwrite 50% of the current developer's interest costs, although the extent to which the Council has to fund interest costs will depend on the planning process. If the Council has to appeal against the planning decision then the interest costs will escalate.
- 7.3 If the Council enters into the joint venture, there will need to be an overarching legal agreement between the parties. This will require specialist advice and a budget of £100,000 will be required.
- 7.4 Overall Worthing Borough Council will need to fund initial revenue costs of up to £250,000.
- 7.5 The Council does have unallocated reserves of £2.2m of which £895,700 remains available in the Capacity Issues Reserve, however it will be important to retain as much financial capacity as possible to manage current risks associated with the Pandemic. Nevertheless, it may be possible to utilise the reserves to fund these initial costs.
- 7.6 In committing to the proposed partnership, the Council should be aware that these initial costs may prove abortive if, say, planning permission is not granted or agreement on the JV terms cannot be reached.
- 7.7 As part of the potential joint venture, the Council will be funding 50% of the cost of building out the 100 market housing units. Whilst the cost of developing these units has not yet been fully established, this will require the Council to make available at least £12.5m of funding. The Council will subsequently benefit from 50% of the sale proceeds. Assuming a 10% uplift on sale, the Council would benefit from sufficient capital receipts to repay the investment costs and allow for a surplus.

- 7.8 The £12.5m contribution planned is defined as capital by regulation. Regulation 25 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (SI 2003 No. 3146) extends the statutory definition of capital, on a proper practices basis, to include “the giving of a loan, grant, or other financial assistance, to any person, whether for use by that person or by a third party towards expenditure which would, if incurred by the authority, be capital expenditure’ and ‘expenditure incurred on works to any land or building in which the local authority does not have an interest, which would be capital expenditure if the local authority had an interest in that land or building.
- 7.9 Consequently, it will be possible to fund the contribution by a loan. However, there will be substantial interest costs associated with a £12.5m loan of £225,000 per year based on a 1.8% interest charge (based on a 2 year PWLB loan). A development of this size will take 2-3 years to build out and so the Council would have to fund between £450,000 - £675,000 of interest costs.
- 7.10 The Council does not have the financial capacity to fund these interest costs from within the revenue budget at present. The last medium term financial plan presented to Council indicated substantial budget shortfalls of:

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Cumulative shortfall	1,971	3,383	4,161	4,881	5,557
Annual shortfall	1,971	1,412	778	720	676

Whilst progress is being made on balancing the budget for 2021/22 which will be reported to members in December, it will be difficult to accommodate any further financial pressures in the next couple of years particularly against the backdrop of the uncertain nature of the Pandemic. Consequently, any joint venture agreement must ensure that the interest costs are reimbursed on an annual basis to ensure that no further financial pressure is put on the Council at this stage. The Council will need to be certain of this point prior to exchange of contracts otherwise we could incur significant abortive costs.

7.11 However, if agreement can be reached on the reimbursement of the interest costs associated with the financing of the market homes then overall the scheme should be financially viable on the assumption that the homes are built and sold within a three year time period and that there is a 10% profit on the costs of construction.

	£
Sale price per unit	275,000
Council share of sale proceeds	13,750,000
Less: Principal to be repaid	-12,500,000
Less: Interest costs repaid during development	-675,000
Net capital receipt	<u>575,000</u>

7.12 However, there is a risk that the development will take longer or that sale prices achieve a lower return, which will mean that the Council will have to fund any shortfall in the development costs.

7.13 As part of the current site, the Council has a long-term interest in the surface car park. Overall this car park is budgeted to generate net income of £71,950 in 2020/21. Whilst income levels are reduced this year due to the pandemic, this is a valuable asset for the future. Any potential JV agreement will need to ensure that the Council maintains the right to a public car park of a similar size or is financially compensated for the loss of this asset. During any development the Council will lose the income from this site and this will need to be accommodated within the 2022/23 revenue budget.

7.14 Once completed, the Council will also benefit from the associated council tax generated by the homes. Based on the current average Band B property, the Council will generate additional council tax of £43,400 income per year from the development.

Finance Officer: Sarah Gobey Date: 21st October 2020

8. Legal Implications

8.1 Any payment or Grant Funding by the Council that assists Vivid Homes to purchase the property at Teville Gate would be classified as unlawful

state aid unless one of the exemptions to state aid exists. There are 3 exemptions potentially applicable in this instance:

- (a) The pre-purchase payment is made under the market economy investor principle, in that a prudent market investor acting in its best economic interests would have made the same arrangement;
- (b) The pre-purchase payment is made to further a Service of General Economic Interest; where public finance is provided by way of payments of grant or loans to undertakings, including Vivid Homes to compensate it for discharging a public service obligation (the building of affordable homes) does not constitute state aid. Provided that the cumulative conditions in Altmark [2003] ECR 1-17747 are satisfied and in such circumstances the undertaking does not receive an advantage putting it in a more favourable economic position.
- (c) The payment to be made is below the de-minimis threshold of EUR200,000 and Vivid Homes has not received state aid beyond this amount in the three previous fiscal years.

8.2 Alternatively the Statutory Guidance on Local Government Investments issued under s15 (1)(a) of the Local Government Act 2003, enables local authorities to make loans to local charities; wholly owned companies, joint ventures and third sector entities as part of regeneration or economic growth projects that are in lined with the authority's wider role for regeneration and place making.

8.3 Regulation 25 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (SI 2003 No. 3146) extends the statutory definition of capital, on a proper practices basis, to include "the giving of a loan, grant, or other financial assistance, to any person, whether for use by that person or by a third party towards expenditure which would, if incurred by the authority, be capital expenditure' and 'expenditure incurred on works to any land or building in which the local authority does not have an interest, which would be capital expenditure if the local authority had an interest in that land or building.

8.4 Land transactions that are purely land transactions without any contingent liability to provide goods, works or services, will fall outside of the Public Contract Regulations 2015. Any Grant or Loan made to Vivid Homes purely for the purposes of assisting Vivid Homes to purchase the site without obligation for goods works or services to the Council, will not create a public contract.

- 8.5 The Council may require Vivid Homes to agree to the entry of a charge or restriction on alternative property owned by Vivid to protect any Grant or Loan that the Council may make pre-purchase of the site, in the event that the purchase does not proceed through any act or omission made by Vivid as opposed to circumstances which are beyond either party's control.
- 8.6 A Joint Venture (JV) can be established through a range of delivery methods with each party contributing resources to the venture to work collaboratively and share risks. The Council is recommended to seek further legal and financial advice on the precise terms and delivery method for the proposed JV when the terms of the agreement are finalised. Providing the JV itself is a truly collaborative arrangement which does not in itself amount to a public contract for works or services the collaborative arrangement under the JV would fall outside the scope of the PCRs. Any further contract for the design and construction of the Teville Gate Site would need to be procured in accordance with the Public Contract Regulations 2015 and the Council's Contract Standing Orders.
- 8.7 Any financial agreement reached between the Council and Vivid Homes under the JV must not offend the rules on state aid. The Council may not, through state resources, distort or threaten to distort competition in such a manner that would affect trade between EU member states. As well as the considerations set out above, in relation to the Market Economy Investor Principle, and Services of General Economic Interest, it is unlikely that a distortion of cross border competition would exist, as the parties to the joint venture will already own an interest in the land which would be the subject matter of the JV and objectively the only economic operators that can perform the objectives of the JV would be the Council and Vivid Homes.
- 8.8 The Council may further protect any post JV investment by agreement and through a further charge or restriction on alternative property owned by Vivid Homes.
- 8.9 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 its functions.

- 8.10 s1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation
- 8.11 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.
- 8.12 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
- 8.13 The Council currently holds a long lease of the car park in Teville Gate with a term of 76 years to run. If Vivid purchases the land, it will become the Council's landlord under the lease entitled to the reversionary interest. It will be important to ensure that any partnership arrangement with Vivid Homes arising from a JV agrees terms in relation to the future of this car park to avoid the Council being put in breach of the Lease terms.

Background Papers

Report to the Joint Strategic Committee dated 7th July 2020: Impact of Covid 19 on the Council's finances - Update on current financial performance and developing a revenue budget for 2021/22

Officer Contact Details:-

Martin Randall

Director for the Economy

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Sustainability and Risk Assessment

1. Economic

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

Redevelopment of the Teville Gate site will contribute to the creation of an enhanced entrance to the town and town centre, providing an economic boost to existing businesses, and encouraging an increase in investment across the town as the most visible regeneration challenge gets addressed.

2. Social

2.1 Social Value

Development on the site would send a positive message to the community, visitors, commuters and business, that change is taking place in Worthing and improvements to the built environment will be realised in the near future.

The existing cleared site and hoarding does little to enhance this part of Worthing from road or rail, and redevelopment of this important gateway site to enhance the street scene and act as a catalyst for the regeneration of the wider area.

2.2 Equality Issues

Matter considered and no issues identified

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified.

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

2.4 Human Rights Issues

Matter considered and no issues identified

3. Environmental

It is intended that redevelopment will bring forward a high quality development in a sustainable town centre location. Noise, dust and highway obstructions will be kept to a minimum using industry standard techniques, and monitored by the Council throughout the works

The project aligned to the council's strategic approach to Climate Emergency.

4. Governance

A dedicated project board to oversee the governance of the project will be established ensuring:

- 1) Due diligence
- 2) Alignment with Council policies and priorities
- 3) Legal issues and compliance with legislation
- 4) Risk management including health and safety
- 5) Statutory approvals
- 6) Stakeholder management and engagement
- 7) Change control

5. Sustainability & Risk Assessment

A Risk Register will be prepared and assessed through the Project Board. Any associated risks are delegated to the Project Team in the form of a risk assessment. This organic document is assessed on a monthly basis.

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ADUR & WORTHING
COUNCILS

Joint Strategic Committee
3 November 2020
Agenda Item [10]

Key Decision [Yes/No]

Ward(s) Affected:

Supporting the Creative and Digital Sector - Colonnade House Expansion

Report by the Director for the Economy

Executive Summary

1. Purpose

- 1.1. To inform elected members of the progress of Colonnade House and outline the vision to expand and establish a Creative and Digital Hub in the heart of Worthing town centre.
- 1.2. To set out Worthing Borough Council's strong commitment to supporting and growing the Creative Industries in the town, with Colonnade House being positioned as a hub for this key sector.
- 1.3. To seek approval to progress the scheme through to a planning consent for the redevelopment of Colonnade House and adjoining properties.

2. Recommendations

It is recommended that the Joint Strategic Committee:

2.1 Note the successful progress made to date of establishing Colonnade House as a Creative Hub, since its inception in 2016.

2.2 To agree to the vision for expanding Colonnade House and establishing this as a Creative & Digital Hub to support the creative sector.

2.3 To delegate authority to the Head of Major Projects & Investment to:

- a) Make the necessary consultancy appointments to prepare and submit a Full Planning Application.
- b) To prepare a Full Business Case for the development of No 5 and 7 High Street and 52 Ann Street, Worthing.

3. Context

3.1 The expansion of Colonnade House is a key cross-cutting commitment in Platforms for Our Places 2020-22 that aims to develop the creative and digital sectors and skills base. In addition, the scheme (referenced in 1.6.6 and 1.8.9 of Platforms for Our Places) is also identified to support the delivery of ultrafast broadband and the wider ambitions around the digital economy (1.4.3).

3.2 This scheme also supports the Council's 'And Then' ambitions to develop our capabilities to support our micro start ups and micro entrepreneurs in response to the Coronavirus pandemic. It's worth noting that despite the pandemic the current Colonnade House is running at 90% tenant occupancy and 100% hires for the gallery spaces. This demonstrates the continued interest and demand, and the importance of the project to the overall economy.

3.3 In 2015, the Council secured Coastal Communities Funding (CCF) to redevelop Colonnade House from a redundant and neglected building (former CVS) in Worthing town centre into a number of creative spaces.

3.4 In 2016, the Council partnered with the Adur & Worthing Trust to refurbish the building and bring into operation a series of creative studios and two gallery spaces. This refurbishment was to address a lack of creative business start-up floorspace within the Borough.

3.5 The partnership has grown the business to deliver a series of successful projects (e.g. Geminate and Space to Make), whilst the tenant spaces have, on average, delivered to 80% occupancy levels and the galleries at near full capacity since inception. The current operating levels are highlighted under 3.2.

3.6 In 2018, Members will recall the report to Joint Strategic Committee (JSC) that set out the proposed approach for the development of an expanded Colonnade House at properties Number 5 and 7 High Street, as well as 52 Ann Street. That report agreed to the acquisition of Number 5 High Street from West Sussex County Council (WSCC) to complete site assembly to allow the design of a masterplan for the full scheme.

3.7 Since finalising the acquisition in 2019, a number of work strands have been instigated to explore the potential of delivering an expanded Colonnade House into the adjoining buildings. Whilst the current operation can be

deemed successful, the available space isn't enough to make the operation sustainable. The intention of expansion is to allow for a sound business case for the future by creating additional lettable space without increasing the existing core costs.

3.8 ECE Architects were appointed in Autumn 2019 following an open tender exercise to design the scheme. This consultancy has worked with Officers to work up plans for the redevelopment of the whole site, incorporating the footprint of Number 5 and 7 High Street, and 52 Ann Street, into a single building for use as a Creative and Digital Hub. It's proposed ECE continues to partner with the Council to deliver the Full Planning consent.

4. Background

4.1 The Department for Culture, Media and Sport (DCMS), in 2019, estimated that Creative Industries provided more than £100 Billion GVA to the UK economy and continues to be one of the fastest growing sectors. The sector competed in GVA terms with the UK's automotive, life sciences and aeronautical industries.

4.2 Creative Industries is made up of a number of components which includes film, TV, music, fashion and design, arts, architecture, publishing, advertising, video games and crafts. In addition, this rapidly moving sector continues to evolve and now includes sub-sectors such as "Createch". This digital component didn't exist 5 years ago, demonstrating the ability of this sector to adapt and flex in the marketplace.

4.3 The ability of the sector is driven by the creation of micro start ups (or micro entrepreneurs) and small SMEs. In early 2020, this sector provided over 2m jobs in the UK. The average size of a Creative Industry business being 3.3 employees. The existing client base in Colonnade House reflects this market.

4.4 The Creative Industries sector provides the ability for our population to start, hone and develop their entrepreneurialism skills. This sector has the ability to also provide the ever important balancing of work and life pressures, whilst fostering innovation.

4.5 The Fourth Industrial Revolution will create new jobs but it will reduce others. Whilst job reduction is likely to be highest in administration, manufacturing and retailing, the three sectors that still being regarded as the

most resilient are the Creative Industries, personal and social care and environmental tech.

4.6 The Coronavirus pandemic has provided an initial 'shock' to this sector, and whilst resilient to the Fourth Industrial Revolution, has suffered in the wake of lockdown. However, the delivery of a £1.57 billion package of measures from the government shows the contribution that the Creative Industries has, and will, contribute to the UK and local economies.

4.7 Whilst the sector as a whole has been affected by the pandemic, it is worth noting that interest in flexible workspaces continues to rise. This demand is predicated on small businesses and freelancers seeking non-core city locations and looking for commuter towns or city suburbs to reset their businesses. An expanded Colonnade House has the potential to capitalise on this emerging market.

5. The Vision

5.1 The scheme, and proposed planning application, enables the Council to establish a sustainable Creative and Digital Hub that responds to the ongoing occupancy success at the existing Colonnade House. It is worth noting the pandemic hasn't affected these occupancy levels.

5.2 The two buildings adjacent to Colonnade House, Number 5 and 7 High Street are in very poor condition. Number 5 is redundant with fire damage and asbestos and Number 7 is part occupied with the basement and upper floors unfit for use. Along with the plans for Union Place, there is scope for these buildings to contribute to re-establishing the High Street and provide a bold and fresh new appearance to one of the key arrival points in Worthing town centre (in this instance coming West on the A259).

5.3 The proposed Creative & Digital Hub will provide 267sqm of additional commercial floorspace over 4 storeys which will accommodate the following outputs:

- 5 x new studios
- 2 x upgraded studios
- 1 x new cafe
- 2 x creative work spaces
- Meeting rooms, production space and exhibition facilities

In addition the creative aspect the development will provide 344sqm of residential units:

- 2 x Studio Flats
- 2 x 2-3 bed flats
- 2 x 2-4 bed flats

5.4 The emerging design builds on the traits of the existing building, however encapsulates the need to create greater activation at ground floor level and increasing the availability of creative space. The design carefully considers the location, especially when considering the ‘changing high street’ and the need for a mix of uses. The redevelopment of this site showcases the intention by the Council to fully contribute to upgrading the High Street and bringing redundant buildings ‘back to life’ to support the overall economy.

5.5 Whilst the physical building is important, the use ‘through the building’ is an important aspect to note. With the connection of ultrafast broadband, and the natural location, the intention is for Colonnade House to be established as the fulcrum of the Creative Industries in the Borough. The existing operation is already connected to a number of key creative networks and learning providers, including the University of Brighton and University of Sussex. This relationship will develop as a result of the expanded offer.

5.6 The extension of Colonnade House will also provide job creation and, maybe less known, the ability to deliver reskilling and retraining for Creative Industries through CPD programmes. Whilst a Full Business Case will outline the economic benefits, this development anticipates to create 20 new direct jobs and 25 indirect jobs. The new facility will also build on the wider brief of professional development support for the sector as over 150 individuals have taken advantage of the professional development on offer.

5.7 The following table sets out the anticipated time frames of key milestones for the delivery of this project:

Key Milestones	Delivery Timeframe
Planning Application Submission	December 2020
Planning Committee	February 2021
Full Business Case	March / April 2021
Contract Award	Summer 2021

Start on Site	Autumn 2021
Completion	Spring 2022

6. Engagement and Communication

6.1 The redevelopment of Colonnade House has been identified in a number of strategic documents, including Platforms for Our Places. Not only is Colonnade House referenced in line with the Creative Industries, it's also part of the fibre package to bring Ultrafast Broadband to Worthing town centre. All of these elements have been presented to Members through various Joint Strategic Committee reports.

6.2 The project has also been a standing item on the Colonnade House Management Group for the last 12 months. The Group, made up of the Adur & Worthing Trust and Worthing Borough Council representatives, have discussed the approach and the requirement to build on the successes of the current partnership.

6.3 An Officer team has been set up to guide the work of ECE and project manage the delivery of the project. This cross departmental team includes expertise from Place & Economy, Finance and Legal services, all driven by an assigned Project Manager from Major Projects & Investment.

6.4 In late 2019, ECE developed early plans based on responding to the 'vision' identified in Section 5. The emerging design has been influenced by a number of pre-planning application meetings with the Planning Services.

6.5 To aid the design, the Colonnade House Management Group distributed a number of surveys to those businesses and freelancers who have occupancy in the current building, and to those who have 'come through' the facility. This sectoral pre-consultation further influenced the specification and provided detailed insights into the requirements of an expanded operation.

6.6 Finally, again prior to the formal public consultation, Officers held individual discussions with the existing tenants (Number 5 and 7 High Street and 52 Ann Street) of the buildings to outline the vision for the scheme. Following the consultation exercise two out of the five businesses have relocated to alternative premises.

6.7 Following the pre-consultation exercise, the plans were the focus of a formal stakeholder consultation in January 2020 and a public exhibition held on 14 January. Members of the public also had the ability to complete an online consultation questionnaire. The consultation exercise gathered 139 responses with 41.8% either agreeing or strongly agreeing to the principle of the development plans and 46.1% saying the development would make a positive contribution to the area.

6.8 Stakeholder consultation was also carried out with the current leaseholders of Colonnade House, Adur & Worthing Trust, and with the Worthing Society. Overall, both are supportive of the requirement to redevelop, noting the current state of repairs of these buildings and the need for the design to be sympathetic to the location. This consultation provided positive input into the design.

7. Financial Implications

7.1 Colonnade House currently has a £113,060 budget in the 2020/21 capital programme which can be used to fund the costs associated with the next phase of the project.

7.2 The proposed value of the works to be commission to secure planning permission is £75,100 which can be broken down as follows:

	£
Architects Fees	20,000
Planning fee	5,100
Surveys and insurances	30,000
Contingency	20,000
Total spend	<u>75,100</u>

7.3 Following the next stage of the project, a report will be presented which outlines the full cost of developing the site and seeks funding. A full business case outlining the options for the use of the site and the associated revenue costs will be presented at this time.

Finance Officer: Sarah Gobey

Date: 20th October 2020

8. Legal Implications

- 8.1. Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that it is calculated to facilitate, or which 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 or making available of assets or services, or both (whether or not together with goods) for the purposes of, or in connection with, the discharge of the functions by the local authority.
- 8.4. The Council will need to comply with the Public Contract Regulations 2015 in respect of the provision for the supply of goods and services and any procurement exercise to contract for those goods and services must be conducted in accordance with the Regulations and a failure to do so may be declared upon receipt of a procurement challenge anti competitive and in breach of the Regulations.
- 8.5. The Council is also to have regard to the procedures set out in its Contract Standing Orders found at Part 4 of the Council's Constitution.
- 8.6. In preparing a full business case the Council will need to consider any overage payments that may be payable to West Sussex County Council in respect of the redevelopment of 5 High Street.

Legal Officer: Andrew Mathias

Date: 22 October 2020

Background Papers

- [Colonnade House Digital Hub - JSC Paper 10.04.18](#)
- [Creative Industries Sector Deal - GOV.UK](#)
- [Public Consultation Design Boards - January 2020](#)

Officer Contact Details:-

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Sustainability & Risk Assessment

1. Economic

- The proposal to develop the site for a Creative Industries Hub accords with the Adur and Worthing Economic Plan 2013 - 2023 where the Economic Priorities are named as Support Business, Develop Growth, Enhance Business Environment, Advance Local Skills, Encourage Sustainability and Promote Health and Wellbeing. The Economic Plan also states “It is vital that Adur and Worthing provides foundations for business to operate effectively” and promotes the following aims:
 - Support Business
 - Develop Growth
 - Enhance Business Environment
 - Advance Local Skills
 - Encourage Sustainability
 - Promote Health and Wellbeing

2. Social

2.1 Social Value

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

2.2 Equality Issues

- Matter considered and no issues identified.

2.3 Community Safety Issues

- Matter considered and no issues identified.

2.4 Human Rights Issues

- Matter considered and no issues identified.

3. Environmental

- Redevelopment of the site will improve the character and appearance of this part of High Street and the eastern access to the town centre by redeveloping the existing dilapidated buildings with a high quality design.

4. Governance

- An internal officer board consisting of representatives from key departments, essential to successful delivery, has met and reviewed the programme at key stages of the development.

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