



ADUR & WORTHING
COUNCILS

29 November 2021

Joint Strategic Committee	
Date:	7 December 2021
Time:	6.30 pm
Venue:	QEII Room Shoreham Centre

Committee Membership:

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

Worthing Borough Council: Councillors; Kevin Jenkins (Leader), Edward Crouch (Deputy Leader), Sean McDonald, Heather Mercer and Elizabeth Sparkes

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 9 November 2021, 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 3 December 2021** 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. 2nd Revenue Budget Monitoring Report (Q2) (Pages 1 - 30)

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

6. 2nd Quarter Capital Investment Programme & Projects Monitoring 2021/22 (Pages 31 - 56)

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

7. Towards a sustainable financial position - Budget development update (Pages 57 - 86)

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

8. Investing in our Places - Capital Programme 2022/23 to 2024/25 (Pages 87 - 196)

To consider a report from the Director for Digital, Sustainability and Resources, a copy is attached as item 8.

9. Mid Year Review of Treasury Management 2021-22, Adur District Council and Worthing Borough Council (Pages 197 - 222)

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

10. Council Tax Support Schemes for 2022/23 (Pages 223 - 230)

To consider a report from the Interim Director for Digital, Sustainability and Resources, a copy is attached as item 10.

11. Teville Gate next steps and London & Continental Railways (LCR Property) Partnership (Pages 231 - 296)

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

Part B - Not for Publication – Exempt Information Reports

None.

Recording of this meeting

The Council will be live streaming the meeting, including public question time. A 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	Andrew Mathias Senior Solicitor 01903 221032 andrew.mathias@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

Key Decision: No

Ward(s) Affected: All

2nd Revenue Budget Monitoring Report (Q2)

Report by the Director for Digital, Sustainability & Resources

Officer Contact Details:-

Emma Thomas, Chief Accountant

01903 221232

emma.thomas@adur-worthing.gov.uk

Executive Summary

1. Purpose

- 1.1 This report updates the Joint Strategic Committee with the latest expenditure and income projections for each Council in the current financial year 2021/22, compared to the Revenue Budget approved by both Councils in February. Whilst the 'spend to date' will be the position as at the 30th September 2021, the forecast position will reflect the latest information available to ensure an up-to-date forecast is presented.

As at quarter 2, the current projection for the 2021/22 financial year are net operational budget overspends of £260k in Adur and £1.479m in Worthing. Government funding in the form of grants and the Income Guarantee Scheme will offset this and it is currently estimated that the outturn position will be a net overspend of £42k in Adur and a net overspend in Worthing of £211k in Worthing. A breakdown is set out in section 4.4 of the report.

- 1.2 The following appendices have been attached to this report:

- (i) **Appendix 1**
 - (a) Adur Summary
 - (b) Adur Use of Earmarked Reserves

- (ii) **Appendix 2** (a) Worthing Summary
(b) Worthing Use of Reserves
- (iii) **Appendix 3** (a) HRA Summary
(b) HRA Major variances
- (iv) **Appendix 4** (a) Table of Variations over £20,000
(b) Table of movements over £50,000 between Quarter 1 and 2

2. Recommendations

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

3. Context

- 3.1 Elsewhere on the agenda, the Joint Strategic Committee is considering the latest 5-year forecasts for 2022/23 to 2026/27.
- 3.2 This report outlines the financial context, and updates the outline 5 year forecast, the key budget pressures and the savings proposals for addressing the budget gap for Adur and Worthing Councils. The report built on the strategy first proposed in 2016/17 whose strategic aim was to ensure that the Councils would become community funded by 2020 reliant, by then, only on income from trading and commercial activities, council tax income and business rate income.
- 3.3 The successful delivery of the strategy is fundamentally changing how the Councils are funded. The Councils are moving increasingly away from ever reducing Government funding towards funding from the local community via Council Tax and Business Rates, and will become increasingly reliant on income from commercial activities.

4. Issues for consideration - Revenue 2021/2022 Forecast

- 4.1 As part of the 2021/22 budget the Councils committed to savings of £0.561m for Adur District Council and £1.149m for Worthing Borough Council to produce a balanced budget and to address the reduction in

Government support. Services were required to carry out efficiency, procurement and base budget reviews to identify where income could be increased or expenditure reduced. Current budget monitoring indicates that the majority of these savings are being delivered as expected.

4.2 However, the financial landscape has changed due to the impact of the Coronavirus, the measures that were implemented to manage the pandemic have been visible in both the fall in income and the additional cost pressures falling on the Council over the last 18 months. The Government has provided support to Councils during the emergency in the form of some grant funding, some grants designated for specific use, such as homelessness support, others non specific. The Government support through the Sales, Fees and Charges Income Guarantee Scheme was extended to include the first quarter of 2021/22. Within this scheme the Council is expected to bear the impact of the first 5% of lost income but will then receive 75p in every £1 thereafter. However, the scheme's limitation is that it only covers income from fees and charges, it excludes any rental, commercial or investment income.

In summary, the current additional Government funding forecasts for Adur and Worthing are:

	Adur	Worthing	Total
	£	£	£
General Government Funding:			
New Burdens Funding	166,700	166,700	333,400
Sales Fees and Charges Income Guarantee Scheme (Q1 Claim)	81,799	395,395	477,194
Total non specific funding	248,499	562,095	810,594
Specific - Within Service:			
Cabinet Office - Elections Covid support	21,440	29,840	51,280
Test & Trace administration	34,530	15,841	50,371
Total service specific funding	55,970	45,681	101,651
Total	304,469	607,776	912,245

4.3 Whilst it is early in the financial cycle and difficult to have certainty on the estimates and assumptions, the preliminary projections indicate forecast year end overspends against budgets, after general Government Covid-19 related funding, of £41,921 in Adur and £210,996 in Worthing. This includes meeting the ongoing challenges from the impact of the covid-19 pandemic on cost pressures and levels of income together with the

significant savings requirements to balance the 2021/22 budget. The main factors influencing the level of spend are discussed in detail in section 4.11 of the report.

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

2021/22 Forecast Outturn	Adur		Worthing	
	Q1 Projection £000	Current projection £000	Q1 Projection £000	Current projection £000
Over/(under)spend in operational services – including share from Joint	58	260	762	1,479
Reduced borrowing requirement: A lower than forecast call on the MRP (provision to repay debt) and net interest in 2020/21, due to reprofiling of the capital programme.	(62)	(122)	(362)	(794)
Commercial property income shortfall and cost pressure	624	628	234	316
Property void allowance	(550)	(550)	(350)	(350)
Covid expenditure costs	52	76	86	121
Net over/(under) spend before Government funding support	122	291	370	773
Government Covid 19 Grant Funding Sales, Fess and Charges Guarantee Scheme	(167)	(167)	(167)	(167)
	(56)	(82)	(210)	(395)
Forecast net over/(under) spend	(101)	42	(7)	211

4.5 The key factors underpinning the current financial position include:

- The ongoing financial impact of the Coronavirus pandemic, both additional cost pressures and reduced income levels, net of financial support from the government.
- A net underspend in the Minimum Revenue Provision (MRP) and interest budgets. The budgets are calculated on both the historic financing of previous years capital programmes and the impact of financing the current year's capital spend. Changes to the expected spend, interest rate forecasts, and the associated level of borrowing have reduced the expected cost in 2021/22.

- Shortfall in commercial property income with the requirement to use the property void allowance to manage the pressure.

Once the above items are taken into account, the operational position is a net overspend by services of £260,000 in Adur and £1.479m in Worthing. This projection demonstrates the continued pressure on the Councils finances as a result of Covid-19 and the need for funding support from the government.

4.6 In summary the overall revenue outturn projections reported for Q2 are as follows:

Projected Outturn Summary			
	Joint	Adur	Worthing
	£000s	£000s	£000s
Current Budget 2021/22	23,609	9,581	14,448
Outturn	24,305	9,872	15,221
Projected Forecast over/ (underspend) before Government support packages or any transfer to reserves	696	291	773
MHCLG - Government Grant Funding		(167)	(167)
MHCLG - Income guarantee funding		(82)	(395)
Projected Forecast over/ (underspend) after Government funding and proposed transfer to reserves	696	42	211

4.7 Comparison to the Q2 forecast:

	Joint	Adur	Worthing
	£000s	£000s	£000s
Outturn Over/(under)spend	696	42	211
Forecast Over/(under)spend Q1	648	(109)	20
Change from Q1 to Outturn (improvement)/deterioration	48	151	191

The Adur and Worthing projected forecasts in the table above include the respective share of the Joint Services projected overspend. There is a deterioration in the outturn position in quarter 2 and this is largely in relation to the projected shortfall of income in some key service areas including car parking, development control and bereavement services. Funding from the

government through the fees and charges compensation scheme only applies to the losses incurred for the first quarter, ongoing shortfall for the remainder of the year will need to be absorbed by the councils.

Other large movements from quarter 1 to quarter 2 within revenue budgets are highlighted in appendix 4b.

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

	Expenditure	Income	Net Total
Joint	£'000	£'000	£'000
Budget	31,489	(6,590)	24,899
Forecast (after transfer to reserves)	32,862	(7,267)	25,595
Projected Forecast (Under)/ Overspend	1,373	(677)	696
Forecast variance % before Government funding	4.36%	10.27%	2.79%
Adur	£'000	£'000	£'000
Budget	35,693	(26,754)	8,940
Forecast (after transfer to reserves)	36,325	(27,372)	8,953
Authority Projected Forecast (Under)/ Overspend	631	(618)	13
Share of Joint (Under) / Overspend	549	(271)	278
Authority Projected Forecast (Under) / Overspend	1,180	(889)	291
Forecast variance % before Government funding	3.31%	3.32%	3.26%
Worthing	£'000	£'000	£'000
Budget	67,673	(51,494)	16,179
Forecast (after transfer to reserves)	67,939	(51,404)	16,535
Authority Projected Forecast (Under)/Overspend	265	90	356
Share of Joint (Under) / Overspend	824	(406)	418
Authority Projected Forecast (Under)/ Overspend	1,089	(316)	773

Forecast variance % before Government funding	1.61%	0.61%	4.78%
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4.9 The Joint Strategic Committee (JSC) is asked to consider:-

- the current projections of variances in the two Councils' General Fund Revenue Budgets;
- the current projections of variances in the Adur Housing Revenue Account; and
- any amendments and virements to budgets for each Council which may require a recommendation onto Council for approval;

4.10 We adopt a more structured approach to services which have more volatile budgets or hard to predict income streams. For 2021/22, these services are:-

- Car Parking
- Bereavement Services
- Commercial income from Property
- Homelessness
- Commercial Waste
- Development Control
- Cross cutting services including maintenance and utilities

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

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

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

4.12.1 Car Parks

Car park income was the revenue stream most impacted by the pandemic and the longer term effect of changing behaviour by customers was built into the 2021/22 budget with a reduction in income budgets of £359,000 in Worthing and £64,000 in Adur. Demand is still below the pre pandemic levels with income falling short of the budget at quarter 2 by 2% in Adur and 22% in Worthing. Worthing has been particularly affected due to the following factors;

- The types of car park - Worthing has a number of multi-storey car parks that are used by customers for coming into the town centre to work, shop and for social events. The rate at which people have returned to these activities has been slower than anticipated.
- Demand from the worker deal permits and season tickets has not returned to the previous pre pandemic level of demand. This may be temporary but it could be that more people are choosing to work remotely as a long term or permanent option.
- The Government's covid19 pass has allowed critical NHS staff and social care workers to park for free which has also resulted in lower income in the car parks and on-street. The pass was officially withdrawn as of 21st June 2021.
- NHS staff are currently being offered free parking at Worthing hospital until April 2022, which will have an impact on the income level at the Lyndhurst Road car park.

The current prediction is that there will be an ongoing increase in demand with recovery expected to be quicker in Adur. There is a risk that Worthing may feel the impact of a permanent change in workers' behaviour with an increase in home working and a reduction in commuter parking. This position will be monitored and estimates adjusted as we progress through the year. The projected net shortfall against budget for the year is £41,000 and £672,000 in Adur and Worthing respectively, this includes any cost pressures or savings within supplies and services.

Shortfalls in car park income for the first quarter will be covered by the income guarantee scheme, which has been extended to cover the first 3 months of 2021/22. The Council will be compensated by 75% of loss over and above the first 5% of budget. However there will still be a loss of an estimated £500,000 to be managed within the Worthing budget and £20k in Adur.

4.12.2 Housing Needs

There continues to be cost pressures associated with homelessness with estimates of net costs exceeding the budget

In Worthing additional contingency of £80,000 had been built into the budget to address ongoing costs pressures, the Local Housing Allowance rate has increased since April 2020 and the Housing Service continues to source cheaper temporary accommodation with both Rowlands Road and Downview now available for use.

A Homelessness Reduction Grant has been allocated to Adur £73,000 and Worthing £124,000. This is new burdens funding associated with the Homelessness Reduction Act. This may need to be utilised to offset the projected 2021/22 overspend. Both councils have also received Domestic Abuse Safe Accommodation grant allocations of £33,000.

Looking forward we expect to see ongoing pressure on housing as we continue to see the impact of the end of furlough and the abolition of section 21 notices. The current assumption is that the caseloads numbers will increase by 2 per month in Adur and 3 per month in Worthing which is based on current activity, this will be updated as the performance is monitored during the year. Work will continue to be done to mitigate the recognised pressures in the next quarter and beyond.

The current forecast is as follows:

Housing Needs

	Adur	Worthing
	£000	£000
Homelessness - Emergency and temporary accommodation costs - budget pressure/(underspend)	588	836
Local Housing Allowance Income - budget shortfall/(excess)	(173)	(497)
Next Steps Accommodation Programme Funding	(7)	(112)
Additional MHCLG Homelessness Reduction Grant (New Burdens associated with the Homelessness Reduction Act)	(73)	(124)
Additional MHCLG Domestic Abuse Accommodation Grant	(168)	(33)
Rough Sleeping - additional grant	(25)	-
Net over/(under)spend forecast against budget	142	70

Overall the budget for Housing Needs is forecast to be underspent in Adur by £142,000 and Worthing by £70,000.

4.12.3 Environment - Waste and Recycling

The refuse, recycling and cleansing service faces a continued pressure on the agency staffing budget. Agency staff are used to cover annual leave, sickness absence and seasonal work. Cover is only provided for key roles, mainly refuse and recycling frontline staff where a full crew is needed to

ensure collections can take place. Agency staff are also used for seasonal roles (e.g. beach cleansing) where recruitment processes are not conducive to the level of cover required. Whilst the use of agency staff is minimised where possible, the existing budget (£163,000 per annum) is insufficient to cover minimum cost. For example, the cost of covering annual leave for 80 frontline staff is approximately £240,000 per year. In the current year the budget has been used to cover costs associated with Covid, including self isolation of staff. For these reasons it is estimated that the staff and agency budgets will be overspent by £220,000. There are some salary savings on vacant posts to offset this cost. In addition there are cost pressures related to the vehicle fleet.

Garden Waste Bin Collection subscriptions continued to rise slightly ahead of forecast for the time of year. This is probably related to increased public awareness via a robust communication campaign and prices held for the second year in a row. The subscription base has passed the 18,500 mark for the first time and base growth is expected until at least the end of the financial year. Indications are that income will be on budget. Overall the Waste and Recycling service is projecting an overspend of £238,000.

The commercial Waste service did see a drop in demand as a direct result of Covid 19. However, the number of accounts is now at an all-time high at just over 2600 customer calls, this is despite expected income shortfalls against budget for both Adur and Worthing. Both Adur and Worthing disposal costs are currently forecast to be underspent which will offset the income loss. However waste disposal arrangements are under review and the disposal cost per tonne is expected to increase, revised forecasts will form part of the next monitoring report.

The first Commercial Food Waste collections began in September 2021 in both Worthing, with Adur, the service is running well. The strategy is to firstly convert existing customers who generate food waste who are currently using our general waste service, to use our new food waste bins. At scale, this will reduce the overall commercial services' waste disposal fees in both Adur and Worthing. It's too early to estimate annual disposal savings at this stage, but with food waste bin weights now collected automatically data should become available to project annual savings figures in the next quarter. This is a flagship service and underpins our 'better recycling' messages to local businesses.

A new digital automatic customer debt management tool was implemented during October which links customer account checks with service provision. This is already yielding positive results, which is stabilising regular payments for the service. Overall the Commercial Waste service is projected to have a net overspend of £45,000 in Adur and £70,000 in Worthing.

In addition there are some cost pressures of £24,000 associated with the vehicles, including repairs and fuel. During quarter 2 the workshop team had to self isolate for 10 days. External contractors had to be brought in to cover essential repairs and maintenance.

The Cleansing Service is forecast to be on budget with cost savings offsetting a small shortfall in income.

4.12.4 Environment - Bereavement Services

The Bereavement Service is projecting a net overspend against the budget in 2021/22 of £358,000 in Worthing and £22,000 in Adur. This includes income shortfalls of £22,000 Adur and £249,000 Worthing.

Crematorium

The number of full services has decreased with direct cremations increasing in number. This is attributed to funeral directors opening their own private chapels and more people preferring this service for themselves or their loved ones. The big funeral directors are heavily promoting this form of service with large advertising campaigns to win the market share in this sector, this has a ripple effect on the public's awareness for this type of funeral service. Covid has also had an impact on the take up of this type of funeral service and it is expected that interest in this will continue after Covid.

Over the past years the number of direct cremations in relation to full cremations has increased. In 19/20 direct cremations represented 29.5% of total cremations, in 20/21 the number peaked at 39.65% and in 21/22 they represented 32% for the first 6 months. To remain competitive the price of direct cremations must be appealing to local funeral directors and competitively priced with neighbouring crematoriums.

Whilst we anticipated raising our prices by 2% from January 2021, which is reflected in the budget, ultimately it was decided not to inflate charges to remain competitive and it was felt increasing prices during covid was unacceptable, prices were held at the previous year's level. The income shortfall is being reviewed as part of the service planning and fee setting streams of work.

Last year was not typical and the numbers that the service dealt with were higher. The current year is more in line with 2019/20 figures. In 2019/20 1708 cremations were carried out in the first six months of the year, in the same timeframe in 20/21 there were 1980 cremations. In 21/21 there have been 1604 cremations in the first six months.

During quarter 1 Bereavement Services continued to operate under the Covid arrangements with extended opening hours and additional staff. The number of weekday services were reduced, to allow for additional cleaning in between services, this was balanced with longer opening hours during weekdays, weekends and bank holiday opening.

Work is underway to create more memorial garden space at the crematorium, with the tendering of designs currently in process. It is anticipated that off-plan sales for the garden should commence in January 2022, which is later than originally planned. There is a waiting list for the garden, so sales should be positive as deposits are taken at the start of the year.

4.12.5 Planning & Development

_____ In Adur current projections are that there will be a net shortfall in income against the 2021/22 budgets in the Planning and Development service area: Building Control £45,000, Development Control £20,000 and Land Charges £27,000.

In Worthing there is a budget pressure within Planning Policy associated with the commencement of the Local Plan Examination later this year. This cost was originally expected in 2022/23 in the financial planning exercise but the timing and the amount is always difficult to predict. The Local Plan was submitted in June and the hearing sessions expected to be held in October, although the timetable is driven by the Planning Inspectorate and the final date has not been fixed. There are also projected shortfalls in Development Control of £226,000, as there are no planning fees currently anticipated for any large scale developments for the remainder of the financial year and Land Charges £47,000 as the number of house sales has and continues to be lower than anticipated.

4.12.6 Place and Economy

The Worthing Observation Wheel had a successful operating season on Worthing seafront which came to an end in October. The attraction's return was delayed due to the Coronavirus but has traded well and the agreed lower payment of £60,000 has been paid. The income shortfall is expected to be £25,000, however concession, filming and sponsorship income is expected to exceed budget and mitigate this shortfall.

In Adur, net income is currently projected to be on budget. Market activity is trading strongly and has bounced back well following gaps in delivery in , whilst income targets for outdoor land hire (for events), filming and

promotional opportunities, are projected to be delivered in this financial year.

4.12.7 Major Projects and Investment

The Major Projects team has actively been working on a number of development sites and investments across the areas. The nature of these projects inevitably spans over a number of budget years and commissioning timetables vary according to projects' complexity and challenges that arise from market forces, public engagement, and viability issues. The effect of this is that projects have an uneven spend profile often with large amounts of money being paid over short time periods, currently it is anticipated that the expenditure within this area will be on budget apart from a potential risk associated to staff costs where time cannot be allocated to capital projects and there is insufficient revenue budget, an estimated £35,000.

Commercial property income has seen the impact of the Covid 19 pandemic with a forecast shortfall in income within Adur of £560,000 and Worthing £210,000. Current forecast assumptions indicate that any rental shortfalls can be managed initially through use of the in year budgeted void allowance (Adur £550,000, Worthing £350,000) and any further shortfall by use of the property void reserve. There are also costs associated with agent fees and rates relating to void properties which amount to £88,000 in Adur and £106,000 in Worthing.

In Adur a 6 month rent free period has been agreed with tenants at Highdown House in Worthing to secure an extension of the current lease for a further 5 years. In addition, there is still a shortfall in income for the void of part of a property in Uxbridge previously leased by TM Lewin.

In Worthing the pressure comes from the retail units in Montague Street and Canon House.

4.12.8 External Borrowing Costs, Investments and Minimum Revenue Provision

The Minimum Revenue Provision (MRP) is a statutory charge to the revenue budget to provide for the repayment of debt. The calculation is based on the level of historic capital spend that has been financed from borrowing. Consequently, once the accounts have been closed and the calculation has been updated for the capital spend in 2020/21, there is certainty about the charge for the forthcoming year.

Worthing has an underspend on its MRP budget of £451k, this is as a result of the following;

- the reprofiling to 2021/22 of a proportion of the 2020/21 Capital Programme and the impact of changes to planned financing due to increased levels of capital receipts and capital grants both of which offset the need to borrow.
- A technical review of the MRP calculations in preparation for the 2022/23 budget has resulted in in-year savings.

Adur has an overspend of £168k in the MRP budget which reflects the delay in the sale of the Adur Civic Centre and the timing of the associated capital receipt. We had originally expected to receive the receipt in 2020/21 and to be able to use it to reduce the Council's reliance on debt.

Interest receivable from treasury investments will be above budget for both Councils, in addition the interest payable on borrowing will be reduced, again due to the reprofiling of capital budgets. There are forecast net underspends of £290k for Adur and £343k for Worthing.

Treasury Management (Under) / Overspends	Adur (General Fund)	Worthing
	£	£
Minimum Revenue Provision	168,300	(450,815)
Interest on Borrowing and TM costs	(285,684)	(303,952)
Interest from Investment Income	(4,405)	(39,340)
Total	(121,789)	(794,107)

4.12.9 Revenues and Benefits

There has been a significant impact on court cost recovery income due to the Covid-19 pandemic with Courts not opening until August 2021 following closure during the pandemic, and recovery action suspended by the Councils. The estimated income shortfalls for Adur and Worthing is £132,000 and £316,000 respectively.

Overpayment income is also below budget in both councils with projected year end positions currently £152,000 in Adur and £263,000 in Worthing. The assumptions are based on activity to date but the position will continue

to be monitored as the year progresses. The budget for overpayments is to be reviewed for the 2022/23 budget process, the value of overpayments raised has fallen for a number of reasons including the continued increase in the automation of records received from the DWP. Nevertheless, comparing the value of outstanding overpayments since October 2017 there has been a significant reduction (almost £400,000 for Adur and more than £1M for Worthing).

There are some offsetting underspends that offset the recovery shortfalls, early estimations are that the net positions will be operational overspends in Revenues and Benefits of £110,000 Adur and £420,000 Worthing including the joint element of costs and housing subsidy estimates.

4.12.10 Pay Award and Vacancy Provision

_____The pay award currently with the union for consultation is 1.75% which is 0.25% below the 2% increase built into the 2021/22 budget. Current predictions based on the activity to date are that the vacancy provision target will not be met. Current estimates are that the shortfall will be £480,000: Included within the projection are:

- Agency costs associated with Waste and Recycling referred to in section 4.12.2.
- Redundancy and settlement costs estimated at £82k.
- Allowance for market supplements in Waste and Cleansing for HGV driver and fitter roles (from October) £41k.

Some staff pressures are being met from the Covid contingency budget where extra resource has been required to manage additional pressures as a result of the pandemic. These costs have been excluded from the forecast figure.

4.13 Budget variations greater than £20,000

The Councils individual Summary Projected Outturns are reported in Appendix 1a for Adur District Council and Appendix 2a for Worthing Borough Council. The variations greater than £20,000, for this report, are detailed in Appendix 4.

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

They include:-

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

4.14 Cross Cutting Budgets

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

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

Utilities

Water and energy bills are currently forecast to overspend based on activity to date. In Adur the pressure is predicted to be £40,000, in Worthing £71,000. The pressures relate to a combination of increased costs and some areas where the budget is not sufficient for usage, such as public conveniences.

Maintenance

Current projections indicate some pressure on the maintenance budgets, £56,000 in Adur and £30,000 in Worthing. In Adur emergency works to retille large sections of WADURS swimming pool were necessary together with an increased demand for repairs and maintenance within Parks and our open spaces. In Worthing, there are similar demands on the maintenance of our Parks and Open Spaces and the public toilets maintenance budget has historically been insufficient. In addition, some additional compliance works have been necessary to our properties including legionella (water) testing and works arising from fire risk assessments.

The increased cost of building materials (a national situation) is impacting our maintenance costs.

4.15 Future Risks

The overall risk is that the projected outturn positions include assumptions and predictions and therefore an inherent level of uncertainty. This is the second quarter monitoring and therefore the forecasts are based on a limited period of actual transactions which makes the uncertainty level higher than it should be later in the financial year. Current forecast estimates assume gradual recovery of services, should there be any further periods of restriction or lockdown this will need to be factored into the assumptions and the forecasts re-modelled.

5. Housing Revenue Account

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

5.2 The HRA is forecast to overspend against the budget for 2021/22 by £254,752 the main variances being a shortfall of rental income and an increase in interest charges. The approved budget includes the use of HRA reserves of £380,000 which is required to meet the cost pressures related to the maintenance and repair work required to the housing stock resulting from the condition survey.

5.3 Within this forecast is an estimation that there will be a shortfall in rental income of £226,000 due to the number of void properties. In addition, there are financial pressures of £100,000 associated with the decant costs resulting from the inner rooms fire safety work and net interest costs are projected to be £124,000 higher than budgeted. There are some savings against budget relating to staff vacancies that offset these overspends.

6. Engagement and Communication

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

7. Financial Implications

7.1 At this midpoint of the financial year, we can see the significant impact the pandemic is continuing to have on the Council finances, particularly income and charges and the pressures associated with housing. The speed of recovery is hard to predict and the assumptions used to forecast a full year performance will continue to be reviewed and adapted as the monitoring

cycle continues throughout 2021/22. Currently, operational overspends are anticipated in Adur District Council £260,000, and Worthing Borough Council £1,479,000, included within these projections is a forecast overspend within the Joint Committee of £696,000.

7.2 The Government did recognise the pressure on Councils and committed to compensating councils for the first quarter of 2021/22 funding through the extension of its income guarantee compensation scheme. It has also allocated some new burdens funding. Nevertheless there is still a budget pressure that needs to be managed.

7.3 Overall the projected outturn positions net of funding and reserve transfers is an overspend in Adur of £41,921 and an overspend in Worthing of £210,996.

8. Legal Implications

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

Background Papers

Joint Overall Budget Estimates 2021/22

<https://democracy.adur-worthing.gov.uk/documents/g1490/Public%20reports%20pack%2009th-Feb-2021%2018.30%20Joint%20Strategic%20Committee.pdf?T=10>

Adur District Council Budget Estimates 2021/22 and Setting of the 2021/22 Council Tax

<https://democracy.adur-worthing.gov.uk/documents/g1459/Public%20reports%20pack%2018th-Feb-2021%2019.00%20Adur%20Council.pdf?T=10>

Worthing Overall Budget Estimates 2021/22 and Setting of 2021/22 Council Tax

<https://democracy.adur-worthing.gov.uk/documents/g1505/Public%20reports%20pack%2023rd-Feb-2021%2018.30%20Worthing%20Council.pdf?T=10>

Financial Performance 2020/21 - Revenue Outturn

<https://democracy.adur-worthing.gov.uk/documents/g1583/Public%20reports%20pack%2013th-Jul-2021%2018.30%20Joint%20Strategic%20Committee.pdf?T=10>

Sustainability & Risk Assessment

- 1. Economic**
Matter considered and no issues identified

- 2. Social**
 - 2.1 Social Value**
Matter considered and no issues identified

 - 2.2 Equality Issues**
Matter considered and no issues identified

 - 2.3 Community Safety Issues (Section 17)**
Matter considered and no issues identified

 - 2.4 Human Rights Issues**
Matter considered and no issues identified


- 3. Environmental**
Matter considered and no issues identified

- 4. Governance**
Matter considered and no issues identified

SUMMARY - 2ND QUARTER PROJECTED OUTTURN 2021/22

APPENDIX 1a


Actual Previous year 2020/21	ADUR EXECUTIVE MEMBER PORTFOLIOS	Original Estimate 2021/22	Current Estimate 2021/22	Projected Outturn to 31st March 2022	Forecast Over/ (Under)
	CM for Environment	3,010,790	3,010,790	3,136,390	125,600
	CM for Health & Wellbeing	1,336,810	1,336,810	1,357,010	20,200
	CM for Customer Services Leader	1,459,500	1,459,500	1,667,000	207,500
	CM for Regeneration	1,054,770	1,054,770	606,690	(448,080)
	CM for Resources	1,630,360	1,630,360	1,792,160	161,800
	- Holding Accounts	192,080	192,080	247,480	55,400
		255,580	255,580	255,580	0
0	Total Cabinet Member	8,939,890	8,939,890	9,062,310	122,420
	Credit Back Depreciation	(1,504,540)	(1,504,540)	(1,504,540)	0
	Minimum Revenue Provision	2,145,950	2,145,950	2,313,950	168,000
	Non ring fenced grants	0	0	0	0
0		9,581,300	9,581,300	9,871,720	290,420
0	Government Grant funding	0	0	(248,499)	(248,499)
	Transfer to/from reserves				
0	Contribution to/(from reserves)	0	0	0	0
	Budgeted contribution to/(from) Reserves	-	-	-	-
	Transfer from reserves to fund specific expenditure (inc carry forwards)	0	0	0	0
	General Fund Working balance	0	0	0	0
	Net Underspend/(Overspend)	0	0	(41,921)	(41,921)
	Recommended For Transfer To/(From) Reserves				
0	Total Budget requirement before External Support from Government	9,581,300	9,581,300	9,581,300	-

 ADUR DISTRICT COUNCIL EARMARKED REVENUE RESERVE ACCOUNTS	Opening Balance 2021/22	Estimated Transfers Out 2021/22	Estimated Transfers In 2021/22	Projected Closing Balance 2021/22
	£	£	£	£
Capacity Issues Reserve including approved Carry Forward budgets New Salts Farm Lancing (JSC/047/20-21 8 September 2020) Food Waste Collection Service - Purchase of vehicle and equipment (6th October 2020 JSC) Adur carry forwards from 2020/21 underspends , agreed Adur Council 22nd July, 2021 Budgeted contribution (to)/from revenue Balance	715,034	(35,257) (25,500) (189,000)	-	465,277
Insurance Fund	146,899	(30,250)	30,700	147,349
Business Rates Smoothing Reserve	3,768,261	(3,696,510)		71,751
Local Tax Income Guarantee	297,335	(132,130)		165,205
Grants and Contributions held in Reserves	1,342,991	TBC	TBC	1,342,991
Election Reserve	7,880			7,880
Special and Other Emergency Reserve	60,254			60,254
Property Investment Risk Reserve	300,000	(78,000)		222,000
Projected Underspend/(Overspend) (Reserve to be identified at outturn)		(41,921)		(41,921)
General Fund Reserve	951,497	-	-	951,497
TOTALS	7,590,151	(4,228,568)	30,700	3,392,283

SUMMARY - 2ND QUARTER PROJECTED OUTTURN 2021/22

APPENDIX 2a

Actual Previous year 2020/21	WORTHING EXECUTIVE MEMBER PORTFOLIOS	Original Estimate 2021/22	Current Estimate 2021/22	Projected Outturn to 31st March 2022	Forecast Over/ (Under)
	CM for Digital & Environment	3,496,080	3,496,080	3,877,080	381,000
	CM for Health & Wellbeing	1,892,810	1,892,810	1,935,623	42,813
	CM for Customer Services Leader	5,634,900	5,634,900	6,037,800	402,900
	CM for Regeneration	1,526,670	1,526,670	953,870	(572,800)
	CM for Resources	2,650,210	2,650,210	3,670,888	1,020,678
	CM for Resources	618,890	618,890	568,390	(50,500)
	Holding Accounts	359,420	359,420	359,420	0
0	Total Cabinet Member	16,178,980	16,178,980	17,403,071	1,224,091
	Credit Back Depreciation	(3,804,240)	(3,804,240)	(3,804,240)	0
	Minimum Revenue Provision	1,986,790	1,986,790	1,535,790	(451,000)
	Non ring fenced grants	0	0	0	0
0		14,361,530	14,361,530	15,134,621	773,091
0	Government Grant funding	0	0	(562,095)	(562,095)
0	Transfer to/from reserves				
	Contribution to/(from reserves)	86,250	86,250	86,250	0
	Budgeted contribution to/(from) Reserves	-	-	-	-
	Transfer from reserves to fund specific expenditure (inc carry forwards)	0	0	0	0
	General Fund Working balance	0	0	0	0
	Net Underspend/(Overspend)	0	0	(210,996)	(210,996)
	Recommended For Transfer To/(From) Reserves				
0	Total Budget requirement before External Support from Government	14,447,780	14,447,780	14,447,780	-

 WORTHING BOROUGH COUNCIL EARMARKED REVENUE RESERVE ACCOUNTS	Opening Balance 2021/22	Estimated Transfers Out 2021/22	Estimated Transfers In 2021/22	Projected Closing Balance 2021/22
	£	£	£	£
Capacity Issues Reserve including approved Carry Forward budgets Development of Natural Burial Area (5 March 2019 JSC/105/18-19) Food Waste Collection Service - Purchase of vehicle and equipment (6th October 2020 JSC) Teville Gate housing initial project costs (03/11/2020 JSC/71/20-21) Worthing carry forwards from 2020/21 underspends, agreed Worthing Council 20th July, 2021 Budgeted contribution (to)/from revenue Balance	1,668,219	(100,000) (59,500) (246,000) (242,000)	-	1,020,719
Insurance Reserve	206,088	(30,250)	26,250	202,088
Joint Health Promotion Reserve	1,485	(1,485)		0
Leisure Lottery & Other Partnerships - 01/02/18 JSC/092/17-18 for Museum Costume Research Centre	27,766			27,766
Museum reserve	106,396			106,396
Theatres Capital Maintenance Reserve	57,855			57,855
Special and Other Emergency Reserve	3,053			3,053
Business Rates Smoothing Reserve	6,985,305	(6,499,550)		485,755
Local Tax Income Guarantee	703,354	(234,450)		468,904
Property Investment Risk Reserve	450,000			450,000
Building Maintenance Reserve	383,000	(200,000)		183,000
Grants & Contributions	1,436,893	TBC	TBC	1,436,893
Projected Underspend/ (Overspend) (Reserve to be identified at outturn).		(210,996)		(210,996)
General Fund Working Balance	1,543,373			1,543,373
TOTAL	13,572,787	(7,824,231)	26,250	5,774,806

HOUSING REVENUE ACCOUNT SUMMARY

Appendix 3a

	ORIGINAL BUDGET	FORECAST ACTUAL	VARIANCE
	£	£	£
EXPENDITURE			
General Management	4,141,320	4,111,871	(29,449)
Special Services	748,410	763,805	15,395
Rent, Rates, Taxes & Other Charges	58,150	72,725	14,575
Repairs & Maintenance	2,711,470	2,653,144	(58,326)
Bad/Doubtful Debt	51,000	51,000	0
Capital Financing Costs			
Depreciation and Revenue Contribution to Capital	4,179,980	4,179,980	0
Interest charges	2,181,360	2,307,780	126,420
TOTAL EXPENDITURE	14,071,690	14,140,305	68,615
INCOME			
Dwelling Rents	(12,320,450)	(12,115,266)	205,184
Non-Dwelling Rents	(535,010)	(531,791)	3,219
Heating and Other Service Charges	(547,610)	(527,500)	20,110
Leaseholder's Service Charges	(260,620)	(300,996)	(40,376)
Interest Received	(28,000)	(30,000)	(2,000)
TOTAL INCOME	(13,691,690)	(13,505,553)	186,137
NET (SURPLUS)/DEFICIT -TFR (TO)/FROM HRA GENERAL RESERVE	380,000	634,752	254,752

	(Under)/ Over Spends £'000
<u>Variations in Income and Running Costs:</u>	
Dwelling Rent & Service Charge void loss	226
Leasehold Service charges	(40)
Staff vacancies - Tenancy Services and Repairs & Maintenance	(133)
Repairs & Maintenance - responsive and void works	(49)
Repairs & Maintenance - planned maintenance contracts	17
Council Tax - extended void periods	12
Potential decant costs as a result of the Inner Rooms project	100
Other	(2)
TOTAL VARIATION IN RUNNING COSTS:	131
<u>Variations in Treasury Management and Capital Costs:</u>	
Interest payable - expected increase in borrowing levels to fund capital programme	126
Interest receivable	(2)
TOTAL VARIATION IN TREASURY MANAGEMENT AND CAPITAL COSTS:	124
TOTAL VARIATION:	255

Service Area	Joint £000s (under)/ over spend	Adur £000s (under)/ over spend	Worthing £000s (under)/ over spend	Description of Significant Variations
Chief Executive				
Leader	(77)	(437)	(562)	JOINT; Underspend in salary offset by spend in other services to fund interim arrangements and overspend in non pay due to the recruitment of the CEO and costs associated with the 'Roadmap to Return' after Covid. ADC ; Overspend of £437k (£400k due to the Covid contingency) as overspends will show in services and £37k underspend in the leaders support. WBC: Underspend of £562k Covid contingency as overspends will show in services.
	(77)	(437)	(562)	
Director of Communities				
Community Wellbeing	83	(13)	(7)	Joint: PA to Head of Wellbeing being fund from savings in other departments during interim structure arrangements. Costs associated with administration of Track and Trace being met from Covid funding budget.
Head of Housing	(16)	-	-	General underspends in supplies and services.
Env Health - Housing	(8)	(33)	(72)	HIA fee income expected to exceed budget
Housing Needs	(2)	310	102	ADC & WBC: Forecast estimates that caseload will increase monthly, recent increases reflecting the impact of abolition of section 21 notices expiring in Sept. Average cost per TA unit forecast at £39/night in Worthing but slightly higher at £40/night in Adur due to the higher proportion of families to single placements
Housing Needs Grant	-	(168)	(33)	ADC: MHCLG Domestic abuse safe accommodation grant (32.5k) + MHCLG Ex Offender Accommodation (135.7k) WBC: MHCLG Domestic abuse safe accommodation grant (32.5k)
Parks & Foreshore	(52)	(38)	32	JOINT: Staff vacancies. ADC Additional income from recreation grounds and allotments. WBC: Cost pressures on supplies and services including security and consultancy.
Environmental Services (Waste)	201	16	21	Joint: mainly due to projected overspend on employee costs; Agency overspend including estimated £50k for COVID cover and market supplements agreed for the retention of HGV staff. ADC: Overspend on various supplies and services projected. ADC and WBC : clinical waste income shortfall as the collection service has been stopped due to an increase in costs that can't be offset by revenue generated WBC: Includes food waste equipment costs not budgeted.
Head of Environmental Services	(78)	-	-	Vacancy saving - offsetting expenditure in other service areas to reflect the interim management structure arrangements.
Commercial Waste	27	45	70	Based on reduced collections, Adur and Worthing forecast underspend on trade waste Income and disposal costs
Bereavement Services (Cemeteries & Crematorium)	1	22	358	WBC: £223k crematorium income shortfall, £14.3k memorial income shortfall, £69.6k memorial garden income shortfall, less £51.5k additional tribute income and £13k donations for trees. Cost pressures in staff £50k and supplies and services £50k (including Media systems costs). ADC £5.8k rental income shortfall due to sale of Mill Lane property and £11k customer receipts shortfall
	156	141	472	
Director of Digital and Resources				
Elections	(5)	22	38	ADC & WBC overspends in relation to extra requirements for putting on elections due to COVID 19, funded by Covid contribution.
Director For Digital, Sustainability & Resources	(4)	-	-	
Customer Services	(36)	-	-	Projected underspend in staff costs

Service Area	Joint £000s (under)/ over spend	Adur £000s (under)/ over spend	Worthing £000s (under)/ over spend	Description of Significant Variations
Parking Services	-	41	672	Covid has heavily affected Adur and Worthing Parking with less people continuing to use the central car parks as people are encouraged to work from home. Footfall is significantly below pre covid levels, at around 75%. Season tickets are around 70% of 19/20. Town Center Workers are between 50-80% lower than 19/20 in MSCP's
Digital & ICT	91	-	-	Overspend in staffing required to migrate services to the Cloud £40k, Plus additional overspends in digital systems costs mainly in relation with the replacement of UPS in data centre and repairs to water detection system was unbudgeted expenditure £25k, Plus costs for systems not fully migrated away from W2008 servers Telephony overspend of £31k includes an increases in the number of BT and Gamma Lines and associated price increases plus, Vodafone data usage for mobile phones has also increased with additional mobile handsets procured.
Revenues	(37)	124	274	ADC & WBC ; Under achievement of Court Cost income due to the continued closure of the Courts until August following the COVID 19 pandemic. WORTHING also includes an underspend in court costs plus an under achievement of NNDR grant income which needs to be corrected.
Benefits	128	(50)	92	ADC & WBC: under achievement of income for overpayments. ADC: Subsidy in excess of Payments currently projected.
Legal Services	(2)	12	(12)	ADC: Shortfall in income budgeted. WBC: Net saving on budgets.
Finance	(201)	23	(71)	JOINT: Salary and Inflation contingency budget underspends offsetting some spend in departments. WBC: Underspend against hardship funding.
HR & Organisational Development Costs	21	-	-	Salary costs against a post not included in the budget (to be met from salary contingency). offset by savings against supplies and services.
Finance: Treasury Interest		(290)	(343)	ADC & WBC There is a forecast underspend on interest payable on borrowing due to the reprofiling of the capital programmes since the budgets were set. Worthing is forecasting £39k additional income on investments due to an improved cash flow forecast.
Finance: Treasury MRP	-	168	(451)	ADC: Overspend on MRP (168k), partly due to the delay in the sale of the Adur Civic Centre site. WBC: has an underspend (£55k) due to the reprofiling of the capital programme. Worthing has commissioned a technical review of the MRP, whilst the policy itself remains unchanged, recommendations regarding the asset lives to be used within the calculation has been implemented creating an in-year saving and future reductions in costs for the Council.
	(44)	50	199	
Director of the Economy				
Director of Economy	-	9	-	
Leisure	-	-	(214)	National Leisure Recovery Fund received for support to Councils for their increased Leisure site costs, this will be utilised to support our Leisure facilities
Major Projects and Investment	38	63	(2)	ADC: Net cost of awarding an initial 6 month free rent period during negotiations of one of our Investment Properties plus loss of income from the One York Way, Uxbridge site which is vacant - offset by utilising the Void reserve transfer allowance budget. WBC: Void Budget to transfer to Reserve offset by net income shortfall mainly from Montague Street & Canon House properties.
Place and Economy (Economic Development)	13	(4)	3	ADC: Additional Events income offset by shortfall in Market income WBC: Time for Worthing Sponsorship income 10k and 12k concessions offset by reduced income from the Observation Wheel £20k.
Planning and Development (Building Control)	19	45	(22)	ADC: based on the last six months and the profile of previous years for the last six months are projected to be lower than budget by the end of the year. WBC: the fees are slightly above budget and safety training fees are performing well against budget for the year to date.

Service Area	Joint £000s (under)/ over spend	Adur £000s (under)/ over spend	Worthing £000s (under)/ over spend	Description of Significant Variations
Planning and Development (Development Control)	(9)	20	221	ADC Planning applications forecast on budget but pre-applications £20k lower than budget. WBC; Includes £200k shortfall in income for Planning Applications and £27k shortfall in fees. There has been a lack of planning applications in the first six months and no large applications expected in the next 6 months,
Planning and Development (Planning Policy)	(13)	-	86	Local Plan examination. The spend is to be phased £16k in quarter 2 and £70k in quarter 4.
Planning and Development (Land Charges)	(21)	27	46	Shortfall in fee income.
Business & Facilities	(63)	(15)	(27)	JOINT: savings in staff costs due to vacancies.
Emergency Planning	59	-	-	Cost of H&S system funded from the COVID contingency budget
	23	145	91	
Cross Cutting services				
Maintenance	13	56	30	ADC: Overspend anticipated due to works associated with the leisure centres (including the re-tiling of the Wadars swimming pool)
Vacancy Provision	640	-	-	Salary savings for vacancies are against service lines.
Water	1	14	10	General overspend against budget projected based on current costs.
Energy Costs	(4)	26	61	General overspend against budget projected based on current costs.
Rates	(12)	19	54	General overspend against budget projected based on current costs. In addition WBC has a legacy £50k credit budget to be addressed during 2022/23 budget setting.
Income guarantee scheme		(82)	(395)	Grant received from the government to compensate Councils for a proportion of the loss of income from sales, fees and charges as a result of the restrictions imposed during the pandemic.
MHCLG - Government Grant Funding		(167)	(167)	Emergency Covid grant funding and new burdens funding.
	638	(134)	(407)	
Allocation of Joint Variance		278	418	Share of joint services allocated 40:60 to Councils
Total Variance	696	42	211	

Service Area	Joint £000s (under)/ over spend	Adur £000s (under)/ over spend	Worthing £000s (under)/ over spend	Description of Significant Variations
Director of Communities				
Housing Needs	(37)	204	(42)	ADC: The homelessness caseload numbers have increased since quarter 1 with family breakdown during Covid and the end of the eviction prohibition period in September being factors, WBC: Increase in the LHA rates and the success in sourcing accommodation at more affordable nightly rates has resulted in an improvement to the overspend/underspend against the budget.
Housing Needs Grant	-	(135)	1	Additional MHCLG Grant (Ex Offenders Accommodation).
Parks & Foreshore	(36)	(9)	51	WBC: Additional pressures on Supplies and services and additional expenditure incurred at Highdown (Previous quarter included the HLF grant but not the associated spend).
Commercial Waste	43	45	67	Joint: Additional vehicle pressures now identified. ADC & WBC: Income forecasts for year end position is not as optimistic as customers review their service need following the pandemic.
Bereavement Services (Crematorium)	-	-	100	Increased shortfall in income. Partly demand compounded by fees not being increased in January 2021 in line with 2021/22 budget assumption.
Director of Digital and Resources				
Parking Services	-	29	232	Decrease in projected income as a result of the Impact of lower parking park footfall. Demand has reduced due to COVID19 - periods of lockdown and a change in worker and general customer behaviour.
Revenues	48	(26)	(71)	Joint: salary saving reduced (staff required due to the increase in Live Council Tax Support caseloads resulting from Covid. ADC & WBC: Shortfall in court cost recovery revised now courts have re-opened.
Benefits	47	(96)	84	Joint: Staff overspend to be funded from grant income in Adur and Worthing. ADC & WBC: Overpayments income has seen a downturn due to COVID19 and is continuing to do so along with decisions on writing off debt is also impacting. The HB subsidy position offsets the shortfall in Adur.
Finance	-	32	(71)	Joint: The previously forecast costs are now to be absorbed within existing budgets. ADC: Includes an overspend on pension costs and exit costs. WBC: This includes a £50k insurance excess pressure together with service cost underspends.
Finance:Treasury Interest	-	(60)	(36)	ADC & WBC: Net interest reduction. Decrease in income receivable is offset by the fall in interest payable on borrowing due to the re-profiling of the capital program.
Finance:Treasury MRP	-	-	(396)	Review of the Worthing Minimum Revenue Provision policy has identified a reduction in requirement for 21/22
	32	(109)	(251)	

Service Area	Joint £000s (under)/ over spend	Adur £000s (under)/ over spend	Worthing £000s (under)/ over spend	Description of Significant Variations
Director of the Economy				
Major Projects and Investments (Investment Properties)	-	4	82	WBC: Costs associated with void properties including rates.
Planning and Development (Development Control)	(6)	21	219	ADC & WBC: Lack of planning applications in the six months and consideration of the large application in the next 6 months, its forecast. Preapplications will be lower than budget, as pre application were not processed from July..
Leisure	-	90	(3)	ADC: Increased ongoing support required from the Council for the closing of the Leisure facilities due to the pandemic.
Cross Cutting services				
Energy Costs	(4)	26	61	Pressure on energy and water not forecast. At quarter 1 there was not sufficient costs in the system to be able to make an informed estimate.
Rates	(12)	19	54	Various small variances in rates costs identified. The rates costs for the core and investment void properties are included within Major Projects variances.
Government Funding	-	(26)	(185)	Additional Sales, Fess and Charges compensation grant from MLUHC estimated based on Quarter 1 losses in income.



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
7 December 2021

Key Decision : No

Ward(s) Affected: All

2nd Quarter Capital Investment Programme & Projects Monitoring 2021/22

Report by the Director for Digital, Sustainability and Resources

Officer Contact Details:-

Sarah Gobey, Chief Financial Officer

01903 221233

sarah.gobey@adur-worthing.gov.uk

EXECUTIVE SUMMARY

1. PURPOSE

1.1 This report updates the Joint Strategic Committee on the progress made on the 2021/22 Capital Investment Programmes for Adur District Council, Worthing Borough Council. The programmes include schemes which support the delivery of services by the Joint Services Committee.

1.2 The following appendices have been attached to this report:

Appendix 1: Adur District Council Capital Monitoring Summary

Appendix 2: Worthing Borough Council Capital Monitoring Summary

Appendix 3: Adur District Council Reprofiled Budgets

Appendix 4: Worthing Borough Council Reprofiled Budgets

2. RECOMMENDATIONS

2.1 The Joint Strategic Committee is asked:

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

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

- ii) To approve the increase in the Disabled Facilities Budget in line with the forecast expenditure funded from Better Care Fund Grant as detailed in paragraph 7.2.3.

- iii) To approve the virements totalling £45,000 to fund the anticipated overspend on the Lancing Manor Leisure Centre Car Park access reconstruction and security improvements as detailed in paragraph 7.2.4.
- iv) To approve the virement of £32,600 to fund the anticipated overspend on the land drainage scheme to realign the ditch and stabilisation of banks in the vicinity of Larkfield playing field, Lancing as detailed in paragraph 7.2.5.
- v) To approve the virement of £164,750 to fund budget pressures in the joint services ICT digital programme as detailed in paragraph 7.1.1.
- vi) To approve the use of capital receipts to increase the 2021/22 Grounds Maintenance Equipment Replacements Budget to £147,100 as detailed in paragraph 7.1.2.
- vii) To approve the use of the Section 106 receipts to fund recreational equipment at Buckingham Park as detailed in paragraph paragraph 7.2.6.

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

- i) To note the reprofiling of the Worthing Borough Council capital schemes as advised in paragraphs 7.3.1 and Appendix 4.
- ii) To approve the increase in the Disabled Facilities Budget in line with the forecast expenditure funded from Better Care Fund Grant as detailed in paragraph 7.2.3.
- iii) To approve the amendment to the Portland House replacement of windows and balcony doors and ancillary works budget to include the Salix funding and match funding as detailed in paragraph 7.3.3.
- iv) To approve the virement of £164,750 to fund budget pressures in the joint services ICT digital programme as detailed in paragraph 7.1.1.
- v) To approve the use of capital receipts to increase the 2021/22 Grounds Maintenance Equipment Replacements Budget to £147,100 as detailed in paragraph 7.1.2.
- vi) To approve the use of the Section 106 receipts to fund recreational equipment at Bourne Close and Northbrook Recreation Ground and the amendment to the 2021/22 Capital Investment Programme to include the scheme as advised in paragraph 7.3.4.

vii) To approve the use of the Building Maintenance Reserve to fund the urgent replacement of play equipment at Gull Island and the amendment to the 2021/22 Capital Investment Programme to include the scheme as detailed in paragraph 7.3.5

3. CONTEXT

- 3.1 In accordance with the Councils' Capital Strategy, the Capital Working Group oversees the implementation and progress of both Councils' Capital Investment Programmes.
- 3.2 The Capital Working Group meets quarterly and monitors the programmes' progress and finance, seeking to address any problems at an early stage in order for schemes to be completed within budget and timescales. Where problems are highlighted the Group considers possible remedies including virements between schemes, reprofiling of budgets between years and the withdrawal of schemes from the programme when schemes are unable to proceed. This could be due to resourcing problems, time delays or other factors beyond the Councils' control.
- 3.3 Full summaries of the progress of all the schemes in the 2021/22 Capital Investment Programmes are prepared each quarter highlighting:

Schemes with significant challenges	Red
Schemes where progress is being closely monitored	Amber
Schemes progressing well	Green
Schemes where progress is beyond officers' control	▣
Schemes with financial issues	£
Schemes where progress has improved	⇧
Schemes where progress has deteriorated	⇩

- 3.4 The Capital Working Group also ensures that capital schemes are approved within financial regulations.
- 3.5 Financial Regulations require officers to report each project on completion.

4. SUCCESSES AND CHALLENGES IN THE 2021/22 CAPITAL INVESTMENT PROGRAMMES

- 4.1 The following schemes are progressing well:

4.1.1 Adur Homes Capital Investment Programme

The Adur Homes Capital Investment Programme for 2021/22 was approved by the Joint Strategic Committee on 2nd March 2021.

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

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

We have also commenced works on the Inner Rooms Programme with the first 4 properties decanted and the works underway to provide protected escape routes from all rooms within the properties.

The upgrade of the assistance call alarm systems and replacement door entry systems at our sheltered housing schemes in our sheltered housing schemes is now at the implementation stage.

The ground source heat pump contracts at sheltered schemes Shadwells Court and Tollbridge House, both of which have commenced and will be complete by the end of the financial year.

4.1.2 Adur Homes External Works Programme

The external capital works programme is being compiled and the following schemes are under consideration or progressing:

- The original project to undertake external works to Rocks Close and Locks Court has been reviewed and consultants are to be appointed to undertake surveys of Rocks Close, Locks Court and the wider Southwick Estate to establish structural works required to keep the Estate in good repair for the next 10 years.
- The project to undertake external works to Bushby Close has been delayed by variations to the contract and this has extended the completion to December 2021.
- External works to Beachcroft Place are also behind the delivery programme but the contractor still anticipates completion December 2021.
- Discussions are in progress regarding the replacement of Frazer Court roof and the replacement of the failed door entry systems.

4.1.3 Housing Development and Acquisition Programme

Covid-19 has had a significant impact on all of the housing development schemes. The nationwide lockdown, site shutdowns and subsequent updated guidance on site operation and safety in a post Covid environment has impacted on supply chains, deliveries and on-site productivity. In particular the social distancing measures have meant that on-site staffing levels (site staff and site subcontractors/labour) have, in many cases, needed to be reduced to 50% of normal capacity.

Whilst the above will mean an inevitable impact on programme delivery, during the past 6 months the team have still overseen the completion of two sites and signed contracts and made a start on 2 new sites (55 homes). A report identifying a further 9 pipeline sites was approved by the Joint Strategic Committee in October 2020.

Albion Street Refurbishment of 2 semi-detached houses into 6 flats for temporary accommodation

The contract has been let and the construction started on site in November 2021 with completion anticipated June 2022. The costs are anticipated within the current budget.

Cecil Norris Development

The site has been delivered with 15 new flats in Shoreham for Social Rent. All units are now handed over and let with Homes England funding £975,000 of the build in grant monies.

Albion Street New Build

Covid-19 had a significant impact on the timescales for the contract award. However, works are now on site with piling due for completion. Works have been delayed whilst on site due to material and labour shortages; delivery is now anticipated for January 2023.

Small Sites (Hidden Homes)

Following approval of the small sites programme to deliver 56 new homes, the Council is progressing with 7 sites, 5 of these have planning consent and the remaining planning applications are in progress. It is planned to select a contractor by March 2022 with project completion anticipated Spring / Summer 2023. Land Release Funding of £566,000 has also been secured to help unlock unviable sites.

Downsview Pub Site

Nine flats were completed in April 2020 as part of phase 1. All of the flats are now occupied, providing temporary accommodation to families in need.

Building contracts for phase 2 of Downview have been signed with the contractor currently on site to develop a further 8 homes for temporary accommodation. Works are coming to a conclusion with handover programmed for late November '21.

Rowlands Road Site

The site has recently handed over with the fit-out programme now underway to furnish the properties ahead of occupation. The site has delivered 19 good quality self contained homes. As previously documented, the scheme did overrun on budget due to programme elongation and issues with discovery of unknown asbestos and extra drainage and structural works (among others). This was recently reported to members where an updated financial appraisal was considered and a budget virement to address the overspend was approved. Despite the cost increase the report concluded that the scheme will still provide a significant saving to the Council.

Ashcroft

Following JSC approval in July to progress with the demolition and design of a new building, a design team has been appointed for the site. Consultation is continuing with the existing residents and the Council have been awarded £407,000 in Land Release Fund money which will be used to enable demolition of the existing building and diversion of services where required. A planning application is expected to be submitted in late spring '22.

4.1.4 AW Workspaces

The project is progressing well. Contractors are on site with works expected to be completed by the year end when the Sussex Partnership NHS Foundation Trust will occupy part of Portland House. As part of this project, improvement works will be undertaken at Portland House and the 2022/23 budget has been brought forward to facilitate the works.

Overall the project is on target to deliver a saving of £365,000 (£188,000 after funding the associated debt charges).

4.1.5 Decoy Farm - Site Development

All remediation works have been completed and the site has been handed back to the Council.

Phase 2 of the development and the output to deliver a new business park at Decoy Farm which will create jobs and provide new employment floor space is progressing. Industrial property consultants are supporting the council with a strategic business case and an industrial and logistics marketing strategy that will feed into the full business case. This is to ensure the business case is as robust as possible in relation to the delivery of the outputs, provision of jobs, cost benefits and the best way to deliver a development scheme.

The strategic outline case and outline business case were completed and presented to the Joint Strategic Committee in July. Approval was received to progress and make the necessary consultancy appointments to prepare the full business case, submit a planning application and to tender the construction of the development. Preparation of the full business case and development of the planning application is underway.

4.2 The following scheme has proved challenging:

4.2.2 Shoreham Harbour Walls Coast Protection Scheme

The purchase of land from the Sussex Yacht Club was completed in 2019/20 enabling them to build a new club house and planning permission granted for a new flood wall in 2018.

A delay has been caused due to the nature of the flood defence design and officers are currently looking at the most effective drainage solution to incorporate into the new flood wall that prevents inundation from the river, while also allowing ground water to flow through to the river from the inland..

Adur District Council is working with West Sussex County Council and key stakeholders to agree a suitable solution to Public Rights of Ways access associated with the project.

The redundant yacht club house has been demolished and tendering is anticipated once the design solution is agreed. The main works are likely to take place in 2022/23.

5. PROGRESS OF THE ADUR DISTRICT COUNCIL 2021/22 CAPITAL INVESTMENT PROGRAMME – OCTOBER 2021

- 5.1 There are 72 schemes in the 2021/22 current capital investment programme which are progressing as follows:

	Number of schemes	Percentage %
Schemes which are progressing satisfactorily or have completed	46	63.9
Schemes where progress is being closely monitored	23	31.9
Schemes with significant challenges	3	4.2

- 5.2 A summary of the financial movements of the 2021/22 Capital Investment Programme is attached as Appendix 1 to this report. A summary of the progress of all the schemes in the 2021/22 Capital Investment Programme is available from the Councils' Joint Intranet.

6. PROGRESS OF THE WORTHING BOROUGH COUNCIL 2021/22 CAPITAL INVESTMENT PROGRAMME – OCTOBER 2021

- 6.1 There are 101 schemes in the 2021/22 current capital investment programme which are progressing as follows:

	Number of schemes	Percentage %
Schemes which are progressing satisfactorily or have completed	67	66.3

Schemes where progress is being closely monitored	33	32.7
Schemes with significant challenges or financial issues	1	1.0

6.2 A summary of the financial movements of the 2021/22 Capital Investment Programme is attached as Appendix 2 to this report. A summary of the progress of all the schemes in the 2021/22 Capital Investment Programme is available from the Councils' Joint Intranet.

7. ISSUES FOR CONSIDERATION

7.1 Adur and Worthing Joint Service Schemes

7.1.1 Information and Communications Technology - Digital Programme

The Joint Services Digital Programme is progressing well and the following projects are being progressed at pace in 2021/22, but this has resulted in additional budget of £164,750 being required.

The migration of the Revenues and Benefits systems for Adur and Worthing from the Town Hall Data Centre to a cloud environment hosted by the system supplier (Capita) was approved as part of the 21/22 Digital programme. The project has taken longer due to the extensive amount of testing required to ensure seamless transition and continuity of service for Council Tax, Business Rates and Housing benefits. Further budget is required for resources to cover the extended testing period, with the systems now going live in the new cloud hosted service at the end of November, the original target date was end of August.

It is proposed to fund this from a virement from the Corporate ICT hardware replacement programme, which due to the substantial replacement of laptops in recent years, is not required this financial year.

Project	Budgets Available £	Forecast Spend £	Virement Required £
Public Website	0	15,000	15,000
Low Code Digital Platform	184,610	184,610	0
CRM System	51,150	51,150	0
Cloud Development	23,640	23,640	0
Revenues and Benefits System	281,200	430,950	149,750
Corporate Hardware	164,750	0	-164,750
Totals:	705,350	705,350	0

It is recommended that £164,750 is vired from the Corporate Hardware Replacement Programme to the Joint Services Digital Programme to fund the current budget pressures.

7.1.2 Ground Maintenance Equipment Replacements - Use of capital receipts

The current joint services grounds maintenance equipment replacement budget is under considerable pressure due to the age of the current equipment, which needs to be replaced to meet current demands, to comply with the decarbonisation programme and to comply with health and safety requirements.

Some of the existing equipment is not fit for purpose and a programme of sales is in progress. It is recommended that any sales receipts from the sale of old equipment is ring-fenced for updates to the grounds maintenance equipment purchases.

To date two tractors and some equipment have been sold for £74,200 and it is requested that this funding is added to the joint services grounds maintenance equipment budget of £73,200 to make a total budget of £147,400

7.2 Adur District Council

7.2.1 Budgets totalling £49,476,240 have been reprofiled to and from 2022/23 and future years, where the original project plan has changed and the schemes are not expected to complete in 2021/22. A list of schemes reprofiled is attached as Appendix 3 to this report.

7.2.2 The following amendments to the Adur District Council 2021/22 Capital Investment Programme are recommended:

7.2.3 Disabled Facilities Grants

The 2021/22 Capital Investment Programme includes a budget provision of £375,000 for the provision of Disabled Facilities Grants. These grants are funded from an annual grant from the Department of Levelling Up, Housing and Communities Better Care Fund (BCF).

2021/22 expenditure to date on Disabled Facilities Grants is £414,716 and the forecast spend is £650,000 which exceeds the current budget by £275,000. However the Council has received grant funding of £704,223 in 2021/22. In addition, the BCF grant received by the Council in recent years has exceeded the grants made and so the Council holds sufficient grants to fund the forecast spend.

It is recommended that the 2021/22 Disabled Facilities Grant is increased by £275,000 in line with the forecast spend funded by BCF Grant received in previous years.

7.2.4 Lancing Manor Leisure Centre Car Park access reconstruction and security improvements

Following recent incursions on to the site, the 2022/23 budget of £39,200 for Lancing Manor Leisure Centre Car Park access reconstruction and security improvements was brought forward to 2021/22 to expedite the work to prevent further access breaches.

However, the current budget only covers the cost of improved access to the site and vehicle restriction barriers; bunding is also now required to fully prevent further incursions. The full costs of the work are now estimated at £84,200. It is proposed to fund the additional £45,000 as follows:

- i) Southwick Recreation Ground - Resurfacing of hard surfaces £36,000. This scheme has been in the Capital Investment Programme for many years but has not progressed due to a number of factors including the MS facility on the site and possible future changes there.
- ii) General underspends in the 2021/22 Capital Investment Programme £9,000. The Council paid VAT on an invoice in 2020/21 which has been corrected in 2021/22, resulting in a £57,000 underspend in the 2021/22 Capital Investment Programme.

7.2.5 Land Drainage - Realignment of the ditch and stabilization of banks in the vicinity of Larkfield playing field, Lancing

The 2021/22 Capital Investment Programme includes a budget of £22,400 for the realignment of the ditch and stabilization of banks in the vicinity of Larkfield playing field, Lancing.

However, tenders have been received for £49,000, and with ancillary costs and officers professional fees, an overspend of £32,600 is anticipated. It is proposed to fund the overspend from underspends in the 2021/22 Capital Investment Programme.

7.2.6 Buckingham Park Recreational Equipment - Funding from S106 Receipts

The Council has received a S106 receipt of £52,767.53 for the improvement of play facilities at Buckingham Park. As the S106 receipt is site specific it is proposed to use the receipt to fund the 2021/22 capital scheme to install recreational facilities at Buckingham Park.

This will free up capital resources of £50,000 which it is proposed to transfer to the 2021/22 Play Equipment improvements budget, making a total budget of £243,910.

7.3 Worthing Borough Council

- 7.3.1 Budgets totalling £39,925,680 have been reprofiled to 2022/23 and future years where the original project plan has changed and the schemes are

unable to complete in 2021/22. A list of schemes reprofiled is attached as Appendix 4 to this report.

7.3.2 Disabled Facilities Grants

The 2021/22 Capital Investment Programme includes a budget provision of £800,000 for the provision of Disabled Facilities Grants. These grants are funded from an annual grant from the Department of Levelling Up, Housing and Communities Better Care Fund (BCF).

2021/22 expenditure to date on Disabled Facilities Grants is £671,361 and the forecast spend is £1.9m which exceeds the current budget by £1,001,980. However the Council has received grant funding of £1,368,293 in 2021/22. In addition, the BCF grant received by the Council in recent years has exceeded the grants made and so the Council holds sufficient grants to fund the forecast spend.

It is recommended that the 2021/22 Disabled Facilities Grant is increased by £1,001,980 in line with the forecast spend funded by BCF Grant.

7.3.3 Portland House - Replacement of windows and balcony doors and ancillary works

The current Capital Investment Programme includes a budget of £250,000 for the replacement of the windows and balcony doors in Portland House. Alongside these works ancillary works are also required: new soffit, fascia boards, rainwater goods, localised rebuilding of balcony walls and replacement copings. The estimated total costs of all the required works is £616,000.

The Council has successful bid for and received Salix funding of £286,990 for the replacement of the windows and balcony doors and it is proposed to fund the scheme as follows:

Total Costs:	£616,000
Original Budget Provision:	£250,000
Salix Funding:	£286,990
Decarbonisation Match Funding:	£79,010
Total Funding:	£616,000

It is recommended that the 2021/22 Capital Investment Programme Budget Provision is amended to include the Salix funding of £286,990 and the decarbonisation match funding of £79,010.

7.3.4 Play Area Improvements at Bourne Close and Northbrook Recreation Ground to be funded from S106 Receipts

The Council has received a S106 receipt of £25,000 for play equipment in the Northbrook Ward or adjoining ward. As the S106 receipt is site specific it is

proposed to improve the play equipment at Bourne Close and Northbrook Recreation Ground.

The 2021/22 Capital Investment Programme needs to be amended to include this project.

7.3.5 Play Area Improvements at Gull Island (Beach House Grounds)

Some of the equipment at Gull Island is in urgent need of replacement. However the current play equipment replacement budget is fully committed.

The cost of the replacement equipment is anticipated at £37,000 and It is proposed to fund this from the Buildings Maintenance Reserve and the 2021/22 Capital Investment Programme needs to be amended to include these works.

8. ENGAGEMENT AND COMMUNICATION

8.1 The purpose of this report is to communicate with stakeholders on the progress of the Adur District Council and Worthing Borough Council 2021/22 Capital Investment Programmes. Officers of the Council have been consulted on the progress of the schemes which they are responsible for delivering.

8.2 Specific schemes are subject to public consultation (e.g new playgrounds) to ensure that they meet community needs.

9. FINANCIAL IMPLICATIONS

9.1 There are no unbudgeted financial implications arising from this report as the Adur District Council and Worthing Borough Council original 2021/22 Capital Investment Programmes were approved by the Councils in December 2020. Subsequent changes have been reported to and approved by the Joint Strategic Committee. The issues considered in this report can be funded from within existing resources or through external funding.

10. LEGAL IMPLICATIONS

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

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

Background Papers

- Capital Investment Programme 2021/22 – 2023/24 Adur District Council, Worthing Borough Council and Joint Committee
- Capital Strategy 2022/25.
- Enabling the Digital Future for Adur & Worthing: Extending Ultrafast - Report to the Joint Strategic Committee dated 2nd April 2019.

SUSTAINABILITY AND RISK ASSESSMENT

1. ECONOMIC

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

2. SOCIAL

2.1 Social Value

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

2.2 Equality Issues

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

3. ENVIRONMENTAL

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

4. GOVERNANCE

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

CAPITAL MONITORING SUMMARY 2021/22 **2nd Quarter**

Executive Portfolios	(1) Total ADC Scheme Budgets £	(2) Previous Years' Spend £	(3) 2021/22 Original Budget £	(4) Net budget b/f from 2020/21 £	(5) Approved Changes to Original Budget £	(6) 2021/22 Budget Reprofiles to and from 2022/23 £	(7) 2021/22 Current Budget £	(8) 2021/22 Spend to Date £	(9) Spend % of Current Budget
Customer Services	71,947,620	6,644,470	30,141,390	4,215,290	(1,634,030)	(4,972,270)	27,750,380	3,283,428	11.83%
Environment	7,072,510	1,578,270	2,667,160	376,150	(244,190)	(206,400)	2,592,720	1,223,996	47.21%
Health and Wellbeing	653,260	25,050	412,050	23,160	(30,000)	(204,780)	200,430	280	0.14%
Regeneration	7,055,040	3,840,930	1,751,400	955,200	77,080	(2,268,030)	515,650	63,757	12.36%
Resources	132,423,400	83,171,200	45,958,230	686,860	56,050	(41,824,760)	4,876,380	179,189	3.67%
TOTALS	219,151,830	95,259,920	80,930,230	6,256,660	(1,775,090)	(49,476,240)	35,935,560	4,750,650	13.22%

Financing of 2021/22 Programme:

Adur Homes Capital Programme:	£'000
Capital Receipts:	500
Major Repairs Reserve:	3,900
Capital Grants:	3,144
Prudential Borrowing:	18,122
	25,666

General Fund Capital Programme:	£'000
Prudential Borrowing:	7,772
Capital Receipts:	1,019
Government Grants:	1,097
Revenue Reserves and Contributions	260
S106 Receipts	72
Other Contributions	50
	10,270

Summary of Progress:

Schemes with significant challenges:	3
Schemes where progress is being closely monitored:	23
Schemes progressing well or completed:	46
Total Schemes:	72



(1) SCHEME (Responsible Officer)	(2) Total ADC Scheme Budget	(3) 2021/22 Original Budget	(4) Budget Reprofiles to and from 2022/23 and Future Years	(5) 2021/22 Current Budget	(6) 2021/22 Spend to Date	(7) Anticipate d Completi on Date (C) / Approval Report(D)/ P.I.D.(P)	(8) 2021/22 Anticipated (Underspend) /Overspend (Council Resources)	(9) COMMENTS AND PROGRESS	(10) Status
1 Digital Programme - Revenues and Benefits Licence and set up	176,230	151,050	-	151,050	50,000	Mar 22 14/12/20 (EM)	76,850	<p>The migration of the Revenues and Benefits systems for Adur and Worthing from the Town Hall Data centre to a cloud environment hosted by the supplier (Capita) was approved as part of the 2021/22 Digital Programme.</p> <p>The project has taken longer due to the extensive amount of testing required to ensure a seamless transition and continuity of service for Council Tax, Business Rates and Housing Benefits. Additional partnership resources of £145,000 are required to cover the extended testing period of the system going live in the new cloud hosted service at the end of November 2021. The original target date was end of August 2021.</p>	<p>Progress Beyond Council's Control</p> <p>£ Schemes with financial issues</p> <p>▲ Scheme Progress Improved</p> <p>▼ Scheme Progress Deteriorated</p> <p>£</p>

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
SCHEME (Responsible Officer)	Total ADC Scheme Budget	2021/22 Original Budget	Budget Reprofiles to and from 2022/23 and Future Years	2021/22 Current Budget	2021/22 Spend to Date	Anticipate d Completi on Date (C) / Approval Report(D)/ P.I.D.(P)	2021/22 Anticipated (Underspend) /Overspend (Council Resources)	COMMENTS AND PROGRESS	Status
	£	£	£	£	£		£	<input checked="" type="checkbox"/> Progress Beyond Council's Control £ Schemes with financial issues ▲ Scheme Progress Improved ▼ Scheme Progress Deteriorated	
2 Lancing Manor Leisure Centre Car Park - Vehicle access reconstruction at main entrance and vehicle restriction barriers to the grounds and car park	39,200	-	-	39,200	-	Mar 22 6.8.2021 (P)	45,000	Following recent incursions on to the site, the 2022/23 budget of £39,200 has been brought forward to expedite the works to prevent further access breaches. Additional budget of £45,000 requested in order to include bundings to fully protect the site from incursions.	£
3 Land Drainage - Realignment of the ditch and stabilization of banks in the vicinity of Larkfield playing field, lancing	22,400	22,400	-	22,400	-	Mar 22 10.5.2021 (P)	32,600	Tenders have been received for £49,000 and with ancillary costs and officers professional fees an overspend of £32,600 is anticipated. Additional funding has been requested from underspends in the 2021/22 Capital Investment Programme.	£
TOTAL:	237,830	-	-	212,650	50,000.00		154,450		

RESPONSIBLE OFFICERS:

Martyn Payne
Julia Darnell

Senior Engineer
ICT and Digital Services Manager

CAPITAL MONITORING SUMMARY 2021/22
2nd Quarter

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Executive Portfolios	Total WBC Scheme Budgets	Previous Years' Spend	2021/22 Original Budget	Net Budget b/f from 2020/21	Approved Changes to Original Budget	2021/22 Budget Reprofiled to and (from) 2022/23	2021/22 Current Budget	2021/22 Spend to Date	Spend % of Current Budget
	£	£	£	£	£	£	£	£	
Customer Services	17,888,380	6,469,590	7,054,830	187,470	(925,650)	(2,181,920)	4,134,730	2,739,595	66.26%
Digital and Environment Services	12,861,760	1,106,520	5,102,250	1,473,870	230,720	(2,732,550)	4,074,290	901,068	22.12%
Health and Wellbeing	492,070	-	140,000	10,070	-	(8,000)	142,070	41,283	29.06%
Regeneration	65,717,700	8,203,400	7,283,350	648,270	23,971,060	(1,678,000)	30,224,680	11,712,640	38.75%
Resources	132,677,210	84,594,130	50,952,390	(3,969,680)	(165,590)	(33,325,210)	13,491,910	325,221	2.41%
TOTALS	229,637,120	100,373,640	70,532,820	(1,650,000)	23,110,540	(39,925,680)	52,067,680	15,719,807	30.19%

Financing of 2021/22 Programme:

	£'000
Borrowing:	44899
Capital Receipts:	184
Revenue Contributions and Reserves:	443
Government Grants:	1306
S106 Receipts	968
Other Contributions:	4,267
	<u>52,067</u>

Capital Monitoring - Summary of Progress:

Schemes with significant challenges:	1
Schemes where progress is being closely monitored:	33
Schemes which are progressing satisfactorily or have completed:	67
Total Schemes:	<u>101</u>

(1) SCHEME (Responsible Officer)	(2) Total WBC Scheme Budget £	(3) Previous Years' Spend £	(4) 2021/22 Original Budget £	(5) Budget Reprofiles to and from 2022/23 and Future Years £	(6) 2021/22 Current Budget £	(7) 2021/22 Spend to Date £	(8) Anticipated Completion Date (C) / Approval Report(D)/ P.I.D.(P)	(9) 2021/22 Anticipated (Underspend) /Overspend (Council Resources) £	(10) COMMENTS AND PROGRESS ☐ Progress Beyond Council's Control £ Schemes with financial issues ▲ Scheme Progress Improved ▼ Scheme Progress Deteriorated	(11) Status
Digital Programme 1 Revenues and Benefits Licence and set up	176,230	-	151,050	-	151,050	50,000	Mar-22 14/12/20 (EM)	76,850	The migration of the Revenues and Benefits systems for Adur and Worthing from the Town Hall Data centre to a cloud environment hosted by the supplier (Capita) was approved as part of the 2021/22 Digital Programme. The project has taken longer due to the extensive amount of testing required to ensure a seamless transition and continuity of service for Council Tax, Business Rates and Housing Benefits. Additional partnership resources of £145,000 are required to cover the extended testing period of the system going live in the new cloud hosted service at the end of November 2021. The original target date was end of August 2021.	£
TOTAL:	176,230	-	151,050	-	151,050	50,000.00		76,850		

RESPONSIBLE OFFICERS: Julia Darnell ICT and Digital Services Manager



ADUR DISTRICT COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Adur Homes Capital Investment Programme	90,000 428,000	Fire Safety Works : Sheltered Accommodation - Replacement of community alarm communication / alert systems. Works have commenced but there has been a delay in the delivery of materials from the manufacturer due to Brexit and Covid 19, which will result in the last 2 schemes being installed in 2022/23. HRA Development Programme Contingency / Purchase of Properties. One property has been purchased in 2021/22. Remaining budget reprofiled to 2022/23.
Affordable Housing Programme 2021/22 - Unallocated budget	2,069,800	One grant for £720,000 has been approved to the Hyde Group for the provision of 14 rented units. Remaining budget reprofiled to 2022/23 due to likely lead in times for any further grants identified.
Buckingham Park - Contribution to a replacement pavilion	172,000	The Joint Strategic Committee has agreed in principle £150,000 S106 receipts and £38,800 capital resources to be used as match funding to help secure funding towards replacement of the pavilion at Buckingham Park. The Rugby Club have revised the designs for the new pavilion but external funding is still required and being sought. Significant repairs have now been identified from a recent condition survey and the management of all the buildings in the Park are now being considered.
Coast Protection Works - Shoreham Western Harbour Arm	2,193,030	Officers are currently looking at the most cost effective drainage solution to incorporate into the new flood wall. This piece of work is required to mitigate against any potential build up of drainage and surface water forming on the northern side of the flood wall and to identify if there will be any impacts on the adjoining land. Tendering will follow the design solution with work anticipated 2022/23.
Disability Discrimination Act Improvements to Council Buildings	13,780	Access audits to be undertaken to identify works to be undertaken in 2022/23.



ADUR DISTRICT
COUNCIL

ADUR DISTRICT COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Eastbrook Community Centre - Provision of Multi Use Games Area and building fabric repairs	191,000	Awaiting agreement of lease with the new tenants and their use of the building and external areas. The proposed tenant has changed from when the original PID was submitted. The original PID included the provision of a new Multi Games Area and improvements to the fabric of the building, but before the works can proceed Officers need to understand how the new tenant intends to use the space and whether they are able to bid for external funding. Meetings have been held with the tenants and some building works have been identified and specification are being considered.
Foreshore Management - Kingston Beach Area Improvements	20,000	Environmental improvements in the Kingston Beach Area are to be undertaken following the completion of coast protection works in the area. Budget profiled to future years.
Adur Town Centre Public Space Improvements	10,000	Sompting Public Space Improvements Phase 2 (signs). The scheme has been delayed by WSCC licensing and the works are likely to be undertaken in 2022/23.
Housing - Empty property grants and loans to bring properties back into use.	42,000	A list of all the empty properties in Adur and Worthing has been compiled which advises if any properties require grants or loans. No properties have been identified in 2021/22. Budget reprofiled to 2022/23 and 2023/24.
Housing Development (General Fund) - Acquisition and development of emergency and temporary accommodation for the homeless	2,142,470 200,000	i) The Council is actively reviewing options to acquire land with Adur for the development of temporary and emergency accommodation and the unallocated budget has been reprofiled due to likely timescales. ii) Albion Street - Refurbishment of 2 semi-detached houses. The contract has been let and start on site commenced October 2021 with completion due June 2022.
Information and Technology - Digital Strategy (Partnership Scheme with Worthing Borough Council)	-15,870	Budget b/f from 2022/23 to fund the following projects in 2021/22: i) CRM System ii) Cloud Development
Leisure Centres - DDA accessible entrance doors for Southwick Leisure Centre, Lancing Manor Leisure Centre and Wadurs Swimming Pool	33,600	Specifications being compiled prior to works commencing in the Spring.

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

Scheme	Reprofiled Budgets	Reason
Lancing Manor Leisure Centre Car Park - Vehicle access reconstruction of main entrance and vehicle restriction barriers to the grounds and car park	-39,200	Following recent incursions on to the site, the 2022/23 budget of £39,200 has been brought forward to 2021/22 to expedite the works to prevent further access breaches.
Shoreham Harbour Projects (Externally funded by the Central Government Growth Point Programme)	75,000	The Shoreham Harbour Project Board have approved the following contribution for 2021/22. Remaining budget reprofiled to 2022/23: i) £70,000 towards green infrastructure projects in the Shoreham Harbour area.
Public Conveniences - Refurbishments	10,000	Sites identified for works in 2022/23.
Carbon Reduction Schemes General Provision (Invest to Save Scheme)	352,210	The Council has secured external funding from the Public Sector Decarbonisation Fund which requires Council match funding rather than Invest to Save funding. Budget reprofiled.
Strategic Property Investments - Investments in property for regeneration or service delivery	41,488,420	Officers are actively looking for properties to purchase but there are few suitable properties available at the current time.
Total Reprofiled Budgets:	49,476,240	



WORTHING BOROUGH
COUNCIL

WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Affordable Housing (Partnership Schemes with Registered Social Landlords) Unallocated Budget	906,000	The Council has not received any requests from Registered Social Landlords for grants in 2021/22. Budget reprofiled to 2021/22 due to likely timescales for any grants requested.
Acquisition and development of emergency, interim or temporary accommodation for the homeless (Invest to Save Scheme)	1,101,520	Unallocated budget c/f to 2022/23 for use in future projects.
Assembly Hall - Refurbishment of public convenience	151,400	Scheme reprofiled to 2022/23 to enable scope and costs of scheme to be reviewed in line with available funding.
Broadwater Parish Rooms - Replacement of electrics and heating system	-32,000	Budget has been b/f from 2022/23 to enable fire safety issues with the electrics to be addressed.
Brooklands Park Redevelopment	2,000,000	The scheme is out to tender and works are anticipated to commence between December 2020 and January 2021 and likely to be on site for 12 months. Budget profiled in line with anticipated expenditure.
MSCPs - Replacement of High Street and Buckingham Road payment equipment and entry / exit barriers with automatic number plate recognition	98,000	Only end of life equipment to be replaced in 2021/22. New PID submitted and remaining budget c/f to 2022/23 to replace all equipment in 2023/24.
Buckingham Road MSCP - Refurbishment	1,200,000	Evaluation of tenders is currently underway and the contract is due to be awarded in December. Work is estimated to begin in January 2022 with a target completion date of July 2022. Budget profiled in line with anticipated expenditure.
Disability Discrimination Act Improvements - Rolling programme	40,000	Works at Durrington Cemetery Public Conveniences under consideration for works in 2022/23.
Durrington Cemetery Improvements i) Lighting, hearing loop upgrades and a music system ii) Catafalque	92,400	Structural issues need to be addressed before these works can proceed. Budget reprofiled to enable scope of internal works to be considered.
Beach Office - Adaptation to include a Visitor Information Centre	30,000	Budget profiled in line with anticipated expenditure.



WORTHING BOROUGH
COUNCIL

WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Foreshore - Purchase and installation of new beach huts	200,000	Planning approval to be submitted for 8 new huts for installation in 2021/22. Other sites are being considered but due to lead in times the budget has been reprofiled to 2022/23.
Housing - Empty Property Grants to bring empty houses back into use	23,000	One grant to a landlord in progress in 2021/22. One further grant being processed. Remaining budget reprofiled to 2022/23 for future grants or loans that may arise.
Information and Technology - Digital Strategy (Partnership Scheme with Worthing Borough Council)	-42,770	Budget b/f from 2022/23 to fund the following projects in 2021/22: i) CRM System ii) Cloud Development
Properties - Montague Street Site Essential Repairs	248,210	Internal works to rectify the water damage have been delayed by a change in the managing agents and the Council is awaiting instructions to progress if necessary. There may also be other works still to be specified. Budget reprofiled to 2022/23 due to procurement and tendering timescales.
Match Funding - Contribution towards public conveniences as part of Broadwater Green Pavilion refurbishment	89,600	Contribution to Broadwater Cricket Club to be used as match funding for a total refurbishment of the pavilion including the refurbishment of the public toilet block. Timescales for works dependent on successful funding bids. Meetings are currently in progress.
Public Conveniences - Rolling programme of upgrades and improvements	230,000	Sites have been identified for works in 2022/23. Budget reprofiled in line with anticipated expenditure.
Match Funding - Contribution towards Church House Ground Pavilion Refurbishment	150,000	Contribution to Bowls Club to be used as match funding for a total refurbishment of the pavilion including the refurbishment of the public toilet block. Timescales for works dependent on successful funding bids.
Match Funding - Hillbarn / Rotary Recreation Ground contribution to new changing rooms / building	13,320	Contribution to Chippendale Cricket Club dependent on external funding bids.



WORTHING BOROUGH
COUNCIL

WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Carbon Reduction Schemes - Invest to Save Provision	509,020	The Carbon Neutral Plan has been finalised and includes recommendations on programmes and areas of focus for carbon reduction projects. Budget has been profiled in line with anticipated timescales for tendering and procurement of schemes.
Splashpoint Leisure Centre - Ground Source Heat Pumps	200,000	Works to be undertaken in 2022/23. Additional funding sources being explored.
Strategic Property Investments - Investments in property for regeneration or to increase service provision	32,567,980	Officers are actively looking for properties to purchase but there are few suitable properties available at the current time. Budget reprofiled.
Worthing Town Centre - Enhancements of public spaces and the improvement of facilities within the Town Centre, including secondary shopping areas	-50,000	Budget of £50,000 has been brought forward from 2022/23 to fund works in 2021/22.
Worthing Coast Protection Scheme	200,000	A revised approach to the scheme delivery has been agreed and the Council's contribution has been reduced to £200,000 reprofiled in 2023/24.
Total Reprofiled Budgets:	39,925,680	

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ADUR & WORTHING
COUNCILS

Joint Strategic Committee
7th December 2021

Joint Overview and Scrutiny Committee
25th November 2021

Key Decision [Yes/No]
Ward(s) Affected: All

Towards a sustainable financial position - Budget development update

Report by the Director for Digital, Sustainability & Resources

Officer Contact Details:-

Sarah Gobey, Chief Financial Officer
(01903) 221221
sarah.gobey@adur-worthing.gov.uk

Executive Summary

1. Purpose

1.1 This report provides members with a progress report on the delivery of our financial strategy for 2022/23, along with details of the proposals that will help deliver a balanced budget for the next financial year and beyond

1.2 The report outlines the medium term financial challenge through to 2026/27 and updates members, where possible, on government funding proposals.

1.3 Contained within this report are specific budget proposals to increase income, to deliver efficiency, and other savings initiatives for 2022/23. Members are asked to support these savings proposals.

1.4 The following appendices have been attached to this report:

- (i) **Appendix 1** (a) 5 year forecast for Adur District Council
(b) 5 year forecast for Worthing Borough Council
- (ii) **Appendix 2** Committed growth items
- (iii) **Appendix 3** Summary of savings proposals

2. Recommendations

2.1 The Joint Overview and Scrutiny Committee is asked to consider the report and make comment on the savings proposals to the Joint Strategic Committee.

2.2 The Joint Strategic Committee is recommended to:

- (i) Note the current 5 year forecasts at appendix 1;
- (ii) Note the committed growth items as set out in appendix 2;
- (iii) Approve the proposed savings as set out in appendix 3;

3. Context

3.1 The Joint Strategic Committee considered the outline 5-year forecast for 2022/23 to 2026/27 and the Budget Strategy on 7th July 2021, which was subsequently adopted by each full Council. At this stage in the budget cycle, the report identified the following cumulative shortfalls in funding for the respective General Funds:

	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000
Adur	(22)	1,026	1,184	1,537	1,877
Worthing	1,154	2,836	3,720	4,465	5,162

3.2 The report built on the previous strategies whose aim was to ensure that the Councils would become community funded by 2020 reliant, by then, only on income from trading and commercial activities, council tax income and business rate income.

3.3 With this strategy in mind, the Councils have set-up several strategic programmes which are responsible for taking forward key initiatives aimed at delivering savings for the future:

1. The Major Projects programme leads on delivering regeneration projects to increase employment space and additional housing;
2. The Service Redesign programme leads on the delivery of service redesign and the digital strategy and ensures that the benefits are realised from this programme of work;
3. The Strategic Asset Management programme will lead on delivering the income growth associated with the Strategic Property Fund and any proposed new developments; and
4. The Commercial programme is developing initiatives for income growth from commercial services and seeks to improve the customer experience.
5. The Affordable Homes Working Group leads on initiatives to improve the supply of affordable homes and to reduce the cost of temporary and emergency accommodation.
6. The Corporate Landlord programme which seeks to rationalise accommodation use and generate capital receipts from the sale of surplus assets and thereby reducing the costs associated with funding priority projects identified in Platforms for our Place: Going Further.

3.4 As part of the budget strategy, these programmes were set explicit targets for the delivery of the 2022/23 budget as follows:

	Adur £'000	Worthing £'000	Total £'000
Strategic Property Investment Programme	100	100	200
Commercial Programme	150	450	600
Service and Digital redesign programme	80	120	200
Corporate Landlord Programme	100	105	205
	430	775	1,205

The overall success in delivering the savings targets are detailed at appendix 3.

3.5 The forecast has also been updated by information captured on financial planning returns that provide a link between service planning and financial planning. The guidance was circulated to, and completed by, the Service Managers during the summer, and have been used to identify potential additional savings and committed growth items.

- 3.6 Individual savings proposals are subject to consultation with officers of the Council, Executive members, and the members of the Joint Overview and Scrutiny Committee prior to approval by the Councils of the overall budget in February.
- 3.7 This report represents the stage of the budgetary forecasting process whereby the Joint Overview and Scrutiny Committee are asked to consider and comment upon the progress in balancing the Worthing Borough Council budget before the Joint Strategic Committee consider and agree proposals for the savings identified to date. Members of the Committee should be aware that at the time of writing some of the savings were still being verified and so the saving for each Council as a result of the options presented may change marginally. The minutes of the Joint Overview and Scrutiny Committee will be available for members of the JSC at the meeting.
- 3.8 The Comprehensive Settlement was announced as part of the Chancellor's Budget speech on 27th October 2021. The budget was the most significant in fiscal terms since George Osborne's budget in 2008. The budget signalled a change, with significant increases to both public spending and taxation. With respect to Local Government, key features of the announcement included:
- Core Spending Power (the combination of government grant, business rates and council tax) for local authorities is estimated to increase by an average of 3% in real terms each year, including investment in Adult Social Care reform.
 - The Government will provide around £1.6 billion additional funding each year of the Spending Review, including increased funding for Supporting Families and for improving Cyber security.
 - Local Government can also expect to receive additional income in 2024-25 from the Extended Producer Responsibility scheme, for managing packaging waste in the final year of the Spending Review.
 - The Government has also committed to provide funding to implement free, separate food waste collections in every English local authority from 2025, supporting the near elimination of biodegradable municipal waste to landfill by 2028.
 - The referendum threshold will be set at 2% per annum for Council Tax, with additional flexibility for social care authorities to be able to increase the Adult Social Care Precept by 1% per annum.

As ever with Government announcements, the implications at a local level are not yet known which will only become clear once Local Government Finance Settlement has been received.

3.9 There will be a further report after Christmas which will detail the local government settlement, the final proposed budgets for the year, any further savings identified, requests for investment into services and the amount to be drawn from reserves, if any. The proposed Council Tax increase for 2022/23 is scheduled to be considered by the respective Cabinets on 1st February 2022 (Adur District Council) and 31st January 2022 (Worthing Borough Council).

4. Update of the 5-year Forecast

4.1 The updated forecast for the General Fund for both Councils is attached at Appendix 1. This has been revised in the light of latest information from Government, interest rates, and unavoidable service growth, offset by compensatory savings. This overall forecast will continue to change in the coming months as the detailed work on the budget progresses and once the details of the settlement to Local Government is known. As a result, the overall position will inevitably change over the next two months.

4.2 The likely shortfall in resources necessary to balance the budget over the five years, before consideration of any savings or growth proposals is now in the region of:

	2022/23	2023/24	2024/25	2025/26	2026/27
Adur	£'000	£'000	£'000	£'000	£'000
July Forecast	(22)	1,026	1,184	1,537	1,877
November Forecast	155	1,202	1,371	1,725	2,066
Reduction (-) / increase (+)	177	176	187	188	189

	2022/23	2023/24	2024/25	2025/26	2026/27
Worthing	£'000	£'000	£'000	£'000	£'000
July Forecast	1,154	2,836	3,720	4,465	5,162
November Forecast	1,190	3,039	3,782	4,527	5,227

Reduction (-) / increase (+)	36	203	62	62	65
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The main changes to the forecast for 2022/23 are summarised in the table below:

Changes in Budgetary Shortfall/Savings since report to Joint Strategic Committee on 13th July 2021		
	Adur	Worthing
	£'000	£'000
Original 2022/23 budget shortfall	(22)	1,154
<i>Changes to income from grants and taxation:</i>		
(a) Improvements to the income from Council Tax	-80	-83
(b) Impact of current forecast Council Tax Collection Fund deficit / surplus (-)	6	58
(c) Improvement to business rate forecast	-29	-27
(d) Increased government income to compensate for increase to National Insurance costs - continuation of lower tier grant.	-75	-203
<i>Other changes:</i>		
(e) Increase in the use of the temporary and emergency accommodation	150	-
(f) Impact of 1.25% National Insurance payments	138	202
(g) Reprofiling of capital programme	-	-50
(h) Impact of 2021/22 pay award and regradings	24	37
(i) Net committed growth items identified by Service Heads (See Appendix 2)	113	192
(j) Removal of contingency budget for committed growth	-70	-90
Revised Budget Shortfall	155	1,190
(k) Potential savings identified to date (Appendix 3)	-168	-1,136
Resources in hand (-) / current shortfall	-13	54

4.3 Explanations of the movements shown in the table above are as follows:

(a) Council Tax base for 2022/23:

Following the completion of the Council Tax Base return (CTB1) for each Council, the Council Tax Base calculation has now been revisited. Both Council Tax bases have improved from the forecast in July. This is largely due to a lower level of Council Tax Support than originally forecast.

(b) Collection fund deficit:

The Councils' Collection Funds for Council Tax are expected to be in deficit at the end of 2021/22. This is due to changes in the year end position. The continued pandemic affected the ability of the Councils to undertake debt enforcement activity leading to large increases in the bad debt provision at the year end. In parallel, the number of residents claiming Council Tax Support continued to climb during the previous year. However, the in-year position for both Council is expected to be an overall surplus due to three distinct factors:

- An in-year decrease in the level of council tax discounts and support awarded during the year.
- Offset by an increasing number of single person discounts.

Due to the pandemic, the government changed the regulations in 2020/21 to allow any in-year deficits relating to 2020/21 to be recovered over a three year period (2021/22 - 2023/24). Consequently, the current losses will be recovered as follows:

	Adur	Worthing
	£'000	£'000
Changes to year end position	730	1,108
In-year surplus	-193	-75
Deficit expected by 31 st March 2022	537	1,033
Council share of deficit / surplus (-):		
2022/23	44	89
2023/24	38	40

However, the deficits must be viewed in the context of the significant amount of tax collected by both Councils. Adur District Council collects £43.7m and Worthing Borough Council collects £77.2m per year.

(c) Changes to the business rate forecasts:

- Business Rate deficits:

The Collection Fund for Business Rates for both Councils was in deficit at the year end.

This was largely due to the level of additional Covid reliefs awarded during 2020/21. The Councils were reimbursed for the impact of these reliefs last year, consequently, there is an inherent timing difference between when the Councils receive the grant and when they fund the consequences of the lost income. To address this issue, both Councils have created a business rate smoothing reserve which held the following amounts as at 31st March 2021:

- Adur - £3,769,000
- Worthing - £6,985,000

In addition to the business rate smoothing reserve, both Councils received compensation for lost income last year that was attributable to the pandemic. This funding has been set aside to help the Councils manage the impact of the deficits in later years (Adur £116,000 and Worthing £703,000).

The Chancellor again announced further Covid support to business for 2021/22. These additional reliefs will result in another year end deficit. As with previous financial years, any in-year surplus will be set aside to support the impact of any timing differences and address future year deficits.

In common with the Covid arrangements for the 2020/21 Council Tax deficit, an element 2020/21 deficit will be recovered over a three year period:

	Adur	Worthing
	£'000	£'000
Expected deficit as at 31 st March 2022	1,580	9,051
Council share of deficit:		
2022/23	632	3,364
2023/24	131	256
Total deficit to be funded	763	3,620

As far as possible the deficits will be funded from the resources set aside to fund them. However, members should be aware that in Worthing in particular the reserves may not be sufficient to fund the 2023/24 losses which may add to the financial pressures.

- Business rate income for 2022/23:

Both Councils are currently expecting a minor improvement in business income. The expected income will be fully reviewed as part of the development of the final budget.

(d) Government funding

Alongside the announcement of the 1.25% increase to national insurance, the government made a commitment to fund the impact of this increase for all large scale public bodies. The recent government budget announcements have indicated that Local Government funding overall will increase by £4.8bn over the next 3 years (£1.6bn in each year) and it has been confirmed that this includes the additional funding to meet this commitment.

However, it is not yet known how this will translate into the funding for each Council, and the Councils will not have certainty until Local Government Finance Settlement (Settlement) later in the year. It is now assumed that the lower tier grant will continue in 2022/23 and beyond at the current level.

Any additional government funding that the Council's receive as part of settlement should be set aside to manage the emerging risks in housing and associated with income.

(e) Increase in the costs associated with temporary and emergency accommodation

Throughout the current year, Adur District Council in particular has seen a significant upswing in the costs associated with homelessness. Initially as a result of the increasing demand for the service during the year during the pandemic and, more recently, the moratorium on evictions has ended leading to further pressure on the service.

This will be reviewed again as part of the final budget to ensure that the level of funding allocated to the service remains at an appropriate level.

(f) Increase in national insurance contributions.

_____ Earlier this year the Government announced an increase to national insurance payments of 1.25% which will be set aside to fund improvements in health and social care.

(g) Capital Financing Costs

The cost of financing the capital programme has been recently reassessed following the most recent monitoring report. Re-profiling of some schemes into future years together with a reduction in interest rates will reduce the expected cost of financing. The cost of financing the capital programme will be reassessed again in December.

(h) Review of salary cost pressures

_____ Review of the impact of regradings, pension costs and anticipated salary costs has resulted in a minor adjustment for the cost pressures associated with the establishment.

(i) Net Committed Growth Items Identified by Service Heads:

This is the sum total of financial effects identified via the Service Pro-formas. A full breakdown of the items identified is included within Appendix 2.

(j) Removal of contingency budget.

The outline forecast allows for some resources for unidentified items at an earlier stage in the budget development, this can now be removed.

(k) Savings Identified by Service Heads:

This is the sum total of the savings proposals identified via the Service pro-formas. A full breakdown of the items identified is included within Appendix 3.

5. Future Strands Of Work

5.1 There are a number of strands of financial work still to be completed which will influence the final 2022/23 budget as follows:

(a) Settlement - Revenue support grant and New Homes Bonus:

The Local Government Finance Settlement is unlikely to be announced until late December. Consequently, the Council will not have final confirmation of the amount of grant that it will receive until late December or early January.

Any New Homes Bonus for 2022/23 will be confirmed as part of settlement.

(b) Business Rate Retention Scheme:

A full reassessment of the business rate income will be made later in the year when a better estimate of the impact of the appeals and likely level of income can be made.

(c) Council Tax income:

The Councils will need to consider what level increase is to be made to Council Tax. The current forecast assumes a 2.0% increase for 2022/23. This is equivalent to an average (Band C) **annual** increase in the Councils' part of the Council Tax bill of £5.54 for a property in Adur District Council and £4.40 for a property in Worthing Borough Council.

The recent Budget speech indicated that the referendum threshold will be set at 2% per annum for Council Tax, with additional flexibility for social care authorities to be able to increase the Adult Social Care Precept by 1% per annum. A final decision on Council Tax referendum thresholds will be confirmed at the provisional Local Government Finance Settlement.

The decision on the level of Council Tax increase will depend on a number of factors which will not be confirmed until later in the year:

- i) The outcome of the Local Government Finance settlement
- ii) Any new cost pressures or savings arising
- iii) The need to reinvest back into services

5.2 A full update on these issues will be included in the January report.

6. Saving Proposals

6.1 The proposed detailed savings for 2022/23 are attached at Appendix 3 for consideration. The total saving proposals identified are:

	2022/23	2023/24	2024/25	2025/26	2026/7
Adur	£'000	£'000	£'000	£'000	£'000
Budget shortfall (as per appendix 1)	155	1,202	1,371	1,725	2,066
Savings identified to date	-168	-528	-888	-1,288	-1,618
Revised budget shortfall / Surplus (-)	-13	674	483	437	448

	2022/23	2023/24	2024/25	2025/26	2026/7
Worthing	£'000	£'000	£'000	£'000	£'000
Budget shortfall (as per appendix 1)	1,190	3,039	3,782	4,527	5,227
Savings identified to date	-1,136	-2,263	-3,038	-3,898	-4,758
Revised budget shortfall / Surplus (-)	54	776	744	629	469

6.2 This has been a successful savings exercise to date and the Councils are well positioned to set balanced budgets. The Councils have identified a significant amount of savings to meet the initial target; however Members should be aware that there is still some work to be completed which may impact on the final position.

6.3 Looking ahead to 2023/24 and beyond, the continuing financial pressure is not likely to ease especially if the fairer funding review is as significant as expected, however the proposed strategy will contribute significantly to meeting this challenge easing the burden on individual services as follows:

	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000
Cumulative Budget shortfall (Appendix 1)				
Adur	1,202	1,371	1,725	2,066
Worthing	3,039	3,782	4,527	5,227
Total savings to be identified	4,241	5,153	6,252	7,293
Less: Savings identified for 2022/23	-1,304	-1,304	-1,304	-1,304
Savings yet to be identified	2,937	3,849	4,948	5,989
Future savings initiatives:				
Strategic Property Investment Fund	-200	-400	-600	-800
Commercial Programme	-600	-1,200	-1,800	-2,400
Service Redesign Programme	-200	-400	-600	-800
Corporate Landlord Programme	-135	-270	-530	-720
Total savings initiatives identified to date	-1,135	-2,270	-3,530	-4,720
Further savings to be identified by Heads of Service	1,802	1,579	1,418	1,269
Annual savings to be identified by Heads of Service	1,802	-222	-161	-148

* The financial pressure in 2023/24 reflects the potential cost of the environment bill, the cost of funding major projects within Worthing Borough Council, the estimated impact of the fairer funding review and the impact of the reduction in New Homes Bonus.

6.4 Looking ahead to 2023/24, it is clear that the potential financial challenge is significant although much depends on the timing of the fairer funding review, the final extent of the impact and whether the new funding levels are phased in. That said, the Councils will need to initiate some new strands or work or build on existing work streams in preparation for

addressing the potential shortfall. To support the development of the future revenue budgets the following strands of work will be commissioned:

i) Alignment of the financial planning to the emerging new strategy:

The proposed budget reflects the current 'Platforms' strategy which is due to come to an end in 2022. Consequently the 2023/24 budget and its commitments should be reviewed in the light of the new strategy which will be developed over the coming months.

ii) A review of assets held:

The Councils hold a significant number of assets for the delivery of services and for community use. Many of these assets are in significant need of capital maintenance which the councils are struggling to fund despite having increased the size of the capital programme in recent years. The intention of the review is to reduce the number of such assets held whilst ensuring that the remaining assets held are fit for purpose with a fully developed asset management plan which identifies the maintenance requirements over the next 10 years. The Council may need to resource the review but hold the Business Development budget for this purpose.

ii) Addressing the cost of temporary and emergency accommodation:

The cost of providing homeless services is escalating due to demand-led pressures. In the 2021/22 budget, the net cost was £830,370 (8.7% of the overall net budget) in Adur and £2,053,490 or 14.2% of the overall net budget in Worthing. Consequently reducing the cost is becoming more critical. Measures to improve the supply of both affordable homes and temporary accommodations are detailed within the Affordable Homes delivery plan.

There are three strands of work to help address this issue:

i) Working on preventative measures via initiatives such as Proactive;

ii) Improving the supply of Council owned temporary and emergency accommodation. Currently the average cost per night of bed and breakfast or hotel accommodation is £38.00. Whereas, Council owned accommodation is estimated to cost around £14.00 per night.

- iii) Expanding the opening doors initiative to improve the supply of affordable private sector accommodation;
- iv) Looking to improve the supply of affordable accommodation either directly via the HRA or working partnership with Registered Social Landlords. There are a number of schemes being delivered locally which should improve the supply of lower cost tenure accommodation within both Adur and Worthing.

Whilst some of these initiatives are longer term in nature, they should support the delivery of a balanced budget for some time.

7. Other budget matters

7.1 Housing Revenue Account

A full report on the Housing Revenue Account and the recommended rent levels will be considered by the Adur Executive in February 2022. It is intended that any savings identified by the Service Heads outlined within this report and identified by the Head for Housing will be the subject of consultation with the Executive Member for Customer Services, the Adur Homes Management Board, which includes representation from the Adur Consultative Forum in the coming months.

8. Conclusion

- 8.1 The Councils continue to deal with the impact of changes to Government funding and the impact of the pandemic whilst building capacity in the budget to take forward the key priorities identified within Platform for our Places. There is no prospect of any easing of the financial pressure for the next few years. We await the local Government Settlement in late December and early January which will give the Councils certainty at least for 2022/23.
- 8.2 The Councils are in a fairly strong position to set a balanced budget with minimal use of reserves for 2022/23 depending on the outcome of the settlement. However, the Councils are currently managing significant level of financial risk arising from the pandemic and so the reserves should be earmarked to support the Councils risks over the forthcoming year.
- 8.3 The report to be presented to members after Christmas will bring together any last changes to the revenue budget, the impact of Comprehensive Spending Review, the final implications of settlement and the final forecast of business rate income.

9. Engagement and Communication

9.1 The Council previously undertook a full consultation exercise to establish public support for the current budget strategy.

9.2 Officers and members have been consulted on the development of the savings proposals contained within the report. The savings will be presented to the Joint Overview and Scrutiny Committee to gain comment on the proposals.

10. Financial Implications

10.1 The financial implications associated with the development of the budgets are detailed throughout the report.

11. Legal Implications

11.1 The Local Government Act 2003 requires that the Councils set a balanced budget. This report demonstrates how the Councils intend to meet that requirement for 2022/23.

11.2 The Secretary of State for Ministry of Housing Communities and Local Government has issued a direction under the Local Government Act 2003 sections 16(2)(b) and 20: treatment of costs as capital expenditure which gives local authorities the continued freedom to use capital receipts from the sale of their own assets (excluding Right to Buy receipts) to help fund the revenue costs of transformation projects and release savings.

Background Papers

Report to Adur District Council Executive 2nd February 2021 - Estimates 2021/22 and setting of 2021/22 Council Tax

Report to Worthing Borough Council Executive 1st February 2021 - Estimates 2021/22 and setting of 2021/22 Council Tax

Report to Joint Strategic Committee 13th July 2021 – Financial Performance 2020/21 - Revenue outturn.

Report to Joint Strategic Committee 13th July 2021 – Developing a revenue budget for 2022/23 at the time of a pandemic

Budget Statement 2021 – Report from HM Treasury and associated correspondence from DHLUHC

Report to Joint Strategic Committee 2nd December 2014 – Investing in New Technology: The Springboard to Excellent Customer Experience and Business Efficiency.

Report to the Joint Strategic Committee 3rd December 2019 – *Platforms for our Places - Going Further (2020-2022)* : Unlocking the Power of People, Communities and our Local Geographies

Statutory Guidance on the flexible use of capital receipts - Ministry of Housing Communities and Local Government

SUSTAINABILITY AND RISK ASSESSMENT

1. ECONOMIC

Matter considered and no issues identified

2. SOCIAL

2.1 Social Value

Matter considered and no issues identified

2.2 Equality Issues

These proposals have been developed with regard to the Equality Act 2010. No proposals contained within the proposals would require a detailed Equalities Impact Assessment.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified

2.4 Human Rights Issues

Matter considered and no issues identified

3. ENVIRONMENTAL

Matter considered and no issues identified

4. GOVERNANCE

Matter considered and no issues identified

ADUR DISTRICT COUNCIL
Revenue Budget Summary Statement 2021/22 - 2026/27

Net Spending to be Financed from Taxation	2021/22 Base	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000	£'000
Base budget	9,581	9,581	9,581	9,581	9,581	9,581
(a) Annual Inflation						
Estimated inflation		303	604	904	1,196	1,495
Impact of 2021/22 pay changes		10	10	10	10	10
Impact of new increase to national insurance (1.25%)		138	141	144	147	150
(b) One -off / non-recurring items						
Local Elections (held every other year - deferred in 2020/21 due to the pandemic)		(18)	-	(19)	-	(20)
(c) Impact of Covid 19 pandemic						
Delay to Fairer Funding Review - Homeless funding to continue for 2022/23		-	297	297	297	297
Final cost of new leisure contract		(205)	(223)	(322)	(322)	(322)
Removal of one-off budgets associated with specific grants:						
Council Tax Support payments		(111)	(111)	(111)	(111)	(111)
Covid 19 grant		(447)	(447)	(447)	(447)	(447)
(d) Impact of funding 'Platforms'						
Measures to reduce waste - Impact of the Environment bill		-	72	72	72	72
Bike share scheme		34	60	60	60	60
Heat Network		-	-	10	10	10
(e) Capital Programme and Treasury Management						
Capital programme financing costs		220	293	350	500	675
Impact of AW workspaces project		(106)	(106)	(106)	(106)	(106)
Investment income		-	(40)	(82)	(126)	(171)
(f) Other items						
Reduction in pension contributions						
Back Funded pension payment reduction		(52)	(52)	(52)	(52)	(52)
Reduction in pension contributions rate		(75)	(76)	(78)	(78)	(78)
Building maintenance		25	25	25	25	25
Impact of increasing demand on homelessness budgets		150	150	150	150	150
Allowance for committed growth items (See Appendix 2)		113	183	253	323	393
(g) Provision for new growth items		70	140	210	280	350
Total Cabinet Member Requirements	9,581	9,630	10,501	10,849	11,409	11,961

ADUR DISTRICT COUNCIL
Revenue Budget Summary Statement 2021/22 - 2026/27

Net Spending to be Financed from Taxation	2021/22 Base	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000	£'000
Total Cabinet Member Requirements B/fwd	9,581	9,630	10,501	10,849	11,409	11,961
Funding from taxation:						
Business rates						
Baseline funding	1,767	1,802	1,838	1,875	1,913	1,951
Add: Retained additional business rates	668	733	373	379	387	396
Add: Share of previous year's surplus / (deficit) net of use of reserves		-				
Total business rate income	2,435	2,535	2,211	2,254	2,300	2,347
Council Tax income	6,612	6,840	6,993	7,149	7,309	7,473
Other grants						
New homes bonus (2019/20)	10	10	-	-	-	-
New homes bonus (2021/22)	8	-	-	-	-	-
Total NHB	18	10	-	-	-	-
Lower Tier Services Grant	75	75	75	75	75	75
Local Tax Guarantee Scheme - Council Tax	63	59	59			
Covid 19 Funding - General Allocation	322					
Covid 19 Funding - Council Tax Support Grant	111					
Collection fund surplus/deficit (-)	(55)	(44)	(38)		-	-
Total other grants and contributions	534	100	96	75	75	75
Total Income from Grants and Taxation	9,581	9,475	9,300	9,478	9,684	9,895
AMOUNT REQUIRED TO BALANCE BUDGET	-	155	1,202	1,371	1,725	2,066

ADUR DISTRICT COUNCIL
Revenue Budget Summary Statement 2021/22 - 2026/27

	2021/22 Base	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000	£'000
AMOUNT REQUIRED TO BALANCE BUDGET		155	1,202	1,371	1,725	2,066
Savings strategy:						
Strategic Property Investment Fund						
Future developments			200	400	600	800
Increase to provision for future voids and maintenance.		(100)	(200)	(300)	(400)	(500)
Commercial and Customer Activities		64	214	364	514	664
Service and Digital redesign		2	82	162	242	322
Corporate Landlord Programme		100	130	160	230	230
Other efficiency savings (net of growth)		102	102	102	102	102
Total initiatives identified		168	528	888	1,288	1,618
Cumulative savings still to be found/ (surplus)		(13)	674	483	437	448
Annual savings still to be found		(13)	687	(191)	(46)	11
Council Tax increase		2.00%	2.00%	2.00%	2.00%	2.00%
Annual increase (Band D property)		£6.23	£6.35	£6.48	£6.61	£6.74
Weekly increase (Band D property)		£0.12	£0.12	£0.12	£0.13	£0.13
Average annual increase (Band C property)		£5.54	£5.64	£5.76	£5.88	£5.99
Average weekly increase (Band C property)		£0.11	£0.11	£0.11	£0.11	£0.12

WORTHING BOROUGH COUNCIL						
Revenue Budget Summary Statement 2021/22 - 2026/27						
Net Spending to be Financed from Taxation	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Base					
	£'000	£'000	£'000	£'000	£'000	£'000
Base budget	14,448	14,448	14,448	14,448	14,448	14,448
(a) Annual Inflation						
Estimated inflation		484	965	1,444	1,914	2,393
Impact of 2021/22 pay changes		15	15	15	15	15
Impact of new increase to national insurance (1.25%)		202	206	210	214	218
(b) One -off / non-recurring items						
Local Elections (held every other year - deferred in 2020/21 due to the pandemic)		(50)	-	-	-	(50)
(c) Impact of Covid 19 pandemic						
Delay to Fairer Funding Review - Homeless funding in current form to continue for 2022/23		-	272	272	272	272
Final cost of support for leisure provision		(198)	(198)	(198)	(198)	(198)
Removal of one-off budgets associated with specific grants:						
Council Tax Support budget		(133)	(133)	(133)	(133)	(133)
Covid 19 general contingency budget		(647)	(647)	(647)	(647)	(647)
(d) Impact of funding 'Platforms'						
Measures to reduce waste - Impact of the Environment bill		-	128	128	128	128
Refurbishment of High Street Car Park - Financing costs		4	50	259	259	259
Refurbishment of Buckingham Road car park - Financing costs		132	132	132	132	132
Brooklands improvement programme - net costs		20	27	43	43	43
Bike share scheme		52	89	89	89	89
Heat Network		-	-	121	121	121
Lido superstructure repairs		80	80	80	80	80
General provision for future impact of major projects		-	-	284	484	684
(e) Capital Programme and Treasury Management						
Financing costs		109	518	602	899	1,218
Impact of AW workspaces project		(159)	(159)	(159)	(159)	(159)
Investment income		-	(48)	(115)	(201)	(309)

WORTHING BOROUGH COUNCIL
Revenue Budget Summary Statement 2021/22 - 2026/27

Net Spending to be Financed from Taxation	2021/22 Base	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000	£'000
(g) Other items						
Triennial pension valuation - Reduction in contributions		(132)	(186)	(189)	(189)	(189)
Building maintenance - to meet increased cost pressures		50	100	100	100	100
Allowance for committed growth items (see appendix 2)		192	282	372	462	552
Fall out of one-off Housing funding		120	120	120	120	120
Reduction in income associated with the recovery of housing benefit overpayments.		100	100	100	100	100
(h) Provision for new growth items		90	180	270	360	450
Total Cabinet Member Requirements	14,448	14,779	16,341	17,648	18,713	19,737
Funding from taxation:						
Business rates						
Baseline funding	2,693	2,747	2,802	2,858	2,915	2,973
Add: Net retained additional business rates	716	625	317	320	330	338
Add: Share of surplus /deficit (-) net of use of reserves	-	-	(256)	-	-	-
Total business rate income	3,409	3,372	2,863	3,178	3,245	3,311
Council Tax income	9,681	9,998	10,239	10,485	10,738	10,996
New homes bonus (2018/19 - 21/22)	222	-	-	-	-	-
New homes bonus (2019/20 - 22/23)	68	68	-	-	-	-
New homes bonus (2021/22)	118	-	-	-	-	-
<i>Total New Homes Bonus</i>	408	68	-	-	-	-
Lower Tier Services Grant	203	203	203	203	203	203
Local tax compensation scheme	55	37	37	-	-	-
Covid 19 Funding Allocation	550	-	-	-	-	-
Covid 19 Funding - Council Tax Support Grant	133	-	-	-	-	-
Collection fund surplus/deficit (-)	9	(89)	(40)	-	-	-
Total other grants and contributions	1,358	219	200	203	203	203
Total Income from Taxation	14,448	13,589	13,302	13,866	14,186	14,510
AMOUNT REQUIRED TO BALANCE BUDGET	-	1,190	3,039	3,782	4,527	5,227

WORTHING BOROUGH COUNCIL
Revenue Budget Summary Statement 2021/22 - 2026/27

	2021/22 Base	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000	£'000
AMOUNT REQUIRED TO BALANCE BUDGET		1,190	3,039	3,782	4,527	5,227
Savings / Initiatives identified to date:						
Strategic Property Investment Fund						
Future property developments		200	400	600	800	1,000
Provision for future voids and repairs		(100)	(200)	(300)	(400)	(500)
Wellbeing centre and car park		-	352	352	352	352
Commercial and Customer Activities		354	804	1,254	1,704	2,154
Service and Digital redesign programme		3	123	243	363	483
Corporate Landlord Programme		105	210	315	505	695
Other efficiency savings (net of growth)		574	574	574	574	574
Total savings initiatives identified to date		1,136	2,263	3,038	3,898	4,758
Cumulative savings still to be found/ (surplus)		54	776	744	629	469
Annual savings still to be found		54	722	(32)	(115)	(160)
Council Tax increase:		2.00%	2.00%	2.00%	2.00%	2.00%
Annual increase (Band D property)		£4.95	£5.05	£5.15	£5.25	£5.36
Weekly increase (Band D property)		£0.10	£0.10	£0.10	£0.10	£0.10
Average annual increase (Band C property)		£4.40	£4.49	£4.58	£4.67	£4.76
Average weekly increase (Band C property)		£0.08	£0.09	£0.09	£0.09	£0.09

Committed Growth for 2022/23

Appendix 2

Description	Details	2022/23		
		Joint (memo only)	Adur	Worthing
Committed Growth items:				
Allowance for increase in homeless caseload	Based on latest outturn forecast		-150,000	
Chief Executives revised salary	Approved at Council	-12,000	-6,000	-6,000
Market pressures on salary costs	Largely relates to HGV drivers but the Council is experiencing difficulties in recruitment in a number of areas.	-90,000	-32,400	-57,600
Withdrawal of funding for graffiti service by WSCC		-8,170	-2,940	-5,230
Agency Staff Costs - Waste and cleansing service	Based on latest analysis. Original intention had been to use cleansing staff to cover but this has not been a viable solution.	-100,000	-36,000	-64,000
A27 Traffic management costs and cleansing costs	Additional costs associated with cleaning alongside the A27.	-13,260	-4,770	-8,490
Reduction in clinical waste income due to increased disposal costs			-9,050	-15,820
Additional commercial waste team support officer	Supports the delivery of increased green and trade waste collections. The post will also assist in the delivery of ongoing efficiency savings.	-17,290	-6,220	-11,070
Legal case management system	Impact of moving to the Cloud	-30,700	-12,280	-18,420
Maintenance costs for audio visual equipment in Council public meeting rooms.		-9,000	-3,600	-5,400
Total growth proposals		-280,420	-263,260	-192,030
Less: Allowance for new committed growth items			70,000	90,000
Total committed growth identified net of provision			-193,260	-102,030

Savings proposals for 2022/23

Appendix 3

		2022/23		
Description	Details	Joint (memo only)	Adur	Worthing
		£	£	£
<u>Commercial income programme:</u>				
<u>Economy directorate</u>				
<i>Place and Economy</i>				
Delivery of new market in Worthing (similar to Shoreham Farmers)	Staffing, equipment and set up provided by Adur District Council. Income to be shared 60% to Adur (who provide the service) and 40% to Worthing.		9,000	6,000
Increase in off season concessions (and general increase in the number offered)				20,000
Rental uplifts	A series of place-based activities, linked to property, that will provide an uplift (e.g. filling of void kiosks on the seafront)			10,000
Open space hire for commercial and community events				5,000
Meanwhile use rental income	New opportunities at Grafton MSCP (Level 1) and Teville Gate presents a new income line associated with these pop up or meanwhile uses			10,000
<i>Parks</i>				
Charging rates to the beach hut users	Under current lease agreements rates can be charged to beach hut users. This is the practice within Adur but has not been implemented to date for Worthing customer. Whilst this would increase costs to the beach hut owners, most of them would be eligible to claim back small business rate relief and so would not be financially disadvantaged. The cost of the reliefs would be largely funded by central government.			46,730
Review of current agreements with sporting clubs (cost tbc)	The current lease arrangements and SLAs with sporting clubs are in the process of being reviewed. Where agreed, the sporting clubs are assuming responsibility for the utilities associated with their facilities as part of the new agreements.		10,000	40,000

Savings proposals for 2022/23

Appendix 3

Description	Details	2022/23		
		Joint (memo only)	Adur	Worthing
		£	£	£
Parks				
5% premium on beach huts fees for non-resident owners to contribute towards foreshore maintenance	Resident owners fund the maintenance of the foreshore and beaches through Council Tax. This premium is suggested so that non-resident owners contribute towards to these costs as well.		1,350	4,760
Construction of an additional 8 beach huts	Planning approval currently being sought.			6,390
<u>Communities Directorate</u>				
Increase in income from Environmental Information Regulations			400	600
Income from stray dogs		5,000	2,000	3,000
<u>Digital, sustainability and resources directorate</u>				
Customer Services				
Review of parking charges				
Review of tariffs across all sites				92,000
Increase in town centre worker deals following closure of town hall car park				20,000
Review of charge to SDLT following analysis of use.				20,000
Review of charging for waste		78,000	28,080	49,920
New NHS contract for disposal of clinical waste		9,500	3,420	6,080
Financial Services				
Provision of insurance services to another local authority	Will require investment in staffing levels (0.6 FTE at scale 6), however this will then provide a resilient service across 5 Councils (Adur, Worthing, Mid Sussex, Horsham and Crawley)	4,850	1,940	2,910
Legal Services				
Introduce new charging scheme for s106 agreements based on local Court rate			8,000	10,960
Total commercial income target		97,350	64,190	354,350

Savings proposals for 2022/23

Appendix 3

		2022/23		
Strategic Issue / Opportunity	Comments and Actions	Joint (memo only)	Adur	Worthing
<u>Service Redesign programme</u>				
<i>Financial Services / Human Resources</i>				
Implementation of new HR / Payroll system				
Salary saving	Full year impact of restructure in payroll following the implementation of the new HR / Payroll system	5,600	2,240	3,360
Total for Service Redesign Programme		5,600	2,240	3,360
<u>Corporate Landlord</u>				
Corporate Landlord	Rent reviews		30,000	70,000
	Disposal programme (Reduction in debt charges due to generation of capital receipts)		70,000	35,000
Total delivered via the corporate Landlord Programme			100,000	105,000
<i>Corporate initiatives:</i>				
Inflation management	Inflation management saving as recommended by LGA Peer Review	135,000	73,250	113,980
Sustainability initiatives				
New Solar Panels at a variety of locations in Adur and Worthing	Net energy savings		7,680	4,500
	Less: Debt charges		-3,630	
Other corporate initiatives			77,300	118,480

Savings proposals for 2022/23

Appendix 3

Description	Details	2022/23		
		Joint (memo only)	Adur	Worthing
Departmental savings				
<u>Communities Directorate</u>				
<i>Wellbeing</i>				
Review of community grants	Reduction in demand for small community grants		5,000	
	Eastbrook Manor Community Centre - new organisation now in occupation.		6,800	
	Health Living Centre			5,600
Review of miscellaneous budgets		14,140	5,660	8,480
<u>Digital, sustainability and resources directorate</u>				
<i>Financial Services</i>				
MRP review	Technical review of MRP calculations commissioned from Arlingclose. Reprofile of debt provision recommended.			390,000
Interest payments - net reduction	Recent borrowing undertaken from other Councils has reduced the expected cost of borrowing for 2022/23			29,020
Exchequer Services Salary Budget	Salary saving following flexible retirement of staff member	9,130	3,650	5,480
<i>Revenues and benefits</i>				
Review of software and services budget			3,370	11,300
<u>Economy Directorate</u>				
<i>Director</i>				
Reduction in Theatres pensions	Following recent staffing changes, the cost of the pensions chargeable to the Council has reduced.			5,200
Total Departmental Savings		23,270	24,480	455,080
Total savings identified		126,220	268,210	1,036,270

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ADUR & WORTHING
COUNCILS

Joint Strategic Committee
7 December 2021

Key Decision [Yes/No]

Ward(s) Affected: All

Investing in our Places - Capital Programme 2022/23 to 2024/25

Report by the Director for Digital, Sustainability and Resources

Officer Contact Details

Sarah Gobey, Chief Financial Officer, 01903 221221,
sarah.gobey@adur-worthing.gov.uk

Executive Summary

1. Purpose

- 1.1 This report recommends the investment programmes for both Councils which supports both the strategic ambitions of the Councils, and the vital regular investment toward the upkeep and improvement of our public assets.
- 1.2 For the past few years the Councils have approved a two year capital programme on a rolling basis. This time last year the Councils approved a two-year programme for 2021/22 to 2022/23. However in the light of the pandemic, it is now proposed to review the proposed programme for 2022/23 and only set an indicative programme for 2023/24 which will be reviewed next year in the light of the new Councils strategy which is due to be developed. Members are now asked to approve the new schemes for 2022/23. This report recommends:
 - the schemes for inclusion in the overall Capital Investment Programmes for 2022/23; and
 - an indicative list of schemes for 2023/24 which will be confirmed next year.
- 1.3 The report also informs the Joint Strategic Committee of the resources available for future capital investment, and updates Members about the financing of the proposed programmes.

2. Recommendations

2.1 The Joint Strategic Committee is recommended to:

(a) Consider the General Fund Capital Investment Programmes for 2022/23 and 2023/24 and confirm the schemes to be included as detailed in Appendix 2, 3 and 4;

(b) Recommend the full programme detailed at Appendices 5 and 6 for approval by the respective Councils on the 16th December 2021 (Adur) and 14th December 2021 (Worthing).

(c) Note the amendments and additions to the reserve lists as detailed in Appendices 7 and 8;

3. Context

3.1 The development of the capital programme is guided by the Capital Strategy which outlines the level of resources available and sets the framework for the approval and delivery of the programme. The Adur and Worthing Capital Strategy 2022 - 25 was updated and agreed by the Joint Strategic Committee (JSC) on 13th July 2021. The financial impact of the proposed Capital Investment Programme was set out in the outline 5 year forecast included in the “Developing a revenue budget for 2022/23 at the time of a pandemic” report which was agreed by JSC at the same meeting.

3.2 The Capital and Budget Strategies set out the following:

(a) A maximum level of funding available per year for the next 5 years to fund new General Fund schemes:

Adur District Council:	£1.5m (plus £5.6m in 2022/23 and 2023/24 for the Housing Investment Programme - excluding new developments which are considered separately on a self funded basis)
Worthing Borough Council:	£2.5m

- (b) The Budget Strategy highlighted concerns about affordability in the medium term. Members of both Councils were made aware that the number, age and condition of both Councils' assets continue to be a cause for concern. The funding of the programmes is to be comprised of prudential borrowing, capital grants, revenue/reserve funding and capital receipts.
- (c) Additional capital expenditure will only be agreed where additional funding from capital grants, contributions, earmarked receipts, approved additional prudential borrowing or use of reserves has been secured.

3.3 The Capital Strategy agreed in July 2021 confirmed the approach to setting the capital investment programme. The strategy confirmed the following resource allocations for 2022/23:

- £1,287,000 set aside for partnership schemes principally to fund the planned vehicle replacements.
- £100,000 for essential IT replacement .
- £225,000 to be set aside for essential capital maintenance schemes.
- £125,000 set aside for the delivery of the digital strategy. The Strategic Property Investment Fund to remain at £50m for each Council per year to support the delivery of the Budget Strategy capped at an overall investment amount of £150m per Council

3.4 As the July 2021 Capital Strategy explained, the top slicing of the capital programmes in each year to ensure funding for key strategic issues such as ICT and the other partnership programmes will mean that, of the overall resources available in 2022/23, only the following resources will remain for other schemes:

- **Adur District Council:** £804,000
- **Worthing Borough Council:** £1,459,000

4. Supporting the delivery of the Councils' priorities

4.1 Included within the proposed programmes for 2022/23 - 2023/24 are a number of programmes of work which will deliver the Councils priorities as set out in 'Platforms: Going Further'. The paragraphs below highlight those schemes which are of significant importance in delivering our priorities over the next three years.

4.2 Platform 1: **Prosperous Places**

- Gigabit - Extension to the Ultrafast Fibre Network which will include the roll out of free Citizen WiFi in the town centres. The Project budget is £3.7m, funded by grant and business rate pool funding of £1.93m, £0.3m CIL, and £1.5m from Council borrowing.

- Major Projects -
 - Worthing Integrated Care Centre (WICC) (Project costs - £33,971,000)
The scheme has now gained planning approval and a contractor has been procured. Construction is due to start soon with completion expected in Summer 2023.

 - Colonnade House (Project costs - £4,100,980)
The project is to redevelop and regenerate a series of buildings adjoining Colonnade House to support the town's growing creative community with some temporary accommodation provided above. The project design is being reviewed following the planning application refusal at the Planning Committee on 20 October and the application subsequently being withdrawn.

 - Car park refurbishment programme (Programme budget of £5,383,000).

As part of Worthing's economic regeneration programme, there continue to be changes to parking infrastructure in the short to medium term. In relation to council owned car parks these include:

- Construction of a new car park on the Town Hall site to provide parking to the new Integrated Care Centre and the town centre which forms part of the WICC project.

- The redevelopment of Grafton MSCP (which currently provides 450 spaces) with an indicative time-scale of 3 to 5 years. Additional parking spaces will be provided elsewhere in the Town Centre subject to emerging demand for spaces.

- Retention and refurbishment of Buckingham Road (288 spaces) and High Street (644 spaces) car parks at a cost of £5m.

Included in the proposals for 2022/23 is a further £120,000 for improvements to Grafton MSCP.

However to put this level of investment into some context, all of the main car parks generate significant annual profit which justifies the level of spend currently being incurred:

Net annual income	2022/23 budget
	£'000
Grafton MSCP	673
Buckingham MSCP	292
High Street MSCP	948
Total net income	1,913

- Sussex Yacht Club Flood Defences (Project budget £6m)
The land has been purchased and the yacht club relocated. In parallel the design for the new coastal defences is being finalised and the contract for works should be let early next year.

- Town Centre public space improvements (Adur £150,000, Worthing £3,147,000)
The programme supports a series of improvements, with recent work including upgrading Queensway in Lancing. The delivery of a new public realm in Worthing (£3.7m), starting with Portland Road early in the new year, includes a contribution of £697k from Coast to Capital LEP.

4.3 Platform 2: **Thriving People and Communities**

- New Homes programme for Adur Homes (Total project budgets of £33m)
One scheme has recently been completed for 15 homes. Contracts have been issued for the delivery of a further 49 homes at Albion Street and the contractor is on site with completion expected early in 2023. A programme for the delivery of 9 pipeline schemes has also recently been given approval at JSC.

The programme for new homes is being developed with development plans for both councils due imminently.

- Adur Homes capital investment programme (Programme budget for 2021/22 - 2024/25 £29,045,370)

The focus of the programme in the short term is on fire safety and health and safety. The condition survey will inform the priorities for the programme over the next three years.

- Temporary Accommodation programme

The Councils have embarked on a programme of sourcing or developing fit for purpose accommodation for homelessness clients.

Worthing Borough Council:

In 2020/21, phase 1 of Downview was completed with Phase 2, the construction of 9 purpose built homes, completed in 2021/22 with occupation expected shortly. The Rowlands Road project is also underway to delivery 19 homes with completion expected shortly.

Adur District Council: The two houses owned by the Council on Albion Street will be refurbished to provide 6 flats. Completion is expected in 2022/23.

- Parks improvement programme

There are several initiatives currently underway to improve the parks and open spaces for residents. There are significant investments planned by the Councils in these important local amenities over the next couple of years.

	2021/22 Approved	2022/23 Proposed	2023/24 Indicative	2024/25 Indicative
	£'000	£'000	£'000	£'000
Adur				
Play area improvements	311	90	90	90
Partnership projects to improve sporting facilities	-	172	-	-
General parks improvements	407	154	174	174
	718	346	264	264

	2021/22 Approved	2022/23 Proposed	2023/24 Indicative	2024/25 Indicative
	£'000	£'000	£'000	£'000
Worthing				
Play area improvements	176	90	90	90
Partnership projects to improve sporting facilities	917	253		
Brooklands Park				
- Delivery of masterplan	727	2,000	-	-
- Repair of outfall pipe	184			
Waterwise Garden refurbishment			134	
General parks improvements	161	61	288	36
	2,165	2,404	512	126

4.4 Platform 3: Tackling Climate Change and Supporting our Natural Environment

- Carbon reduction programme invest to save programme (Adur £933,000, Worthing £1,211,470)

The carbon reduction programme invest to save programme is a mechanism to unlock additional energy and carbon reduction schemes such as solar; PV, the installation of low carbon heat i.e. heat pumps. This crucial funding will enable the councils to further reduce emissions in line with the 2030 carbon neutral target and, in doing so, also insulate against future energy price increases.
- Public Sector Decarbonisation Schemes (Adur £2,463,110, Worthing £550,635)

The current Public Sector Decarbonisation Scheme funding is committed to schemes to be delivered by 31st March 2022. A further round of funding is expected in Autumn 2022 and the Carbon Reduction Team plans to submit a bid accordingly to enable further decarbonisation of the councils' estate.
- Heat network (Worthing £4,433,000)

The Worthing Heat Network is a UK leading district heat network scheme to connect 23 buildings including the NHS, councils and the police in Worthing centre using a sewer source heat pump. The project is progressing and was successfully awarded £3,158,000 in grant

funding and a £1,275,000 loan to fund construction by the BEIS Heat Network Infrastructure Project Fund (HNIP).

- Tree planting and removal programme to replace those trees affected by Ash dieback (Adur £70,000, Worthing £30,000)
- Landscape adaptations (Adur £50,000, Worthing £45,000)
A series of initiatives designed to help cope with changing climate. Schemes will include rain gardens, wildflower planting, prairie gardens, edible landscapes and wildlife habitat creation.
- Replacement vehicle programme
As part of the Council's commitment to be carbon neutral by 2030 we need to end our reliance on fossil fuels for our vehicle fleet. Our fleet consists of approximately 40 HGV vehicles and 80 LGV vehicles, most of which are used to deliver frontline waste, recycling, cleansing, parks and repair services. To date we have purchased 5 electric vans used by the parking and repair services, and this number will probably double over the next two years subject to delivery timescales.

The councils' fleet emits over a third of our operational emissions and we recognise the challenge in decarbonising transport - particularly heavy goods vehicles. The replacement cycle for most vehicles is 7 - 9 years so we need to consider zero emission vehicles for every vehicle that we replace, extending the life of our current diesel fleet and only buying diesel where no other viable alternatives are available. In 2022/23 we have to replace two diesel HGV Refuse vehicles which are end of life. Whilst electric HGV vehicles are starting to emerge, they have limitations, particularly in terms of range, meaning that they are not yet a viable alternative. HGVs powered by green hydrogen are another alternative which is starting to show potential, but is not yet viable for us at this stage.

The replacement programme for the next two years also includes:

- A vehicle for bereavement services
- 11 vehicles for grounds maintenance
- 9 vehicles for waste and cleansing services (excluding the RCVs)

Throughout 2022 we will be working on creating a strategy to decarbonise our fleet, evaluating existing and future technologies, service needs and projections of future costs to ensure that residual emissions from the fleet are as low as is practicable by 2030.

4.5 Platform 4: **Good Services and New Solutions**

- Investment in digital services
 - Digital strategy (£1,098,520)

This investment is critical to ensure the resilience and improve the quality of our public facing services. It funds licence renewals for key systems including our new Environmental Health and Licencing system and migration of the Revenues and Benefits system to a cloud hosted solution, with fully integrated self service functionality. It also includes development of a new Customer Relationship Management System (CRM) which is being designed around customer needs, ensuring we can support customers more effectively, breaking down organisational silos. The latter is built on our low code platform eliminating long term legacy system costs. This allocation is also used to support the migration of other key systems, to the cloud, including our document management system and planning systems. The allocation for 2023/24 will be assigned to specific projects in the next financial year, informed by progress against our strategy.
 - Hardware and infrastructure replacement programme (£584,750)

Our hardware and infrastructure will continue to be modernised to ensure resilience, reduce risks to business continuity and help mitigate against cyber security risks. The hardware budget also covers investment in our future data centre, which will have a significantly reduced footprint, and replacement equipment including laptops, PCs, and monitors used by staff.
 - Network refresh project (£811,970)

Renewal of our ICT Network which forms the foundation for all of our services. The renewal will include upgraded Wifi across all sites, improvements to the network resilience (and therefore service continuity) and improved remote working.

5. Resourcing the programme:

5.1 There are two influences on the overall size of the capital programmes, namely:

- (i) the level of available capital resources to fund the programmes;

- (ii) the extent to which the revenue consequences of the programmes in terms of the cost of borrowing, lost investment income and any associated running costs can be accommodated within the revenue budget.

5.2 The financial position for both Councils remains challenging over the next five years, particularly for Worthing Borough Council. The need to invest in existing assets, as well as provide for partnership working and deliver significant projects set out in 'Platforms', means that both Councils will need to sustain relatively modest programmes as outlined in paragraph 3.2 for the foreseeable future. However, the programmes are under pressure due to the age and condition of many of our assets. Nevertheless, the need to increase the level of investment has to be balanced against the difficult financial position of the Councils.

5.3 There is little change in the method of financing the programmes planned over the next 3 years. In addition, both Councils have approved a 'Strategic Property Investment Fund' which is an invest-to-save provision and specific investments which meet the criteria of the fund and support our local communities will be funded through prudential borrowing.

5.4 Both proposed programmes assume a phased use of the available prudential borrowing, capital receipts, reserves and the Major Repairs Reserve for Adur Homes which is generated from the depreciation set aside on an annual basis. These are discussed in more detail below:

5.5 **Usable Capital Receipts derived from the sale of assets**

5.5.1 Usable capital receipts are generated through the sale of Council owned assets. Both Councils are actively looking for opportunities to increase the available receipts. This forms part of our budget strategy as the generation of additional receipts will enable the Councils to reduce the cost of financing the capital programme particularly those costs associated with the delivery of the major projects set out in Platforms.

i) Adur District Council

In the past, the main source of capital receipts for Adur District Council has come from council housing sales which are used to support the HRA Investment Programmes. However, the sale of Adur Civic Centre will lead to a substantial capital receipt.

Adur has signed up to the DCLG agreement allowing 100% of Right to Buy (RTB) receipts to be retained to finance new affordable homes within the Adur area. However, the receipt can only provide 30% of the cost of any new build which means that the remaining 70% has to be financed from other sources including borrowing. The previous condition of being able to retain capital receipts arising from RTB sales was that they must be spent within a 3 year time limit, although this has been temporarily suspended in the light of the Covid 19 emergency. Receipts have to be returned if we cannot allocate the receipts to any new homes. Properties may be built by Adur Homes or another Registered Provider. These receipts have been allocated to support the HRA development programme.

Other Housing Revenue Account property or land sales fall outside the requirements of RTB receipts and may be retained by Adur provided it is spent on affordable housing, regeneration or reducing the Housing Revenue Account debt.

ii) Worthing Borough Council

General receipts are used to fund the capital investment programme. The Council is currently undertaking a review of assets to create a disposal programme which will be presented to members for approval. The Council expects to receive a capital receipt from the disposal of Fulbeck Avenue.

Worthing Borough Council also has the right to a proportion of the receipts generated from the sales of homes by Worthing Homes. These receipts have been set aside to fund the delivery of affordable housing

5.5.2 Whilst, the revenue implication of using any capital receipts is by no means as much as those incurred by borrowing, this is by no means a 'free' source of funding. The annual revenue costs of using £1m of capital receipts are as follows:-

	Year 1 £	Year 2 £
Interest at say 0.25% (current average return on investments)	1,250	2,500

However, the use of these resources avoids the need to use more expensive forms of financing such as borrowing.

In the past capital receipts have been a major source of funding for both Councils' capital programmes. Members will be aware that the Councils now have only limited access to capital receipts as:

- a) Neither Council owns large tracts of land that can be easily disposed of when capital receipts are needed. Indeed, any such tracts of land may give the Council the opportunity to either directly or indirectly improve the supply of affordable housing. There are some disposals which are currently taking place and which could be made available in time, but these are unlikely to meet all the investment needs of either Council in the immediate future;
- b) There are very few other options for future disposals of operational assets, owned by either council, without service provision implications;
- c) Any benefits that might accrue from the sale of non-operational assets, such as the commercial properties, will be largely negated by the loss of significant rental and lease income. Consequently, the disposal of such assets can only be undertaken when there is a clear business case to justify such an action;

5.5.3 In addition, due to the pressure on the reserves, some of the receipts generated in the period 2016 - 2022 have been set aside to fund the costs associated with delivering the savings necessary to balance the revenue budget.

5.5.4 In light of the budget strategy and the limitations on generating additional capital receipts, the estimated balance of capital receipts to fund the 2022/23 and 2023/24 Capital Investment Programmes will be:

Adur District Council

Adur District Council		Balance at 1st April £'000	* Receipts Generated £'000	Planned Use £'000	Balance at 31st March £'000
2022/23	General	-	11	(11)	-
	Ring-fenced				
	- HRA	1,008	406	(1,000)	414
	- General Fund	447	-	(231)	216
	Total	1,455	417	(1,242)	630
2023/24	General	-	11	(11)	-
	Ring-fenced				
	- HRA	414	400	(400)	414
	- General Fund	216	-	(21)	195
	Total	630	411	(432)	609

Worthing Borough Council

Worthing Borough Council		Balance at 1st April £'000	Receipts Generate d £'000	Planned Use £'000	Balance at 31st March £'000
2022/23	General	-	10	(10)	-
	Ring-fenced	1,347	102	(1,062)	297
	Total	1,347	112	(1,162)	297
2023/24	General	-	10	(10)	-
	Ring-fenced	297	102	(203)	196
	Total	297	112	(213)	196

The lack of capital receipts as a source of funding is a problem for both Councils. It is inevitable that both Councils will need to borrow to sustain their respective capital programmes with inevitable higher revenue consequences as a result.

5.6 Prudential Borrowing

- 5.6.1 For the General Fund, the Prudential Code generally gives an unlimited ability to borrow, provided it is 'affordable, sustainable and prudent'. In practical terms the amount of the borrowing is inhibited by the impact of the associated revenue consequences on the revenue budget and on council tax.
- 5.6.2 Historically, the position for Adur's Housing Revenue Account was different. Since April 2012, any future borrowing for capital investment in the housing stock, would only be allowable subject to repaying existing debt and creating headroom between actual debt and the borrowing limit of £68.9 million. However, the debt cap on the HRA has been removed and so the limitation on any future borrowing will be the affordability of the revenue consequences of the borrowing for the HRA.
- 5.6.3 Whilst, the HRA has the option to make a voluntary revenue provision (VRP) for the repayment of debt, at the moment, this option is not being exercised due to the financial position of the HRA. This will be reassessed once the HRA has addressed the current deficit. The repayment of debt can also be funded from the depreciation which is set aside into the Major Repairs Reserve (see 5.7.1 below).
- 5.6.4 The annual revenue costs of each additional £1m of Prudential Code borrowing are estimated to be as follows:-

	Year 1 £	Year 2 £
Principal repayment based on the annuity method *	0	53,770
Interest at say 3%	15,000	30,000
Total costs	15,000	83,770

* Both Councils have a policy of repaying any debt over the life of the asset acquired. On average the assets funded will have a life of 15 years which is equivalent to a 7% revenue provision each year.

MRP= Minimum Revenue Provision – the amount of loan that has to be repaid each year, notionally this is the amount set aside to repay debts which have accumulated to finance schemes.

5.7 Adur Housing Revenue Account - Major Repairs Reserve contribution

5.7.1 The Council is allowed to set-aside amounts into a Major Repairs Reserve, equivalent to at least the annual depreciation charge for the housing stock made to the Housing Revenue Account. This can be used to fund the repayment of debt or to finance new capital expenditure. The major repairs allowance calculation for 2021/22 is initially estimated at £4.2m which will be used to finance the capital programme.

5.7.2 New capital expenditure on housing will be financed from direct revenue contributions, capital receipts, the Major Repairs Reserve or from Prudential Borrowing. Any new borrowing will require amounts to be set aside from the Major Repairs Reserve for repayment of debt.

5.8 Revenue Contributions and Reserves

5.8.1 Worthing Borough Council has a specific capital reserve set aside to fund the capital improvements at the Crematorium. The Crematorium makes an annual contribution to the reserve from the additional income generated by the agreed improvements.

5.8.2 The HRA has a 'New Acquisition and Development' reserve specifically to fund initiatives to increase the supply of affordable housing.

5.9 Capital Grants and other external funding

5.9.1 The following capital grants and other contributions are expected and have been taken into account within the overall resources for the 2022/23 capital programmes:

Adur District Council External Funding

	£
Disabled Facilities Grant (Better Care Fund)	375,000
External funding to be explored for commissioning 'And installation of art in the Council's parks	15,000

Worthing Borough Council External Funding

	£
Broadwater Parish Council	2,000
Disabled Facilities Grant (Better Care Fund)	750,000
Public Decarbonisation Schemes Fund	386,990

5.9.2 Disabled Facilities grants are mandatory and each Council has to approve all eligible grants. All approvals are for 12 months and works can be undertaken at any time in this period. Any unspent grant can be carried forward to future years to fund outstanding grant commitments at 31st March.

6. Draft Programmes

General Fund Programme

6.1 The 2022/23 and 2023/24 draft General Fund programmes are attached at Appendix 2 and 3 which also includes the proposed changes to the 2021/22 programme. The indicative programmes have been prepared on the basis of the agreed guidelines and the estimated resources. Each scheme has been scored using the priority scoring system devised under the Capital Strategy, producing a balanced programme in accordance with the overall available funding. At this stage, the schemes recommended for inclusion 2023/24 are indicative only and will be reassessed next year.

6.2 Members are asked to consider the proposed programmes. Members can remove schemes if they consider that they should not be supported at this time or add schemes which merit support provided that the overall programme remains affordable. Additional information is provided below on the proposed invest to save schemes and other issues which members should be aware of when considering the overall programme.

6.3 Invest to save schemes

The Councils will consider 'invest to save' capital proposals which produce revenue savings that exceed the cost of borrowing by at least 10% over the life of the investment. The following schemes are included in the capital

programme. Funding will be released on presentation of a business case to the Executive Member.

(i) Empty Properties

This scheme has been funded from New Homes Bonus. However, the future of the New Homes Bonus is uncertain and it may cease to be paid to the Councils and is due to be fundamentally reformed. Consequently, this scheme will be funded in future from the repayment of empty property grants and loans. The effectiveness of the scheme is reviewed annually.

The Councils continue to build on the working relationship with the nominated private sector letting agent that we are currently in partnership with to manage our guaranteed rent scheme. There has been a growing number of empty home owners interested in the schemes and new approaches continue to be sought to promote the funding to Empty Property owners. Increasing the supply of private sector rental properties available at Local Housing Allowance levels remains a key objective.

Close working with our Legal Team to develop and finalise the Enforced Sales Procedure is nearing fruition which will allow us to proceed with the sale of three long term empty properties, we anticipate using this procedure on further properties in the future.

The Councils will continue to focus on achieving the objectives set out in the Empty Property Strategy and working with partners in the charitable sector as well as individual empty property owners to increase the supply of affordable housing as these properties are let at social rents.

The success of this initiative will be monitored.

(ii) Strategic Property Investment Fund

Both Councils have committed to investing in commercial property and other income generating assets which support the Councils economic regeneration ambitions, carbon reduction initiatives or supports improvements to the supply of housing. The intention is to provide long term assets that both support the delivery of the Councils' corporate strategy and produce a long term sustainable income for the Council which will fund the borrowing consequences of the investment and

support the future aspirations of the Councils. The investment in such property is governed by the Commercial Property Investment Strategy which was approved by the Joint Strategic Committee on the 30th March 2021.

To enable this objective to be met, as part of the Capital Strategy, each Council has set aside funding for a Strategic Property Investment Fund. Each investment should generate income which exceeds the potential borrowing costs associated with the purchase or development of the new property.

Whilst under the constitution the Head of Major Projects has the delegated authority to purchase property provided that a budget exists; given the nature of these investments, each individual development proposal is the subject of a business case which is approved by the relevant Leader and Executive Member of Resources.

(iii) Temporary accommodation

The cost of temporary and emergency accommodation has been escalating. In response to this, the Councils have each created a budget to purchase temporary accommodation for residents who the Council has a duty to house temporarily. Each proposal is assessed for financial and operational viability before a business case is approved by the Executive Member.

(iv) Energy Efficiency / Carbon Reduction Schemes

Both Councils currently have provision within the capital programme for energy efficiency / carbon reduction schemes which produce savings to offset any potential borrowing costs.

	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000
Adur	300,000	270,000	82,210	325,000
Worthing	300,000	270,000	239,020	400,000

A report, elsewhere on the agenda, details the expected programme of work.

6.4 **Adur Housing Investment Programme**

6.4.1 The estimated resources available to fund the 2022/23 - 2025/26 HRA Investment Programme are sufficient to fund all the schemes detailed in Appendix 5.

6.4.2 The first priority for the programme is the safety of tenants and the continued maintenance of Council homes to address issues arising from the condition survey.

6.5 **Overall**

The following assumptions have been used in preparing the draft programmes:

- (a) Maximise use of external funding where possible.
- (b) Continuation of Specific Grant Aided Funding for Mandatory Disabled Facilities Grants.
- (c) The proposed Capital Programme and Reserve Lists include a number of the larger planned maintenance schemes. Only schemes which meet the criteria for capital funding are included.

6.6 The following tables are a summary of total resources used to fund the new schemes included in the draft programmes for 2022/23 and 2023/24.

Adur District Council

Programme Year	Revenue Contributions and Reserves £	Major Repairs Reserve £	Capital Grants and Contributions £	Usable Capital Receipts £	Borrowing £	TOTAL £
2022/23						
General Fund	48,420	-	390,000	100,000	1,500,000	2,038,420
HRA	-	3,900,000	-	100,000	1,700,000	5,600,000
Total	48,420	3,900,000	390,000	200,000	3,100,000	7,638,420
2023/24						
General Fund	48,420	-	375,000	-	1,850,000	2,273,420
HRA	-	3,900,000	-	100,000	1,600,000	5,600,000
Total	48,420	3,900,000	375,000	100,000	3,450,000	7,873,420
Overall total						
General Fund	96,840	-	765,000	100,000	3,350,000	4,311,840
HRA	-	7,800,000	-	200,000	3,200,000	11,200,000
TOTAL	96,840	7,800,000	765,000	300,000	6,550,000	15,511,840

6.7 Members will note that the total planned new spending for 2022/23 and 2023/24 is £15,511,840. The table above indicates how this proposed programme will be financed.

Worthing Borough Council

Programme Year	Revenue Contributions and Reserves £	Capital Grants and Contributions £	Usable Capital Receipts £	Borrowing £	TOTAL £
2022/23					
General Fund	49,580	1,138,990	12,000	2,500,000	3,700,570
2023/24					
General Fund	86,580	770,000	-	2,500,000	3,356,580
GRAND TOTAL	136,160	1,908,990	12,000	5,000,000	7,057,150

6.8 Members will note that the total planned new spending for 2022/23 and 2023/24 is £7,057,150. The table above indicates how this proposed programme will be financed.

7. Revenue Implications

7.1 The revenue implications (excluding the revenue impact of financing the Capital Investment Programme) of all the capital projects in the draft programmes are shown in the last column of appendices 2 and 3. An assessment of the revenue implications of the planned programme has already been built into the Medium Term Financial Plan. This has already been recognised as a genuine expenditure within the overall revenue budget. There is, of course, no obligation to spend merely because resources are available. In considering the merits of any capital investment proposal, the opportunity cost of using the resources, the revenue cost associated with any borrowing and the interest earnings foregone by utilising capital receipts and reserves, require full consideration.

7.2 The full year revenue impact of financing the capital programme is shown below:-

Adur District Council

Programme Year	Revenue Impact		Cumulative		Full-Year Impact in
	General Fund £	HRA £	General Fund £	HRA £	
2022/23	150,250	160,250	150,250	160,250	2023/24
2023/24	185,000	160,250	335,250	320,500	2024/25

Worthing Borough Council

Programme Year	Revenue Impact	Cumulative	Full-Year Impact in
	Borrowing £	Borrowing £	
2022/23	250,000	250,000	2023/24
2023/24	250,000	500,000	2024/25

The above figures, for both councils, do not include any other direct revenue implications, which could be either positive or negative, depending on the particular schemes. The draft programmes show the other ongoing annual running costs of servicing and maintaining the proposed schemes and savings generated from the capital investment which will be included within the revenue budget.

8. Prudential Indicators

8.1 The statutory framework for the Prudential System is set out in Chapter 1 of the Local Government Act 2003 and in the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended. The framework incorporates four statutory codes. These are:

- The Prudential Code prepared by CIPFA
- The Treasury Management Code prepared by CIPFA
- The Statutory Guidance on Local Authority Investments prepared by MHCLG
- The Statutory Guidance on Minimum Revenue Provision prepared by DCLG

8.2 Part of the core process for the Prudential Code is for Members to set Prudential Indicators as detailed in the Prudential Code against which the performance of the Capital Investment Programme and Treasury Management can be measured and monitored throughout the year. These indicators will be calculated once the programme has been fixed and reported to the Executive and Council as part of the annual Revenue Budget report

9.0 Engagement and Communication

- 9.1 The development of the programme is the subject of extensive internal consultation with Officers.
- 9.2 Members were consulted on the capital bids to be included in the draft programmes. Their comments are included in this report. The final recommendations for the capital programmes will be made to Adur District Council on the 16th December, 2021 and Worthing Borough Council on the 14th December, 2021.
- 9.3 Individual programmes of work, for example the design of playgrounds, will be the subject of consultation with local communities where appropriate to ensure that they meet local needs

10.0 Conclusion

- 10.1 Due to the overall financial position of the Councils, there are only limited revenue resources with which to fund the cost of financing the capital programme. Consequently the overall size of the core programme is relatively modest at £1.5m for Adur District Council, £2.5m for Worthing Borough Council for each year and £5.6m for Adur Homes which this year has been increased to accommodate projects which need to be urgently progressed.
- 10.2 Both Councils have insufficient capital resources available to meet all of the identified demands for capital investment for 2021/22, 2022/23, and 2023/24. Where schemes are unable to be delayed due to pressing maintenance requirements, these have been recommended for inclusion. However, some schemes must remain on the respective Reserve List. This is a particular issue for the maintenance of our housing stock where there are several pressing problems that are being addressed with priority being given to fire safety and health and safety.
- 10.3 The implication of this restriction in capital investment is that some maintenance needs are not currently being met. Both Councils will need to continue to critically review their asset base over the coming years with a view to retaining a sustainable level of assets to support service delivery.
- 10.4 The continuing constraints on the availability of capital resources in the medium to long term and the direct impact on the revenue budget leaves little room for manoeuvre. Work needs to commence now to ensure sufficient resources are available to both Councils to provide adequate funds for

financing the respective Capital Investment Programmes from 2023/24 onwards. In any event, the revenue consequences of spending scarce resources must always be borne in mind in judging the merits of any capital investment proposal.

11. Financial Implications

11.1 The financial implications associated with the development of the budgets are detailed throughout the report.

12. Legal Implications

12.1 Part 1 of the Local Government Act, 2003 sets out the framework for capital finance and expenditure.

12.2 The Local Government (Capital Finance and Accounting) (England) Regulations 2003 provide more detailed requirements.

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

12.4 The Local Government Act 2003, Sections 16(2)(b) and 20: Treatment of costs as capital expenditure allows Councils to use any capital receipts generated in 2016/17 – 2021/22 to fund revenue expenditure which will generate an on-going saving via a direction from the Secretary of State which was issued on 17th December 2015 and extended on

Background Papers

- CIPFA Prudential Code for Capital Finance in Local Government
- Capital Estimates 2022/23 – Working papers
- Investing for our future - Capital Strategy 2022/25 – Report to Joint Strategic Committee on 13th July 2021
- Developing a revenue budget for 2022/23 at the time of a pandemic – Report to Joint Strategic Committee on 13th July 2021
- 2nd Capital Investment Programme and Projects Monitoring 2020/21 – Report to Joint Strategic Committee on 1st December 2020
- Adur District Council - Housing Revenue Account Capital Programme 2019-2022 – Report to Joint Strategic Committee on 9th October 2018

- Investing in Worthing Town Centre - Approach to Car Parking Provision – Report to Joint Strategic Committee on 6th November 2018
- Improving supply of temporary accommodation - Report to Joint Strategic Committee on 13th September 2016
- Strategic Property Investment Fund 2021 - Annual Commercial Property Investment Strategy 2021/22 - Report to Joint Strategic Committee on 30th March 2021

SUSTAINABILITY AND RISK ASSESSMENT

1. ECONOMIC

Matter considered and no issues identified

2. SOCIAL

2.1 Social Value

Matter considered and no issues identified

2.2 Equality Issues

Individual schemes within the three proposed capital programmes have been subjected to equalities impact assessment. Schemes which have a positive impact on equalities include:

- Affordable housing schemes – Schemes are targeted at the most vulnerable;
- Disability Discrimination Act - Works to improve accessibility of Council buildings;
- Disabled Facilities Grants – Improvements and adaptations to private housing to meet specific needs;
- Home Repair Assistance Grants – Grants to enable those in need to stay in their homes;
- Resurfacing of hard surfaces – Provides an improved surface for wheelchair users and other people with reduced mobility;
- Parks – Replacement of play area and outdoor fitness equipment which is designed to be more accessible and inclusive;
- ICT Hardware Replacement Programme – Provision of special keyboards and screens where required;
- Empty Property Grants – Increase the supply of affordable housing in the locality.
- Public Conveniences – Upgraded and new facilities include DDA improvements and facilities.

There will be no negative equalities and diversity outcomes arising from the proposed programmes.

SUSTAINABILITY AND RISK ASSESSMENT

2. SOCIAL

2.3 Community Safety Issues (Section 17)
Matter considered and no issues identified

2.4 Human Rights Issues
Matter considered and no issues identified

3. ENVIRONMENTAL

Matter considered and no issues identified

4. GOVERNANCE

Matter considered and no issues identified



ADUR & WORTHING COUNCILS

CAPITAL PRIORITISATION MODEL

Criteria for scoring points

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

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


Category	Criteria																
H	<p>Risk Register If the scheme's risks are on the Corporate Risk Register the points to be awarded are High Risk 5 points, Medium Risk 3 points, and Low Risk 1 Point. Finance will seek validation of any points awarded here.</p>																
I	<p>Partnership working – Add 5 points Projects that involve partnership working where the partner contributes to the completion of the scheme, rather than just benefits from the outcome. This could be funding, in-kind work or involvement in the design process which has a direct affect on the final project.</p> <p>Examples would be community involvement, WSCC schemes, "Better Together" (Coastal West Sussex Partnership) and the police. Full details of all partners involved and their contribution to the scheme must be provided.</p>																
J	<p>Match Funding / External Funding Utilisation of Council resources. The higher the percentage of funding expected from the Local authority, the less points can be awarded: This has an individual ranking Matrix – please see below:</p>																
	<table border="1"> <thead> <tr> <th data-bbox="145 1200 751 1267">External Funding % received</th> <th data-bbox="751 1200 1453 1267">Points to be added</th> </tr> </thead> <tbody> <tr> <td data-bbox="145 1267 751 1335">0.1% - 24%</td> <td data-bbox="751 1267 1453 1335">1</td> </tr> <tr> <td data-bbox="145 1335 751 1391">25% - 49%</td> <td data-bbox="751 1335 1453 1391">2</td> </tr> <tr> <td data-bbox="145 1391 751 1447">50% - 65%</td> <td data-bbox="751 1391 1453 1447">3</td> </tr> <tr> <td data-bbox="145 1447 751 1503">66% - 75%</td> <td data-bbox="751 1447 1453 1503">5</td> </tr> <tr> <td data-bbox="145 1503 751 1559">76% - 89%</td> <td data-bbox="751 1503 1453 1559">7</td> </tr> <tr> <td data-bbox="145 1559 751 1615">90% - 99%</td> <td data-bbox="751 1559 1453 1615">10</td> </tr> <tr> <td data-bbox="145 1615 751 1682">100%</td> <td data-bbox="751 1615 1453 1682">10 or Automatic Approval **</td> </tr> </tbody> </table>	External Funding % received	Points to be added	0.1% - 24%	1	25% - 49%	2	50% - 65%	3	66% - 75%	5	76% - 89%	7	90% - 99%	10	100%	10 or Automatic Approval **
External Funding % received	Points to be added																
0.1% - 24%	1																
25% - 49%	2																
50% - 65%	3																
66% - 75%	5																
76% - 89%	7																
90% - 99%	10																
100%	10 or Automatic Approval **																
**	<p>Automatic approval is subject to the scheme contributing to the Council's aims, and future financial revenue implications being accommodated with the Council's overall revenue budget. All external funding must be confirmed by source before scheme is included in the Adur or Worthing Capital Investment Programme.</p>																
K	<p>Consultation – points to be determined by Members (up to 5 points in total) Projects that are important for community/political reasons following consultation.</p>																

COUNCIL PRIORITIES


Category	Criteria	Points
L	Minimum works required to prevent the Council failing in its statutory duty (e.g. DDA)	20
	Or There is a mandatory legal requirement to provide the service, the proposed scheme enables the service to be provided and that obligation cannot be met in any other way	20
M	Essential works are required to avoid serious long-term financial, operational or service consequences	15
	Or There is a demonstrable, priority need to replace the asset/ service on an essentially like for like basis (save for improvements in technology) as the existing asset is at the end of its useful life	15
N	Other schemes, which meet the Councils priorities as laid out in the Platforms for our Places, Service Plans, Local Area Agreements, Community Strategy Priority Action Plans or the Councils' plans	10
O	There is an expectation by the Government that the Council should undertake a particular course although it may not be currently statutory and there is a likelihood of some form of sanction being applied against the Council if that expectation is not met.	5
P	Council Priorities (Platforms): 1 point for each point achieved from each platform (max. 18)	
P1	Platform 1 – Prosperous Places 1.1) Attractors for prosperity through place making (town centres, public spaces, public realm, public arts, seafront, etc. 1.2) The fourth industrial revolution – supporting digital inclusivity. 1.3) Creative and cultural industries. 1.4) Major projects and development.	

Category	Criteria
<p>P2</p>	<p>Platform 2 – Thriving People and Communities</p> <p>2.1) Deliver the 2020-23 Housing Strategy.</p> <p>2.2) Community, voluntary sector and social innovation.</p> <p>2.3) Supporting stronger, participative and resilient communities.</p> <p>2.4) Health and Wellbeing at all stages of life.</p>
<p>P3</p>	<p>Platform 3 – Tackling Climate Change and Supporting our Natural Environment</p> <p>3.1) Become Carbon Neutral by 2030.</p> <p>3.2) Transition to clean, smart, secure and affordable energy.</p> <p>3.3) Reducing waste and increasing re-use, recycling and composting.</p> <p>3.4) Improve climate resilience of Adur and Worthing.</p>
<p>P4</p>	<p>Platform 4 – Good Services and New Solutions</p> <p>4.1) Increase the range of modern digital services.</p> <p>4.2) Grow our commercial and traded income.</p> <p>4.3) Improve customer satisfaction through the effortless programme.</p> <p>4.4) Develop a Corporate Landlord approach to managing property.</p>
<p>P5</p>	<p>Platform 5 – Leadership of our Places</p> <p>5.1) Developing the reputation of places.</p> <p>5.2) Developing the Civic data agenda.</p> <p>5.3) Emergency Planning and Civil Contingencies.</p>


ADUR DISTRICT COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 ADUR DISTRICT COUNCIL Description of Scheme	Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implica- tions £
					2022/23 £	2023/24 £		
2022/23 FUNDED SCHEMES COMMITTED IN 2021/22								
1 Lancing Manor Leisure Centre Car Park - Vehicle access reconstruction at main entrance and vehicle restriction barriers to the grounds and car park (Reconstruction of the turning area will reduce the risk of third party claims and will help prevent unwanted incursions on to the grounds and car park)		MP	EB	39,200	39,200	-	39,200	-
2 Digital Strategy 2022/23 Budget (2022/23 Budget committed to the following schemes in 2021/22 and 2022/23) i) CRM System ii) Cloud Development		JJ	EB	58,750	58,750	-	58,750	-
Total 2022/23 Schemes Committed in 2021/22				97,950	97,950	0	97,950	-
ADC SHARE OF JOINT SERVICES PARTNERSHIP SCHEMES								
3P Bereavement Services - New Operational Vehicle: 3-way tipper transit with tow-bar and trailer (Partnership scheme with Worthing Borough Council. Total cost £40,000. The service frequently has to borrow vehicles from Parks which are not always available. Other option to hire but this is time consuming and costly on a regular basis)		KG	NB	20,000	20,000	-	20,000	-


ADUR DISTRICT COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 ADUR DISTRICT COUNCIL Description of Scheme	Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implica- tions £
					2022/23 £	2023/24 £		
4P Bereavement Services - Replacement of grounds maintenance equipment (Partnership scheme with Worthing Borough Council. Total cost £65,000. Replacement of existing equipment with battery operated equipment, which will reduce fuel costs and the Councils' carbon footprint)		KG	EB	12,800	12,800	13,200	26,000	-
5P Corporate ICT hardware and infrastructure replacement programme (Partnership scheme with Worthing Borough Council. Total cost Year 1 £220,000 for Replacement PCs, laptops, servers, network infrastructure, firewalls, Wi-Fi and essential on premise server replacements for services that are not suitable for cloud hosting. Year 2 total cost £100,000)		JJ	EB	103,400	103,400	47,000	150,400	-
6P Digital Strategy General Provision (Partnership scheme with Worthing Borough Council. Year 1 Joint Provision: £156,000 to facilitate the ongoing development of digital services under the Digital Programme. Deployment of a service to provide identity and access management (IAM), Privileged access management (PAM) and Identity governance and administration (IGA). Year 2 Joint Provision £125,000)		JJ	EB	73,320	73,320	58,750	132,070	-


ADUR DISTRICT COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 ADUR DISTRICT COUNCIL Description of Scheme	Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implica- tions £
					2022/23 £	2023/24 £		
7P Dog Warden Service - Replacement of one van (Partnership scheme with Worthing Borough Council. Total cost £33,000. Replacement of one essential vehicle with electric or low emission vehicle where available)		MQ	EB	-	-	16,500	16,500	-
8P Grounds Maintenance - Vehicle replacements (Partnership scheme with Worthing Borough Council. Total Costs Year 1: £180,000 1 x cut and collect mower, 1 x batwing mower and 2 x second hand tippers. Capital receipts anticipated from sale of 2 vans to be replaced with the tippers)		MQ	EB	72,000	72,000	57,920	129,920	-
9P Grounds Maintenance Service - Rolling programme of equipment replacements (Partnership scheme with Worthing Borough Council. Total cost £80,000 per annum)		PR	EB	32,000	32,000	32,000	64,000	-
10P Planning and Building Control Document Management Solution (Integration of back office IT and documents and plans stored against individual case files to enhance public access to data and improve the overall quality of front line services)		JA	NB	44,670	44,670	-	44,670	-


ADUR DISTRICT COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 ADUR DISTRICT COUNCIL Description of Scheme	Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implica- tions £
					2022/23 £	2023/24 £		
11P Refuse / Recycling / Street Cleansing / vehicle replacements (Partnership scheme with Worthing Borough Council. Year 1: 2 x 26 tonne refuse vehicles, 1 x 3.5 tonne litter collection vehicle, 1 x graffiti removal vehicle, 1 x small van. Year 2 1 x 18 tonne refuse vehicle, 2 x 3.5 tonne litter collection vehicles, 4 x small vans)		MQ	EB	211,020	211,020	232,120	443,140	-
12P Refuse and Recycling Service - Wheeled bin replacements (Partnership scheme with Worthing Borough Council. Total annual cost £70,000 p.a. £30,000 funded from green bin income)		MQ	EB	14,560	25,480	25,480	50,960	-
13P Parks and Open Spaces - Street litter and dog bins replacement programme (Partnership scheme with Worthing Borough Council. Total annual cost £10,000 p.a.)		MQ	EB	3,800	3,800	3,800	7,600	-
14P Trade Waste Bins - Replacement Programme (Partnership scheme with Worthing Borough Council. Total annual cost £50,000 p.a. £25,000 funding from green bin income)		MQ	EB	7,500	15,000	15,000	30,000	-


ADUR DISTRICT COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 ADC ADUR DISTRICT COUNCIL Description of Scheme	Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implications £
					2022/23 £	2023/24 £		
15P Transport Workshop - Replacement of Workshop Van (Partnership scheme with Worthing Borough Council. Total cost £17,200)		MQ	EB	-	-	6,880	6,880	-
Total Joint Services Partnership Schemes:				595,070	613,490	508,650	1,122,140	-
<u>GENERAL FUND SCHEMES</u>								
<u>CUSTOMER SERVICES</u>								
16 Community Alarm Service - Procurement of community alarm equipment (Purchase of new alarm units for new customers and to replace units which have reached the end of their useful lives to attract and retain existing customers. Funded from Community Alarm Trading Account)	38	BR	EB	-	30,000	30,000	60,000	-
17 Housing Renewal Assistance - Mandatory Disabled Facilities Grants (Funded from the DCLG Better Care Fund)	37	BR	EB	-	375,000	375,000	750,000	-
18 Housing Renewal Assistance - Discretionary Home Repair Assistance Grants (Provision of grants and loans to owner-occupiers to carry out essential repairs or improvements and provision of grants to landlords to bring properties up to standard in return for nomination rights)	34	BR	EB	50,000	50,000	50,000	100,000	-


ADUR DISTRICT COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 ADUR DISTRICT COUNCIL Description of Scheme	Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implica- tions £
					2022/23 £	2023/24 £		
<u>ENVIRONMENTAL SERVICES</u>								
19 Southwick Football Club - Match funding for tenants funding bid for demolition of the existing buildings on site (The buildings are in a poor condition and have been condemned due to health and safety breaches. The new tenant is submitting bids for funding to redevelop the site. As part of the process £100,000 has been included in the 2021/22 Capital Investment Programme funded from S106 receipts and capital resources. Additional funding of £50,000 in 2022/23 is also requested as match funding for external funding bids. Request to be made to utilise Shoreham Renaissance Ring-Fenced Capital Receipts)	38	KS	NB	-	50,000	-	50,000	-
20 Public Conveniences - Replacement of wallgate hand wash units (The manufacturer has advised that they can no longer maintain the existing hand wash units as the parts are no longer available)	35	KS	NB	25,000	25,000	-	25,000	-
21 Parks and Open Spaces - Vehicular Incursion Prevention Measures (Enhanced security for priority sites, boundary aesthetics and vehicular incursion deterrent measures across the District's parks and open spaces. Year 1 Adur and Southwick Recreation Grounds. Year 2 Lancing Manor Recreation ground)	34	MP/PR	NB	65,000	65,000	100,000	165,000	Estimated revenue savings of £2,000 p.a.


ADUR DISTRICT COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 ADUR DISTRICT COUNCIL Description of Scheme	Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implica- tions £
					2022/23 £	2023/24 £		
22 Play Area Improvements - Replacement of play equipment, safety surfaces and perimeter fencing	34	PR	EB	90,000	90,000	90,000	180,000	-
23 Public Conveniences - Rolling programme of refurbishments (Southwick Square site under discussion)	31	KS	EB/NB	100,000	100,000	100,000	200,000	-
24 Parks and Open Spaces - Tree planting (Restocking of tree cover as part of the response to Ash Dieback, the climate emergency and enabling a more sustainable approach to the management of our grounds)	28	PR	EB	10,000	10,000	10,000	20,000	-
25 Parks and Open Spaces - Landscape adaptations (A series of initiatives designed to help cope with the changing climate. Schemes to include rain gardens, wildflower planting, prairie planting, edible landscapes, rewilding and wildlife habitat creation)	28	PR	EB	60,000	60,000	60,000	120,000	-
26 Cemeteries - Mill Lane replacement of boundary fence (The current fence is not safe, secure or fit for purpose and there is a risk of injury to the public. The fence is the Council's responsibility)	26	KG	EB	90,000	90,000	-	90,000	-


ADUR DISTRICT COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 ADC ADUR DISTRICT COUNCIL Description of Scheme	Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implications £
					2022/23 £	2023/24 £		
27 Cemeteries - Lancing and Sompting hard landscaping of land to be used for the extension and also installation of a new boundary fence (Invest to Save Funding to be explored)	18	KG	EB	-	-	350,000	350,000	-
28 Parks and Open Spaces - Art Work (Commissioning and installation of art in the parks both traditional and contemporary encouraging community involvement and participation. Subject to external funding being sourced)	12	PR	NB	-	15,000	-	15,000	-
<u>HEALTH AND WELLBEING</u>								
29 Disability Discrimination Act Improvements - Rolling programme of improvements to Corporate buildings	36	KS	EB	11,000	11,000	11,000	22,000	-
30 Southwick Community Centre - Porter Room replacement of windows and floor works (The windows are at end of life and require considerable ongoing repairs, associated repairs to floor and wall coverings will also be required due to ongoing leaks through the windows. The purpose of this bid is to bring this room back into proper use as due to its condition it can only be used for storage)	29	KS	EB	30,000	30,000	-	30,000	-


ADUR DISTRICT COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 ADUR DISTRICT COUNCIL Description of Scheme	Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implica- tions £
					2022/23 £	2023/24 £		
31 Asbestos Management - Removal and management of asbestos in corporate buildings and sites REGENERATION	33	KS	EB	60,000	60,000	25,000	85,000	-
32 Adur Town Centres Public Space Improvements (To enhance public spaces and improving facilities within Adur's Town Centres primarily in Lancing and Southwick to increase the economic viability of the District. Request to be made to use Shoreham Renaissance Ring-Fenced Capital Receipts)	38	JM	EB/NB	-	50,000	50,000	100,000	-
RESOURCES 33 Access Audits as required under the Equalities Act (Programme of access audits to identify potential barriers to access and adjustments required to Corporate buildings to comply with the Equality Act 2010)	36	KS	EB	50,000	50,000	-	50,000	-


ADUR DISTRICT COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 ADUR DISTRICT COUNCIL Description of Scheme	Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implica- tions £
					2022/23 £	2023/24 £		
34 Condition Surveys of Corporate Buildings (To continue the assessment of the current condition of the Council's corporate buildings to inform a programme of planned maintenance works and also to establish the energy efficiency of corporate buildings. 2021/22 programme of works delayed by Covid 19 restrictions and works will continue in 2022/23. No budget provision required for 2023/24)	34	KS	EB	-	-	25,000	25,000	-
35 Condition Surveys of Commercial Leased Out Properties (To continue the assessment of the current condition of the Council's commercial leased out properties. 2021/22 programme of works delayed by Covid 19 restrictions and works will continue in 2022/23. No budget provision required for 2023/24)	34	KS	EB	-	-	55,000	55,000	-
36 Shoreham Centre - Replacement of main hall roof (The roof is nearing the end of its useable life and needs to be replaced. Will be required for solar panel installation)	33	KS	EB	-	-	168,000	168,000	-

ADUR DISTRICT COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 ADUR DISTRICT COUNCIL Description of Scheme	Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implica- tions £
					2022/23 £	2023/24 £		
37 Contingency provision for urgent / priority schemes, inflation and unavoidable overspends	N/A	SG	EB	153,480	153,480	253,270	406,750	-
38 Fire Risk Assessment Works - Remedial works identified from Fire Risk Assessment Surveys	31	KS	EB	12,500	12,500	12,500	25,000	-
TOTAL GENERAL FUND SCHEMES				806,980	1,326,980	1,764,770	3,091,750	-
TOTAL COST OF PROPOSED CAPITAL INVESTMENT PROGRAMMES:				1,500,000	2,038,420	2,273,420	4,311,840	-
FUNDING FOR PROPOSED 2022/23 AND 2023/24 CAPITAL INVESTMENT PROGRAMME								
Capital Grants / Contributions				-	390,000	375,000	765,000	
Revenue Contributions / Reserves								
Community Alarm Service				-	30,000	30,000	60,000	
AWCS Refuse/Recycling Service				-	18,420	18,420	36,840	
Invest to Save Funding				-	-	350,000	350,000	
Capital Receipts / Prudential Borrowing				1,500,000	1,500,000	1,500,000	3,000,000	
Ring-fenced Capital Receipts				-	100,000	-	100,000	
TOTAL FUNDING:				1,500,000	2,038,420	2,273,420	4,311,840	

ADUR DISTRICT COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES


 ADUR DISTRICT COUNCIL Description of Scheme	Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implica- tions £
					2022/23 £	2023/24 £		

P Partnership Schemes with Worthing Borough Council


Lead Officers:

BR	Bruce Reynolds	Team Leader, Environmental Health
JJ	Jan Jonker	Head of Customer and Digital Services
JA	James Appleton	Head of Planning and Development
JP	Jason Passfield	Parking Services Manager
JM	Joanna Malandain	Regeneration Officer
KG	Kate Greening	Bereavement Services Manager
KS	Kevin Smith	Principal Building Surveyor
MP	Martyn Payne	Senior Engineer
MQ	Mark Quartly	Assistant Operations Manager
PR	Philippa Reece	Parks Manager


WORTHING BOROUGH COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 WORTHING BOROUGH COUNCIL Description of scheme	Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Amendments to Council Resources 2021/22 £	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implications £
						2022/23 £	2023/24 £		
<u>2022/23 FUNDED SCHEMES COMMITTED IN 2021/22</u>									
1 Worthing Town Centres Public Space Improvements (To enhance public space and improving facilities the Town Centre, including secondary shopping areas at Goring, East Worthing and Broadwater to increase the economic viability of the Borough)	38	JM	EB	-	50,000	50,000	-	50,000	-
2 Broadwater Parish Rooms - Replacement of electrical installation (The electrical installation, which is the Council's responsibility, is non-compliant. The distribution board, wiring and electric outlets need to be replaced)	31	KS	NB	-	20,000	20,000	-	20,000	-
3 Broadwater Parish Rooms - Replacement of heating system (The Parish Council is responsible for a contribution of £2,000 towards the works)	31	KS	EB	-	10,000	12,000	-	12,000	-


WORTHING BOROUGH COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 WORTHING BOROUGH COUNCIL		Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Amend- ments to Council Resources 2021/22 £	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implica- tions £
Description of scheme							2022/23 £	2023/24 £		
4	Portland House - Replacement of windows and balcony doors and ancillary works (To address issues with the operation of large tilt and turn windows which are frequently breaking, leading to regular call outs. The windows will be upgraded to retain heat in line with the Council's zero carbon target. Salix funding of £286,990 confirmed for 2021/22 to replace windows and doors. Additional works to be undertaken include new soffit, fascia boards, rainwater goods, localised rebuilding of balcony walls and replacement copings Salix funding of £286,990 confirmed. Match funding 2021/22 available)	31	KS	EB	79,010	250,000	536,990	-	536,990	-
5	Digital Strategy 2022/23 Budget (2022/23 Budget committed to the following schemes in 2021/22 and 2022/23) i) CRM System ii) Cloud Development		JJ	EB		66,250	66,250	-	66,250	-
Total 2022/23 Schemes Committed in 2021/22						396,250	685,240	0	685,240	0


WORTHING BOROUGH COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 WORTHING BOROUGH COUNCIL Description of scheme	Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Amendments to Council Resources 2021/22 £	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implications £
						2022/23 £	2023/24 £		
WBC SHARE OF JOINT SERVICES PARTNERSHIP SCHEMES									
6P Bereavement Services - New Operational Vehicle: 3-way tipper transit with tow-bar and trailer (Partnership scheme with Adur District Council. Total cost £40,000. The service frequently has to borrow vehicles from Parks which are not always available. Other option to hire but this is time consuming and costly on a regular basis)		KG	NB	-	20,000	20,000	-	20,000	-
7P Bereavement Services - Replacement of grounds maintenance equipment (Partnership scheme with Adur District Council. Total cost £65,000. Replacement of existing equipment with battery operated equipment, which will reduce fuel costs and the Councils' carbon footprint)		KG	EB	-	19,200	19,200	19,800	39,000	-
8P Corporate ICT hardware and infrastructure replacement programme (Partnership scheme with Adur District Council. Total cost Year 1 £220,000 for Replacement PCs, laptops, servers, network infrastructure, firewalls, Wi-Fi and essential on premise server replacements for services that are not suitable for cloud hosting. Year 2 total cost £100,000)		JJ	EB	-	116,600	116,600	53,000	169,600	-


134
WORTHING BOROUGH COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 WORTHING BOROUGH COUNCIL Description of scheme	Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Amendments to Council Resources 2021/22 £	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implications £
						2022/23 £	2023/24 £		
9P Digital Strategy General Provision (Partnership scheme with Worthing Borough Council. Year 1 Joint Provision: £156,000 to facilitate the ongoing development of digital services under the Digital Programme. Deployment of a service to provide identity and access management (IAM), Privileged access management (PAM) and Identity governance and administration (IGA). Year 2 Joint Provision £125,000)		JJ	EB	-	82,680	82,680	66,250	148,930	-
10P Dog Warden Service - Replacement of one van (Partnership scheme with Adur District Council. Total cost £33,000. Replacement of one essential vehicle with electric or low emission vehicle where available)		MQ	EB	-	-	-	16,500	16,500	-
11P Grounds Maintenance - Vehicle replacements (Partnership scheme with Adur District Council. Total Costs Year 1: £180,000 1 x cut and collect mower, 1 x batwing mower and 2 x second hand tippers. Capital receipts anticipated from sale of 2 vans to be replaced with the tippers)		MQ	EB	-	108,000	108,000	86,880	194,880	-


WORTHING BOROUGH COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 WORTHING BOROUGH COUNCIL Description of scheme	Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Amendments to Council Resources 2021/22 £	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implications £
						2022/23 £	2023/24 £		
12P Grounds Maintenance Service - Rolling programme of equipment replacements (Partnership scheme with Adur District Council. Total cost £80,000 per annum)		PR	EB	-	48,000	48,000	48,000	96,000	-
13P Planning and Building Control Document Management Solution (Integration of back office IT and documents and plans stored against individual case files to enhance public access to data and improve the overall quality of front line services)		JA	NB	-	50,370	50,370	-	50,370	-
14P Refuse / Recycling / Street Cleansing / vehicle replacements (Partnership scheme with Adur District Council. Year 1: 2 x 26 tonne refuse vehicles, 1 x 3.5 tonne litter collection vehicle, 1 x graffiti removal vehicle, 1 x small van. Year 2 1 x 18 tonne refuse vehicle, 2 x 3.5 tonne litter collection vehicles, 4 x small vans)		MQ	EB	-	362,180	362,180	396,680	758,860	-
15P Refuse and Recycling Service - Wheeled bin replacements (Partnership scheme with Adur District Council. Total annual cost £70,000 p.a. £30,000 funded from green bin income)		MQ	EB	-	25,440	44,520	44,520	89,040	-


13
WORTHING BOROUGH COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 WORTHING BOROUGH COUNCIL Description of scheme	Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Amendments to Council Resources 2021/22 £	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implications £
						2022/23 £	2023/24 £		
16P Parks and Open Spaces - Street litter and dog bins replacement programme (Partnership scheme with Adur District Council. Total annual cost £10,000 p.a)		MQ	EB	-	6,200	6,200	6,200	12,400	-
17P Trade Waste Bins - Replacement Programme (Partnership scheme with Adur District Council. Total annual cost £50,000 p.a. £25,000 p.a. funding from green bin income)		MQ	EB	-	17,500	35,000	35,000	70,000	-
18P Transport Workshop - Replacement of Workshop Van (Partnership scheme with Adur District Council. Total cost £17,200)		MQ	EB	-	-	-	10,320	10,320	-
Total Partnership Schemes:					856,170	892,750	783,150	1,675,900	-
<u>GENERAL FUND SCHEMES</u>									
<u>CUSTOMER SERVICES</u>									
Invest to Save Scheme									
19 Empty Properties - Grants and Loans towards works to bring empty properties back into use (Part funded from ring-fenced capital receipts. Reduced 2022/23 as budget reprofiled from 2021/22)		BR	EB	-	-	25,000	50,000	75,000	Properties brought back into use will increase Council Tax collected


WORTHING BOROUGH COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 WORTHING BOROUGH COUNCIL Description of scheme	Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Amendments to Council Resources 2021/22 £	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implications £
						2022/23 £	2023/24 £		
20 Museum - DDA complaint new passenger lift. (Match funding for the Museum "Let the Light In" Project)	38	KS	EB	-	-	-	100,000	100,000	-
21 Housing Renewal Assistance - Mandatory Disabled Facilities Grants (Funded from the DCLG Better Care Fund)	37	BR	EB	-	-	750,000	750,000	1,500,000	-
22 Housing Renewal Assistance - Discretionary Home Repair Assistance Grants (Provision of grants and loans to owner-occupiers to carry out essential repairs or improvements and provision of grants to landlords to bring properties up to standard in return for nomination rights)	34	BR	EB	-	60,000	60,000	60,000	120,000	-
23 Connaught Studio (Ritz) - Installation of ventilation system (The existing ventilation to the Studio is poor by modern day standards and this results in over heating. Additionally the air circulation needs to be improved in a pandemic world. (£20,000 contribution from the Theatre's Trust. Preliminary works to be undertaken in 2021/22)	33	KS	NB	-	10,000	10,000	180,000	190,000	-


13
WORTHING BOROUGH COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 WORTHING BOROUGH COUNCIL Description of scheme	Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Amendments to Council Resources 2021/22 £	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implications £
						2022/23 £	2023/24 £		
24 Pavilion Theatre - Crittal window replacement (The windows have never been replaced and do not operate as intended. Potential water ingress reported)	28	KS	NB	-	80,000	80,000	-	80,000	-
<u>DIGITAL AND ENVIRONMENTAL SERVICES</u>									
25 Parks - Provision for infrastructure Improvements to meet Green Flag Award Submissions (Improvements to include signage, recycling features, landscape enhancements, improved community facilities, etc)	35	PR	EB	-	-	-	30,000	30,000	-
26 Splashpoint Swimming Pool - Replacement of 2 ground source heat pumps that have failed (The heat pumps provide cooling and contribute to the heating system. The pumps are not repairable. Estimated total costs £350,000. £200,000 funded from the 2021/22 budget. 2022/23 provision funded from external funding)	35	KS	NB	-	-	100,000	-	100,000	-
27 Asbestos Management - Removal and management of asbestos in corporate buildings and sites	33	KS	EB	-	25,000	25,000	60,000	85,000	-


WORTHING BOROUGH COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 WORTHING BOROUGH COUNCIL Description of scheme		Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Amendments to Council Resources 2021/22 £	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implications £
							2022/23 £	2023/24 £		
28	Parks Improvements (Future works to be specified)	34	MP/PR	NB	-	-	-	115,000	115,000	-
29	Play Area Improvements - Replacement of play equipment, surfacing and installation of additional equipment	34	PR	EB	-	90,000	90,000	90,000	180,000	-
30	Church House Grounds Tennis Courts - Reconstruction and associated fencing and paving, including the installation of an electrical access gate linked to an online booking system (External funding to be explored)	33	MP	NB	-	-	-	251,300	251,300	-
31	Public Conveniences - Refurbishment programme (Sites under consideration Pier site conversion to include DDA access, Pond Lane and Sea Lane. £230,000 c/f from 2021/22 for site refurbishment in 2022/23)	31	KS	EB	-	-	-	100,000	100,000	-
32	Parks and Open Spaces - Tree planting (Restocking of tree cover as part of the response to Ash Dieback, the climate emergency and enabling a more sustainable approach to the management of our grounds)	28	PR	EB	-	10,000	10,000	-	10,000	-


WORTHING BOROUGH COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 WORTHING BOROUGH COUNCIL Description of scheme	Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Amendments to Council Resources 2021/22 £	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implications £
						2022/23 £	2023/24 £		
33 Parks and Open Spaces - Landscape adaptations (A series of initiatives designed to help cope with the changing climate. Schemes to include rain gardens, wildflower planting, prairie planting, edible landscapes, rewilding, art work, and wildlife habitat creation)	28	PR	EB	-	45,000	45,000	-	45,000	-
<u>HEALTH AND WELLBEING</u>									
34 Access Audits as required under the Equalities Act (Programme of access audits to identify potential barriers to access and adjustments required to Corporate buildings to comply with the Equality Act 2010)	36	KS	NB	-	30,000	30,000	30,000	60,000	-
35 Disability Discrimination Act Improvements - Rolling programme of improvements to Corporate buildings	36	KS	EB	-	25,000	25,000	25,000	50,000	-
<u>REGENERATION</u>									
36 Worthing Town Centres Public Space Improvements (To enhance public space and improving facilities the Town Centre, including secondary shopping areas at Goring, East Worthing and Broadwater to increase the economic viability of the Borough)	38	JM	EB	-	50,000	50,000	50,000	100,000	-


WORTHING BOROUGH COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 WORTHING BOROUGH COUNCIL Description of scheme	Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Amendments to Council Resources 2021/22 £	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implications £
						2022/23 £	2023/24 £		
37 Grafton MSCP - Structural works required to keep the building operational (Due to exposure to the marine environment the building has suffered from carbonisation of the concrete and corrosion of the steel reinforcement which has led to spalling of the concrete. Concrete works are now required to keep the car park open)	34	KS	NB	-	120,000	120,000	-	120,000	-
38 Worthing Pier - Phased replacements of timber structures and piles to the Landing Stage (£234,000 p.a. for 5 years. Total cost £1,170,000)	32	MP	EB	-	234,000	234,000	234,000	468,000	-
39 Waterwise Garden - Refurbishment (Replacement of the deteriorated timber walkway and monolith features with accessible recycled plastic walkways and new monolith features. Refurbishment of signage incorporation of additional planting to compliment adjusted path layouts. Possible funding of £20,000 from Southern Water)	30	MP	NB	-	-	-	135,400	135,400	-

WORTHING BOROUGH COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 WORTHING BOROUGH COUNCIL		Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Amendments to Council Resources 2021/22 £	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implications £
Description of scheme							2022/23 £	2023/24 £		
40	High Street and Buckingham Road MSCPs Replacement of payment equipment and entry/exit barriers with automatic number plate recognition	29	JP	EB	-	-	-	202,000	202,000	-
RESOURCES										
41	Condition Surveys of Commercial Leased Out Properties (To continue the assessment of the current condition of the Council's commercial leased out properties. See 43 above)	34	KS	EB	-	-	-	63,230	63,230	-
42	Fire Risk Assessment Works - Remedial works identified from Fire Risk Assessment Surveys	31	KS	EB	-	12,500	12,500	12,500	25,000	-
43	Town Hall - Installation of fire separation and roof insulation (Works identified from Fire Risk Assessment)	32	KS	NB	-	75,000	75,000	-	75,000	£4k savings anticipated over the life of the works
44	Town Hall - Replacement of slate roof covering and sectional replacement of asphalt coverings (Evidence of nail fatigue to the roof. As the nails corrode the slates lose their fixings and there is a risk of falling slates. Design works to be undertaken in 2022/23 to establish works required)	26	KS	NB	-	70,000	70,000	-	70,000	-

WORTHING BOROUGH COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 WORTHING BOROUGH COUNCIL Description of scheme	Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Amendments to Council Resources 2021/22 £	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implications £	
						2022/23 £	2023/24 £			
45 Contingency provision for urgent / priority schemes, inflation and unavoidable overspends					278,480	278,480	-	278,480	-	
TOTAL GENERAL FUND SCHEMES:					1,247,580	2,122,580	2,573,430	4,696,010	-	
TOTAL COST OF PROPOSED CAPITAL INVESTMENT PROGRAMMES:						2,500,000	3,700,570	3,356,580	7,057,150	-
FUNDING FOR PROPOSED 2022/23 AND 2023/24 CAPITAL INVESTMENT PROGRAMME										
Capital Grants / Contributions					-	1,138,990	770,000	1,908,990		
Revenue Contributions / Reserves										
AWCS Refuse/Recycling Service					-	36,580	36,580	73,160		
Empty Properties Grants and Loans					-	13,000	50,000	63,000		
Capital Receipts / Prudential Borrowing					2,500,000	2,500,000	2,500,000	5,000,000		
Ring- Fenced Capital Receipts for Empty Properties					-	12,000	-	12,000		
TOTAL FUNDING:					2,500,000	3,700,570	3,356,580	7,057,150		

WORTHING BOROUGH COUNCIL PROPOSED NEW SCHEMES FOR 2022/23 - 2023/24 CAPITAL INVESTMENT PROGRAMMES

 WORTHING BOROUGH COUNCIL Description of scheme	Priority Score	Lead Officer	Bids Submitted Last Year EB New Bids NB	Amend- ments to Council Resources 2021/22 £	Council Resources Funding 2022/23 £	BUDGET PER YEAR		Total Budget £	Annual Revenue Implica- tions £
						2022/23 £	2023/24 £		

P Partnership Schemes with Adur District Council

Lead Officers:

BR	Bruce Reynolds	Team Leader, Environmental Health
DG	Dan Goodchild	Acting Strategic Sustainability Manager
JA	James Appleton	Head of Planning and Development
JJ	Jan Jonker	Head of Customer and Digital Services
JP	Jason Passfield	Parking Services Manager
JM	Joanna Malandain	Regeneration Officer
KG	Kate Greening	Bereavement Services Manager
KS	Kevin Smith	Principal Building Surveyor
MP	Martyn Payne	Senior Engineer
MQ	Mark Quartly	Assistant Operations Manager
PR	Philippa Reece	Parks Manager

ADUR & WORTHING
COUNCILS

**SUMMARY OF ADUR AND WORTHING PARTNERSHIP SCHEMES INCLUDED IN THE PROPOSED
ADUR AND WORTHING CAPITAL INVESTMENT PROGRAMMES 2022/23 - 2023/24**

	Scheme	Requesting Officer	Split of Costs ADC / WBC	BUDGET PROPOSED		TOTAL BUDGET £	
				2022/2023	2023/2024		
				£	£		
1	Bereavement Services	Replacement of one operational vehicle for Adur and Worthing Cemeteries	Kate Greening	50/50	£ 40,000	£ -	£ 40,000
2	Bereavement Services	Replacements of equipment used for maintaining the grounds in the Worthing Crematorium and Adur and Worthing Cemeteries	Kate Greening	40 / 60	£ 32,000	£ 33,000	£ 65,000
3	Dog Warden Service	Replacement of one operational vehicle	Mark Quartly	50/50	£ -	£ 33,000	£ 33,000
4	Grounds Maintenance Service	Replacements of equipment used in parks and open spaces	Philippa Reece	40 / 60	£ 80,000	£ 80,000	£ 160,000
5	Grounds Maintenance	Replacement of vehicles used in parks and open spaces	Philippa Reece	40 / 60 (Parks)	£ 180,000	£ 144,800	£ 324,800
6	Information and Communications Technology	Corporate ICT hardware and infrastructure replacement programme	Jan Jonker	47 / 53	£ 220,000	£ 100,000	£ 320,000
7	Information and Communications Technology	Digital Strategy - Provision to facilitate delivery of the digital strategy	Jan Jonker	47 / 53	£ 156,000	£ 125,000	£ 281,000



ADUR & WORTHING
COUNCILS

**SUMMARY OF ADUR AND WORTHING PARTNERSHIP SCHEMES INCLUDED IN THE PROPOSED
ADUR AND WORTHING CAPITAL INVESTMENT PROGRAMMES 2022/23 - 2023/24**

	Scheme	Requesting Officer	Split of Costs ADC / WBC	BUDGET PROPOSED		TOTAL BUDGET £	
				2022/2023	2023/2024		
				£	£		
8	Information and Communications Technology	Planning and Building Control Document Management Solution	Jan Jonker	47 / 53	£ 95,040	£ -	£ 95,040
9	Parks and Open Spaces	Street litter and dog bins replacement programme	Mark Quartly	38 / 62	£ 10,000	£ 10,000	£ 20,000
10	Refuse / Recycling / Street Cleansing	Replacement of essential operational vehicles with electric or low emission vehicles where available	Mark Quartly	36.4 / 63.6 (Refuse/Recycling) 39.4 / 60.6 (Street Cleansing) 40 / 60 (Workshop)	£ 573,200	£ 628,800	£ 1,202,000
11	Refuse and Recycling Service	Wheeled Bin Replacements	Mark Quartly	36.4 / 63.6	£ 70,000	£ 70,000	£ 140,000
12	Trade Waste Service	Trade Waste Bins Replacements	Mark Quartly	30 / 70	£ 50,000	£ 50,000	£ 100,000
13	Workshop	Replacement of Workshop Van	Mark Quartly	40 / 60	£ -	£ 17,200	£ 17,200
BUDGET PROPOSED:					£ 1,506,240	£ 1,291,800	£ 2,798,040




ADUR & WORTHING
COUNCILS


**SUMMARY OF ADUR AND WORTHING PARTNERSHIP SCHEMES INCLUDED IN THE PROPOSED
ADUR AND WORTHING CAPITAL INVESTMENT PROGRAMMES 2022/23 - 2023/24**

	Scheme	Requesting Officer	Split of Costs ADC / WBC	BUDGET PROPOSED		TOTAL BUDGET £
				2022/2023	2023/2024	
				£	£	
FUNDING FROM ICT RING FENCED PROVISION:				£ 315,040	£ 100,000	£ 415,040
FUNDING FROM DIGITAL STRATEGY PROVISION:				£ 156,000	£ 125,000	£ 281,000
FUNDING FROM PARTNERSHIP RING FENCED PROVISION:				£ 1,035,200	£ 1,066,800	£ 2,102,000


SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME

 ADUR DISTRICT COUNCIL	CAPITAL ESTIMATES						
	Total Estimate £	Prior to 1.4.2021 £	2021/2022		2022/2023	2023/2024 Draft Estimate £	2024/2025 Future Estimate £
			Original £	Current £	Current £		
Column Reference (1)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
BUDGETS							
Executive Member for Customer Services	71,947,620	6,644,470	30,141,390	27,750,380	25,400,770	6,076,000	6,076,000
Executive Member for Environment	6,208,490	680,650	2,667,160	2,592,720	1,132,700	1,112,900	689,520
Executive Member for Health and Wellbeing	653,260	25,050	412,050	200,430	355,780	36,000	36,000
Executive Member for Regeneration	7,055,040	3,840,930	1,751,400	515,650	2,415,110	146,270	137,080
Executive Member for Resources	132,478,400	83,171,200	45,958,230	4,876,380	43,205,840	701,730	523,250
	218,342,810	94,362,300	80,930,230	35,935,560	72,510,200	8,072,900	7,461,850
FINANCING							
Capital Grants and Contributions							
Communities and Local Government			2,615,580	4,065,800	819,650	375,000	375,000
Environment Agency			590,000	174,800	560,990	96,270	87,080
S106 Contributions from Planning Agreements			150,000	72,450	150,000	-	-
Other Contributions			-	50,000	15,000	-	-
Prudential Borrowing			70,647,410	25,893,930	66,785,140	3,532,210	2,930,350
Revenue Contributions and Reserves							
Revenue Contributions			131,420	116,920	79,420	69,420	48,420
Revenue Reserves			4,900,000	4,042,650	3,900,000	3,900,000	3,900,000
Usable Capital Receipts			1,895,820	1,519,010	200,000	100,000	121,000
			80,930,230	35,935,560	72,510,200	8,072,900	7,461,850


**FUNDING SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL	CAPITAL ESTIMATES				
	2021/2022		2022/23	2023/2024	2024/2025
	Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(5)	(6)	(7)	(8)	(9)
<u>DETAILED FUNDING</u>					
<i>Capital Grants and Contributions</i>					
<u>Communities and Local Government</u>					
Better Care Fund (Disabled Facilities Grants)	375,000	375,000	375,000	375,000	375,000
Homes England (Albion Street Development)	-	1,516,240	-	-	-
Land Release Fund (Hidden Homes)	-	197,170	-	-	-
Local Enterprise Partnership (Governments Growth Deal) (Extending Ultrafast Fibre Network)	250,000	-	-	-	-
(Shoreham Harbour Walls Project)	-	112,280	-	-	-
Public Sector Decarbonisation (Adur Homes - Carbon reduction works in Council dwellings)	1,430,140	1,430,140	-	-	-
(General Fund - Carbon reduction works in Council properties)	415,440	364,970	-	-	-
Shoreham Harbour Growth Point Grant (Shoreham Harbour Projects)	145,000	70,000	75,000	-	-
(Shoreham Harbour Walls Coast Protection Project)	-	-	369,650	-	-
	2,615,580	4,065,800	819,650	375,000	375,000
<u>Environment Agency</u>					
Coast Protection Grant (Strategic Monitoring Project for the South East Phase 5)	-	87,080	87,080	96,270	87,080
(Shoreham Harbour Walls Coast Protection Project)	590,000	87,720	473,910	-	-
	590,000	174,800	560,990	96,270	87,080
<u>S106 Receipts from Planning Agreements</u>					
(Contribution to the Sir Robert Woodward Academy for CCTV cameras)	-	5,000	-	-	-
(Buckingham Park Pavilion - Replacement)	150,000	-	150,000	-	-
(Southwick Football Ground - Rectification of major defects to buildings, floodlighting and boundary walling)	-	50,000	-	-	-
Southlands Hospital - Play area improvements	-	17,450	-	-	-
	150,000	72,450	150,000	-	-
<u>Other Contributions</u>					
External Funding (Parks and Open Spaces - Art Work)	-	-	15,000	-	-
Sompting BIG Local (Play Area Improvements - Sompting Recreation Ground)	-	50,000	-	-	-
	-	50,000	15,000	-	-


FUNDING SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME

 ADUR DISTRICT COUNCIL	CAPITAL ESTIMATES				
	2021/2022		2022/23	2023/2024	2024/2025
	Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(5)	(6)	(7)	(8)	(9)
Prudential Borrowing					
<i>Housing Revenue Account - Housing Capital Investment Programme</i> (Carbon Reduction Schemes)	16,130,950	18,022,030	15,512,500	1,600,000	1,600,000
	-	100,000	-	-	-
<u>Invest to Save Schemes</u> (Carbon Reduction Schemes)	325,000	300,000	270,000	82,210	325,000
(Lancing and Sompting Cemeteries Extension)	-	-	-	350,000	-
(Property Acquisition - Acquisition of emergency or temporary property for the homeless)	4,139,940	868,800	3,142,470	-	-
(Strategic Property Investment Fund for investments in commercial property)	43,488,420	2,000,000	41,488,420	-	-
<u>General Fund Schemes</u> (Other Schemes)	6,563,100	4,603,100	6,371,750	1,500,000	1,005,350
	70,647,410	25,893,930	66,785,140	3,532,210	2,930,350
Revenue Contributions and Reserves					
<u>Revenue Contributions</u>					
Community Alarm Service (Purchase of community alarm equipment)	50,000	50,000	30,000	30,000	30,000
Digital Services (Network Refresh Project)	-	20,000	10,000	-	-
Housing Service (Empty Properties - Grants and loans to bring empty properties back into use)	63,000	21,000	21,000	21,000	-
Adur and Worthing Refuse and Recycling Service (Wheeled bin replacements)	10,920	10,920	10,920	10,920	10,920
Adur and Worthing Refuse and Recycling Service (Trade waste bin replacements)	7,500	15,000	7,500	7,500	7,500
	131,420	116,920	79,420	69,420	48,420
<u>Revenue Reserves</u>					
Capacity Issues Reserve (Purchase of Commercial Food Waste Collection Vehicle)	-	24,600	-	-	-
(Shoreham Centre - Air source heat pumps)	-	118,050	-	-	-
Reserve for Development and Refurbishment of Housing (Development and refurbishment of Council Dwellings)	1,000,000	-	-	-	-
Major Repairs Reserve (Adur Homes Capital Investment Programme)	3,900,000	3,900,000	3,900,000	3,900,000	3,900,000
	4,900,000	4,042,650	3,900,000	3,900,000	3,900,000
Usable Capital Receipts					
Adur Homes Capital Investment Programme	917,560	500,000	100,000	100,000	100,000
Non Ring-Fenced	6,000	6,000	-	-	-
Ring-Fenced					
(Adur Civic Centre - Purchase of land at New Salts Farm, Lancing)	875,000	920,260	-	-	-
(Empty Property Grants)	-	-	-	-	21,000
(Flexible Use of Capital Receipts)	97,260	92,750	-	-	-
(Shoreham Renaissance - Town Centres Public Space Improvements)	-	-	50,000	-	-
(Shoreham Renaissance - Southwick Football Club refurbishment)	-	-	50,000	-	-
	1,895,820	1,519,010	200,000	100,000	121,000


**EXECUTIVE MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2021 £	2021/2022		2022/2023	2023/2024 Draft Estimate £	2024/2025 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
GENERAL FUND SCHEMES								
Affordable Housing Grants to Registered Social Landlords for the provision of affordable housing	AA	2,789,800	-	2,069,800	720,000	2,069,800	-	-
Community Alarm Service Purchase of community alarm equipment to replace old equipment (Funded from the Community Alarm Service)	BR	140,000	-	50,000	50,000	30,000	30,000	30,000
Housing Empty property grants and loans to bring empty properties back into use (Part funded ring-fenced capital receipts)	BR	84,000	-	63,000	21,000	21,000	21,000	21,000
Housing Renewal Assistance <u>Discretionary Grants</u> Home Repair Assistance Grants	BR	200,000	-	65,000	50,000	50,000	50,000	50,000
<u>Mandatory Grants</u> Disabled Facilities Grants (Funded by DCLG Better Care Fund)	BR	1,500,000	-	375,000	375,000	375,000	375,000	375,000
Housing Property Development Acquisition and development of emergency, interim, temporary accommodation for the homeless (Invest to Save Schemes)	AA							
i) Albion Street refurbishments		930,000	61,200	900,000	668,800	200,000	-	-
ii) Land at North Road		1,097,470	897,470	-	200,000	-	-	-
iii) Unallocated budget		3,142,470	-	3,239,940	-	3,142,470	-	-
TOTAL GENERAL FUND SCHEMES		9,883,740	958,670	6,762,740	2,084,800	5,888,270	476,000	476,000


**EXECUTIVE MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2021 £	2021/2022		2022/2023	2023/2024 Draft Estimate £	2024/2025 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<u>ADUR HOMES - HOUSING INVESTMENT PROGRAMME</u>								
1 Disability Adaptations for Homes On-going programme providing access and home facilities for Council tenants with disabilities	AA	1,000,000	-	250,000	250,000	250,000	250,000	250,000
2 External Structural Works i) Flat Roof Recovering/Replacement Programme ii) Re-Pointing Programme and Structural Works Essential work to keep buildings water tight and maintain structures iii) Pitched Roofs Recovering/Replacement Renewal of roof coverings, timber structures, chimney stacks and firewalls iv) External Joinery and Window Replacements v) Replacement of double glazed windows, external doors and timber frames vi) Replacement/Upgrade of door entry systems	AA	7,808,040	-	3,185,000	3,695,040	1,371,000	1,371,000	1,371,000
3 Carbon Reduction Schemes Invest to Save Scheme. Funding to be released on submission of a business case to the Executive Member for Resources	DG	-	-	-	100,000	-	-	-
4 Electrical Safety Works Rolling programme of works to ensure electrical compliance. Works include testing and replacement of electrical wiring	AA	2,551,000	-	481,000	481,000	690,000	690,000	690,000
5 Fire Safety Order Works Rolling programme of works to meet Regulatory Reform (Fire Safety) Order 2005 identified from Fire Risk Assessments	AA	11,879,290	-	4,878,050	4,889,290	2,390,000	2,300,000	2,300,000
6 Heating and Energy Efficiency Schemes i) Carbon reduction works including installation of heat pumps to replace or complement gas boilers. ii) Boiler replacement programme	AA	2,323,040	550	1,980,940	1,932,490	130,000	130,000	130,000
7 Stock Condition Survey To inform a planned programme of structural works	AA	160,000	-	40,000	40,000	40,000	40,000	40,000
8 Asbestos Management Management and removal of asbestos found in council dwellings	AA	300,000	-	75,000	75,000	75,000	75,000	75,000
9 Responsive Capital Repairs Urgent capital repairs identified in advance of planned capital works	AA	400,000	-	100,000	100,000	100,000	100,000	100,000


**EXECUTIVE MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2021 £	2021/2022		2022/2023	2023/2024 Draft Estimate £	2024/2025 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
ADUR HOMES - HOUSING INVESTMENT PROGRAMME (continued)								
10 Capital Works on Empty Properties Over the course of a year approximately 120 council dwellings become vacant and require capital works before they can be re-let	AA	400,000	-	100,000	100,000	100,000	100,000	100,000
11 HRA Development Programme The development of new properties for let by Adur Homes.	AA							
i) Cecil Norris		3,925,000	3,470,950	1,000,000	454,050	-	-	-
ii) Albion Street		12,191,010	1,743,440	7,994,260	10,447,570	-	-	-
iii) Hidden Homes		2,275,000	470,860	2,000,000	1,804,140	-	-	-
iv) Hidden Homes - Future Programme		13,394,500	-	-	-	13,394,500	-	-
v) Ashcroft		540,000	-	-	540,000	-	-	-
vi) Purchase of properties / Contingency (Funded from borrowing, external funding, S106 receipts and capital receipts)		593,000	-	750,400	165,000	428,000	-	-
12 Building Services Vehicle replacements	AA	48,000	-	68,000	48,000	-	-	-
13 Professional and Consultancy Services	AA	2,176,000	-	476,000	544,000	544,000	544,000	544,000
TOTAL HOUSING INVESTMENT PROGRAMME		61,963,880	5,685,800	23,378,650	25,665,580	19,512,500	5,600,000	5,600,000
TOTAL		71,847,620	6,644,470	30,141,390	27,750,380	25,400,770	6,076,000	6,076,000


**EXECUTIVE MEMBER FOR ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2021 £	2021/2022		2022/2023	2023/2024	2024/2025
				Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Allotments								
Rolling programme of replacements and improvements (Works to be considered in future years)	PR	-	-	16,800	-	-	-	-
Bereavement Services								
New operational vehicle - 3 way tipper transit with tow-bar and trailer (Partnership scheme with Worthing Borough Council. Total cost £40,000)	KG	20,000	-	-	-	20,000	-	-
Replacement of grounds maintenance equipment (Partnership scheme with Worthing Borough Council)	KG	39,200	-	-	-	12,800	13,200	13,200
Car Parks								
Surface Car Parks - Replacement of pay and display equipment with an upgrade to include a contactless option	JP	88,000	-	88,000	88,000	-	-	-
Cemeteries								
Lancing and Sompting - Hard landscaping of land to be used for the extension and also installation of a new boundary fence	KG	350,000	-	-	-	-	350,000	-
Mill Lane Cemetery - Replacement of boundary fence	KG	90,000	-	-	-	90,000	-	-
Commercial Food Waste Collection Vehicle								
Purchase of one vehicle (Partnership scheme with Worthing Borough Council. Total cost £88,500)	AN	26,550	-	-	26,550	-	-	-
Conservation								
Purchase of land at New Salts Farm, (£875,000 to be funded from the sale of the Adur Civic Centre)	CC	925,000	4,740	875,000	920,260	-	-	-
Purchase of land at Pads Farm (Purchase completed in 2020/21)	CC	354,950	354,950	324,000	-	-	-	-
Dog Warden Service								
Replacement of 1 vehicle (Partnership scheme with Worthing Borough Council. Total cost £25,000)	MQ	16,500	-	-	-	-	16,500	-
Foreshore								
Kingston Beach - Environmental improvements	PR	20,000	-	20,000	-	20,000	-	-
Grounds Maintenance Service								
Replacement of operational vehicles (Partnership scheme with Worthing Borough Council. Total cost £439,500)	PR	187,840	-	-	-	72,000	57,920	57,920
Rolling programme of equipment replacements (Partnership scheme with Worthing Borough Council. Total cost £80,000 p.a)	PR	125,320	-	24,000	29,320	32,000	32,000	32,000


**EXECUTIVE MEMBER FOR ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2021 £	2021/2022		2022/2023	2023/2024 Draft Estimate £	2024/2025 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Leisure Centres								
DDA accessible entrance doors for Southwick Leisure Centre, Lancing Manor Leisure Centre and Wadurs Swimming Pool	KS	33,600	-	33,600	-	33,600	-	-
Lancing Manor Leisure Centre								
* Car Park - Vehicle access reconstruction at main entrance and vehicle restriction barriers to the grounds and car park	MP	39,200	-	-	39,200	-	-	-
* External cladding replacement	KS	50,000	-	50,000	50,000	-	-	-
* Renewal of flat roof area over the entrance hall and replacement of glazing units in the entrance hall	KS	200,000	-	200,000	200,000	-	-	-
Parks and Open Spaces								
Art Work (Commissioning and installation of art in the parks both traditional and contemporary. Subject to external funding)	KG	15,000	-	-	-	15,000	-	-
Buckingham Park - Contribution to the replacement of the pavilion (£150,000 funded from S106 receipts)	PR	172,000	-	172,000	-	172,000	-	-
Buckingham Park - Replacement of fencing, resurfacing of footpaths and other hard landscaping to improve access, including disability access across the site	PR	56,000	5,510	-	50,490	-	-	-
Buckingham Park - Hard standing area and recreational equipment	PR	50,000	-	-	50,000	-	-	-
Fishersgate Recreation Ground - Car Park resurfacing	MP	140,000	-	140,000	140,000	-	-	-
Infrastructure improvements to the Council's Parks (Improvements to include signage, recycling features, landscape enhancements and improved community facilities to meet Green Flag Award submissions)	PR	15,000	-	15,000	15,000	-	-	-
Lancing Manor Recreation Ground - Procurement of an irrigation system for the bowling area	PR	16,800	-	-	16,800	-	-	-
Landscape Adaptations - A series of initiatives designed to help cope with the changing climate. Schemes to include rain gardens, wildflower planting, prairie planting, edible landscapes, rewilding and wildlife habitat creation	PR	180,000	-	-	-	60,000	60,000	60,000


**EXECUTIVE MEMBER FOR ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2021 £	2021/2022		2022/2023	2023/2024 Draft Estimate £	2024/2025 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<i>Outdoor Fitness Equipment</i>								
Buckingham Park / Southwick Recreation Ground	PR	20,000	16,610	-	3,390	-	-	-
Replacement of trees affected by Ash Dieback	PR	70,020	-	10,000	40,020	10,000	10,000	10,000
Signage - Rolling programme of replacements	PR	20,000	2,170	20,000	17,830	-	-	-
*Southwick Recreation Ground - Resurfacing of hard surfaces	MP	36,000	-	32,500	36,000	-	-	-
Street litter and dog bins replacement programme (Partnership scheme with Worthing Borough Council)	MQ	19,000	-	7,600	7,600	3,800	3,800	3,800
Sustainable landscaping by creating successional bulb planting areas along major gateways into Adur (To reduce mowing, support pollinators and create outstanding visual impacts)	PR	30,000	-	30,000	30,000	-	-	-
Vehicular Incursion Prevention Measures (Enhanced security for priority sites, boundary aesthetics and vehicular incursion deterrent measures across the District's parks and open spaces)	MP	215,000	-	-	-	65,000	100,000	50,000
Play Area Improvements								
Replacement of safety surfaces, equipment and perimeter fencing	PR	463,910	-	200,800	193,910	90,000	90,000	90,000
Sompting Recreation Ground (Contribution of £50,000 from Sompting BIG Local)	PR	100,800	1,000	95,800	99,800	-	-	-
Southlands Way Play Area Improvements (Funded from S106 receipts)	PR	17,450	-	-	17,450	-	-	-
Public Conveniences								
Hand washing units - Replacement	KS	55,000	1,000	-	29,000	25,000	-	-
Rolling programme of upgrades and improvements	KS	310,000	-	30,000	-	110,000	100,000	100,000
Fort Haven Site Refurbishment		135,000	15,490	125,000	119,510	-	-	-
Refuse/Recycling Service								
Provision of trade waste bins (Partnership scheme with Worthing Borough Council. Total cost £50,000 p.a. £25,000 funded from a revenue contribution)	MQ	60,000	-	-	15,000	15,000	15,000	15,000
Provision of wheeled bins (Partnership scheme with Worthing Borough Council. Total annual cost £70,000, £30,000 funded from green bin income)	MQ	116,480	-	18,200	40,040	25,480	25,480	25,480


**EXECUTIVE MEMBER FOR ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2021 £	2021/2022		2022/2023	2023/2024 Draft Estimate £	2024/2025 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Street Cleansing / Refuse / Recycling Service								
Replacement vehicles (Partnership scheme with Worthing Borough Council. Total cost £2,359,470)	MQ	827,130	-	138,860	151,870	211,020	232,120	232,120
Fleet Management System (Partnership scheme with Worthing Borough Council)	MQ	17,400	-	-	17,400	-	-	-
Southwick Football Ground								
Rectification of building defects to buildings floodlighting and boundary walling (£50,000 Funded from S106 receipts and £50,000 funded from capital receipts)	JA	150,000	-	-	100,000	50,000	-	-
Transport Workshop								
Replacement of HGV Vehicle Lifts (Partnership scheme with Worthing Borough Council. Total cost £48,000)	MQ	19,200	-	-	19,200	-	-	-
Transport Workshop								
Replacement of workshop van (Partnership scheme with Worthing Borough Council. Total cost £17,200)	MQ	6,880	-	-	-	-	6,880	-
Wadurs Swimming Pool								
Expansion of changing facilities (£100,000 funded from S106 receipts) (£50,000 funded from Sport England) (£40,000 funded from Revenue Contributions)	KS	308,260	279,180	-	29,080	-	-	-
TOTAL		6,208,490	680,650	2,667,160	2,592,720	1,132,700	1,112,900	689,520


**EXECUTIVE MEMBER FOR HEALTH AND WELLBEING
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2021 £	2021/2022		2022/2023	2023/2024	2024/2025
				Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Community Centres								
Eastbrook Manor Community Centre - Provision of Multi Use Games Area and Building Fabric Repairs	KS MP	291,050	-	321,050	100,050	191,000	-	-
Southwick Community Centre - Replacement of windows to café area	KS	35,000	-	35,000	35,000	-	-	-
Southwick Community Centre - Replacement of windows to Porter Room and floor replacement	KS	30,000	-	-	-	30,000	-	-
Equalities								
Access Audits required under the Equalities Act	KS	50,000	-	-	-	50,000	-	-
Disability Discrimination Act Improvements - Rolling programme of improvements to Council buildings	KS	46,780	-	11,000	-	24,780	11,000	11,000
Public Health								
Asbestos Management - Provision for management and removal of asbestos found in Council buildings	KS	200,430	25,050	45,000	65,380	60,000	25,000	25,000
TOTAL		653,260	25,050	412,050	200,430	355,780	36,000	36,000


**EXECUTIVE MEMBER FOR REGENERATION
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2021 £	2021/2022		2022/2023	2023/2024	2024/2025
				Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Adur Town Centre Public Space Improvements Rolling programme of works to improve the environment of Adur District	JM	332,130	40,960	84,000	131,170	60,000	50,000	50,000
Coast Protection Works Shoreham Harbour Walls Project (Part funded from the Governments Growth Deal and the Environment Agency)	CC	6,193,000	3,799,970	1,500,000	200,000	2,193,030	-	-
Strategic Monitoring Project for the South East Phase 5 (Contribution to the Maritime Authorities Partnership Scheme. Funded by the Environment Agency)	MP	357,510	-	-	87,080	87,080	96,270	87,080
Land Drainage Realignment of the ditch and stabilisation of banks in the vicinity of Larkfield playing field, Lancing	MP	22,400	-	22,400	22,400	-	-	-
Shoreham Harbour Projects (Approved by the Shoreham Harbour Project Board and funded from Shoreham Harbour Growth Point Grant)	CJ	145,000	-	145,000	70,000	75,000	-	-
Sport and Recreation Facilities in the Community S106 Contributions: CCTV Cameras at the Sir Robert Woodard Academy	JA	5,000	-	-	5,000	-	-	-
TOTAL		7,055,040	3,840,930	1,751,400	515,650	2,415,110	146,270	137,080

**EXECUTIVE MEMBER FOR RESOURCES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2021 £	2021/2022		2022/2023	2023/2024	2024/2025
				Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Corporate Buildings								
Contribution to Partnership Admin Buildings Portland House - Asbestos removal and fire safety works Town Hall - Refurbishment for new ways of working	KS	665,520	39,890	694,290	625,630	-	-	-
* Condition Surveys (To provide an assessment of the current condition of the Council's corporate buildings to inform a programme of planned maintenance works)	KS	134,860	33,760	51,100	51,100	-	25,000	25,000
Carbon Reduction Schemes General Provision (Invest to Save Schemes)	FI	933,000	27,790	325,000	228,000	270,000	82,210	325,000
Public Sector Decarbonisation Schemes	DG							
Shoreham Centre - Installation of Air Source Heat Pumps		605,620	12,620	465,470	593,000	-	-	-
Eastbrook Manor - Installation of solar PV array		36,000	-	8,500	36,000	-	-	-
Commerce Way Depot - Installation of solar PV array		36,000	-	42,500	36,000	-	-	-
Fire Risk Assessment Works (Remedial works identified from Fire Risk Assessment Surveys)	KS	50,000	-	12,500	12,500	12,500	12,500	12,500
Leased Out Properties								
* Condition Surveys (To provide an assessment of the current condition of the Council's leased out properties to inform a programme of planned maintenance works)	CC	185,630	-	30,800	75,630	-	55,000	55,000
Office Equipment								
Microphone system replacement	SS	14,100	-	14,100	14,100	-	-	-
Information and Communications Technology								
Corporate ICT hardware and infrastructure replacement programme (Partnership scheme with Worthing Borough Council. Total cost £410,290)	JJ	277,650	-	47,000	80,250	103,400	47,000	47,000
Digital Strategy - General Provision (Partnership scheme with Worthing Borough Council. Total cost £1,155,080)	JJ	332,980	-	106,050	118,120	97,360	58,750	58,750
Network Refresh Project Wifi upgrade across all sites, improvements to remote working, network resilience and robustness	JJ	324,790	18,780	120,000	296,010	10,000	-	-

**EXECUTIVE MEMBER FOR RESOURCES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2021 £	2021/2022		2022/2023	2023/2024	2024/2025
				Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
HR and Payroll System - Replacement (Partnership scheme with Worthing Borough Council. Total cost £175,000)	SG	94,000	79,760	-	14,240	-	-	-
Extending Ultrafast Fibre Network (Community fibre connections. £317,950 funded by the Local Enterprise Partnership)	JJ	1,952,070	549,550	358,570	376,510	1,026,010	-	-
Planning and Building Control Document Management Solution	JA	44,670	-	-	-	44,670	-	-
Revenues and Benefits Licence and Set Up	JJ	133,950	-	133,950	133,950	-	-	-
Shoreham Centre Replacement of main hall roof	KS	168,000	-	-	-	-	168,000	-
Strategic Property Investments Investments in property for regeneration or service delivery	CC	125,897,470	82,409,050	43,488,420	2,000,000	41,488,420	-	-
Contingency: Inflation, Fluctuations and Urgent Schemes	SG	592,090	-	59,980	185,340	153,480	253,270	-
TOTAL		132,478,400	83,171,200	45,958,230	4,876,380	43,205,840	701,730	523,250

**SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME**



WORTHING BOROUGH
COUNCIL

CAPITAL ESTIMATES

Column Reference (1)	Total Estimate £	Prior to 1.4.2021 £	2021/2022		2022/2023	2023/2024	2024/2025
			Original	Current	Current	Draft Estimate	Future Estimate
			£	£	£	£	£
(3)	(4)	(5)	(6)	(7)	(8)	(9)	
BUDGETS							
Executive Member for Customer Services	17,913,630	6,469,590	7,054,830	4,134,730	5,309,310	1,140,000	860,000
Executive Member for Digital and Environmental Services	12,841,760	1,106,520	5,102,250	4,074,290	5,112,170	1,369,450	1,179,330
Executive Member for Health and Wellbeing	492,070	-	140,000	142,070	120,000	115,000	115,000
Executive Member for Regeneration	65,717,700	8,203,400	7,283,350	30,224,680	25,862,120	837,070	590,430
Executive Member for Resources	137,514,950	84,594,130	50,952,390	13,491,910	38,492,160	349,750	587,000
	234,480,110	100,373,640	70,532,820	52,067,680	74,895,760	3,811,270	3,331,760
FINANCING							
Capital Grants and Contributions							
Communities and Local Government			1,388,850	1,199,880	5,569,990	750,000	750,000
Environment Agency			200,000	106,430	106,430	117,670	106,430
S106 Contributions from Planning Agreements			754,120	967,750	13,320	-	-
Other Contributions			4,271,840	4,267,350	694,860	20,000	-
Prudential Borrowing			63,357,010	44,899,290	67,363,890	2,757,020	2,219,950
Revenue Contributions and Reserves							
Revenue Contributions			214,080	327,600	167,580	166,580	166,580
Revenue Reserves			89,730	115,250	61,690	-	-
Usable Capital Receipts							
General			257,190	184,130	918,000	-	88,800
			70,532,820	52,067,680	74,895,760	3,811,270	3,331,760

**SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME**



WORTHING BOROUGH
COUNCIL

CAPITAL ESTIMATES

Column Reference (1)	2021/2022		2022/2023	2022/2023	2023/2024
	Original £	Current £	Current £	Draft Estimate £	Future Estimate £
	(5)	(6)	(7)	(8)	(9)
DETAILED FUNDING					
Capital Grants and Contributions					
<u>Department for Business, Energy and Industrial Strategy</u>					
Heat Network Investment Programme Grant	-	-	3,158,000	-	-
Heat Network Investment Programme Loan	-	-	1,275,000	-	-
<u>Housing, Communities and Local Government</u>					
Better Care Fund					
(Disabled Facilities Grants)	800,000	898,020	750,000	750,000	750,000
Public Sector Decarbonisation Schemes Fund)					
(Assembly Hall - Installation of solar PV array)	25,250	25,250	-	-	-
(Goring Recreation Ground Pavilion - Installation of solar PV array)	15,150	15,150	-	-	-
(Portland House / Town Hall Carbon Reduction Schemes)	485,000	198,010	286,990	-	-
(Splashpoint Swimming Pool - Replacement of 2 ground source heat pumps)	-	-	100,000	-	-
(Worthing Town Hall - Installation of solar PV array)	25,250	25,250	-	-	-
(Worthing Town Hall - Installation of secondary glazing)	38,200	38,200	-	-	-
	1,388,850	1,199,880	5,569,990	750,000	750,000
<u>Environment Agency</u>					
Coast Protection Grant					
(Contribution to the Strategic Monitoring Project for the South East)	-	106,430	106,430	117,670	106,430
(Worthing Coast Protection - Design and modelling)	200,000	-	-	-	-
	200,000	106,430	106,430	117,670	106,430
<u>S106 and Community Infrastructure Contributions from Planning Agreements</u>					
(Brooklands Park redevelopment S106 and CIL)	-	6,950	-	-	-
(Extending Ultrafast Fibre Network CIL)	300,000	300,000	-	-	-
(Hillbarn / Rotary Recreation Ground - Refurbishment of changing rooms S106)	13,320	-	13,320	-	-
(Montague Street Design Works CIL)	-	200,000	-	-	-
(Palatine Park - Provision of an artificial football pitch 3G S106 funding)	340,000	340,000	-	-	-
(Outdoor Fitness Equipment - Windsor Lawns)	-	20,000	-	-	-
(Play Area Improvements: Palatine Park S106)	100,800	100,800	-	-	-
	754,120	967,750	13,320	-	-
<u>Other Contributions</u>					
Adur District Council					
(Contribution to Digital Infrastructure and Building Refurbishments)	347,140	347,140	-	-	-
Business Rate Pool					
(Extending Ultrafast Fibre Network)	-	-	662,500	-	-
Broadwater Community Centre					
(Contribution to new heating system)	-	2,000	-	-	-
External Funding Bids					
(Active Beach Zone Improvements)	300,000	-	-	-	-
Football Foundation					
(Palatine Park - Provision of an artificial football pitch 3G)	569,040	569,040	-	-	-
National Health Service					
(Contribution to the Adur and Worthing Workspaces Project)	-	237,880	-	-	-

SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME



WORTHING BOROUGH
COUNCIL

CAPITAL ESTIMATES

Column Reference (1)	2021/2022		2022/2023	2022/2023	2023/2024
	Original	Current	Current	Draft	Future
	£	£	£	Estimate	Estimate
	(5)	(6)	(7)	(8)	(9)
<u>Other Contributions (Continued)</u>					
Rampion Wind Farm (Brooklands Park Redevelopment)	-	19,500	-		
Sussex Community Foundation (Brooklands Park Redevelopment - New Café)	-	100,000	-	-	-
West Sussex County Council (Portland Road Public Realm Scheme)	2,997,000	2,984,290	-	-	-
Worthing Football Club (Contribution towards Palatine Park artificial football pitch 3G)	7,500	7,500	-	-	-
Worthing Theatres and Museum Trust (Contribution towards Assembly Hall Public Conveniences)	40,160	-	15,160	-	-
(Contribution towards Connaught Studio ventilation system)	-	-	-	20,000	-
(Contribution towards Connaught Theatre ventilation scheme)	11,000	-	-	-	-
(Contribution towards Museum Display Cabinets)	-	-	13,200	-	-
(Contribution towards Museum roof lights refurbishment)	-	-	4,000	-	-
	4,271,840	4,267,350	694,860	20,000	-
<u>Prudential Borrowing</u>					
<u>Invest to Save Schemes</u>					
(Acquisition and development of emergency or temporary accommodation)	3,540,000	2,252,300	3,101,520	-	-
(Purchase and installation of 32 new Beach Huts)	285,800	85,800	200,000	-	-
(Buckingham Road MSCP - Refurbishment)	1,500,000	1,056,110	1,200,000	-	-
(General Provision)	-	-	-	-	74,500
(High Street MSCP - Refurbishment for the homeless)	-	-	2,700,000	-	-
(Carbon reduction schemes)	400,000	300,000	270,000	239,020	400,000
(Strategic Property Investment Fund for investments in commercial property)	47,427,660	10,000,000	32,567,980	-	-
<u>General Fund Schemes</u>	10,203,550	31,205,080	27,324,390	2,518,000	1,745,450
	63,357,010	44,899,290	67,363,890	2,757,020	2,219,950
<u>Revenue Contributions and Reserves</u>					
<u>Revenue Contributions</u>					
AWCS Refuse/Recycling Service (Provision of wheeled bins and Trade Waste Bins)	19,080	36,580	36,580	36,580	36,580
Crematorium Trading Account (Crematorium Improvement Scheme repaid from additional income estimated at the rate of £80,000 p.a. over the next 7 years)	80,000	80,000	80,000	80,000	80,000
Delivery of Major Projects (Development of a digital hub)	-	89,020	-	-	-
Housing Service (Empty Properties - Grants and loans for empty properties)	115,000	92,000	36,000	50,000	50,000
Digital Service (Network Refresh Project)	-	30,000	15,000		
	214,080	327,600	167,580	166,580	166,580

**SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME**



WORTHING BOROUGH
COUNCIL

CAPITAL ESTIMATES

Column Reference (1)	2021/2022		2022/2023	2022/2023	2023/2024
	Original £	Current £	Current £	Draft Estimate £	Future Estimate £
	(5)	(6)	(7)	(8)	(9)
<i>Revenue Reserves</i>					
Capacity Issues Reserve (Purchase of Commercial Food Waste Collection Vehicle)	-	57,400	-	-	-
Museum Reserve (Museum and Art Gallery - Refurbishment)	-	-	61,690	-	-
Theatres Restoration Levy (Worthing Theatres - Capital improvements)	89,730	57,850	-	-	-
	89,730	115,250	61,690	-	-
<i>Usable Capital Receipts</i>					
Affordable Housing	-	-	906,000	-	-
Ring-Fenced: (Repayable grants and loans to bring empty properties back into use)	-	-	12,000	-	-
(Flexible Use of Capital Receipts)	168,390	184,130	-	-	-
(Worthing Coast Protection Scheme)	88,800	-	-	-	88,800
	257,190	184,130	918,000	-	88,800

**EXECUTIVE MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**



WORTHING BOROUGH
COUNCIL

Scheme

Lead
Officer

Total
Estimate
£

CAPITAL ESTIMATES

Prior to
1.4.2021
£

2021/2022

2022/2023

2023/2024
Draft
Estimate
£

2024/2025
Future
Estimate
£

Original
£

Current
£

Current
£

Column Reference (1)

(2)

(3)

(4)

(5)

(6)

(7)

(8)

(9)

Affordable Housing

Grants to Registered Social Landlords for the provision of affordable housing (Funded by Right to Buy Clawback Receipts, Housing Capital Receipts and S106 Receipts)

AA

906,000

-

1,831,900

-

906,000

-

-

Assembly Hall

Installation of solar PV array (Funded from Public Sector Decarbonisation Fund)

KS

50,500

-

25,250

50,500

-

-

-

Public conveniences - Refurbishment (Contribution of £15,160 from Theatres Trust)

KS

151,400

-

151,400

-

151,400

-

-

Connaught Studio (Ritz)

Installation of ventilation system

KS

190,000

-

33,000

-

10,000

180,000

-

* Renewal of slate roof

KS

150,000

-

150,000

150,000

-

-

-

Connaught Theatre

Main auditorium - Installation of a ventilation system (£57,850 funded from Theatres Restoration Levy)

KS

433,480

3,480

193,280

430,000

-

-

-

Replacement windows

KS

85,000

-

85,000

85,000

-

-

-

Housing

Empty property grants and loans to bring empty properties back into use (Funded from a revenue contribution)

BR

240,000

-

115,000

92,000

48,000

50,000

50,000

Housing Development

Acquisition and development of emergency, interim, temporary accommodation for the homeless

AA

(Invest to Save Schemes)

i) Rowlands Road Site Development

4,276,580

2,936,000

1,000,000

1,340,580

-

-

ii) Downview Site Development

4,400,000

3,488,280

1,000,000

911,720

-

-

iii) Unallocated

3,101,520

-

1,540,000

-

3,101,520

-

-

Housing Renewal Assistance

Discretionary Grants

Home Repair Assistance Grants

BR

254,500

-

60,000

74,500

60,000

60,000

60,000

Mandatory Grants

Disabled Facilities Grants (Funded by DCLG Better Care Fund)

BR

3,148,020

-

800,000

898,020

750,000

750,000

750,000

Museum and Art Gallery

DDA compliant new passenger lift

MR

100,000

-

-

-

100,000

-

Redevelopment

MR

89,190

-

-

-

89,190

-

-

(£77,000 funded from the Museum Reserve)

**EXECUTIVE MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**



WORTHING BOROUGH
COUNCIL

Scheme

Lead
Officer

Total
Estimate
£

Prior to
1.4.2021
£

Original
£

Current
£

2022/2023
Current
£

2023/2024
Draft
Estimate
£

2024/2025
Future
Estimate
£

CAPITAL ESTIMATES

Column Reference (1)

(2)

(3)

(4)

(5)

(6)

(7)

(8)

(9)

Museum and Art Gallery (Continued)

Replacement of 3 display cases and purchase of additional display cases (Worthing Theatres and Museum Trust Funding £13,200)

MR

64,400

-

-

64,400

-

-

Roof lights - Refurbishment and uncovering

KS

48,800

-

-

48,800

-

-

Pavilion Theatre

* Crittal window replacement

KS

80,000

-

-

80,000

-

-

* Drains - Realignment, relining and refurbishment

KS

25,000

-

15,000

25,000

-

-

-

* Provision of ventilation in roof space

KS

20,000

-

20,000

20,000

-

-

-

Pavilion Theatre Café - Toilet Refurbishment
(Investigative works into drainage prior to toilet refurbishment)

KS

10,000

-

10,000

10,000

-

-

-

Richmond Room

* Renewal of partition doors to Richmond Room and bar

KS

25,000

-

25,000

25,000

-

-

-

* Replacement of high level felted roof covering

KS

64,240

41,830

-

22,410

-

-

-

TOTAL

17,913,630

6,469,590

7,054,830

4,134,730

5,309,310

1,140,000

860,000

**EXECUTIVE MEMBER FOR DIGITAL AND ENVIRONMENTAL SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**



WORTHING BOROUGH
COUNCIL

Scheme

Lead
Officer

Total
Estimate
£

CAPITAL ESTIMATES

Prior to
1.4.2021
£

2021/2022

Original
£

Current
£

2022/2023
Current
£

2023/2024
Draft
Estimate
£

2024/2025
Future
Estimate
£

Column Reference (1)

(2)

(3)

(4)

(5)

(6)

(7)

(8)

(9)

Allotments

Rolling programme of improvements to pipes, paths and fencing which are outside the scope of the self-management agreement and which remain the Council's responsibility (Works to be considered in future years)

PR

-

-

16,800

-

-

-

-

Bereavement Services

New operational vehicle - 3 way tipper transit with tow-bar and trailer (Partnership scheme with Adur District Council. Total cost £40,000)

KG

20,000

-

-

-

20,000

-

-

Replacement of grounds maintenance equipment

KG

58,800

-

-

-

19,200

19,800

19,800

(Partnership scheme with Adur District Council)

Brooklands Lake

* Replacement of a failed section of the outfall pipe

MP

186,010

1,860

-

184,150

-

-

-

Brooklands Park

Redevelopment of Brooklands Park as detailed in the Brooklands Master Plan (Part funded from ring-fenced capital receipts, S106 receipts, CIL receipts and external contributions)

PR

3,177,200

450,660

1,990,590

726,540

2,000,000

-

-

Cemeteries

Durrington Cemetery - Improvements

KG

92,400

-

92,400

-

92,400

-

-

i) Lighting, hearing loop upgrades and a music system

ii) Catafalque

Commercial Food Waste Collection Vehicle

Purchase of one vehicle (Partnership scheme with Worthing Borough Council. Total cost £88,500)

MQ

61,950

-

-

61,950

-

-

-

Crematorium

Provision of a walkway above the cremators to enable maintenance and ventilation to the roof area above the cremators

KS

135,010

123,010

-

12,000

-

-

-

Redevelopment of the Children's Garden

KG

50,000

4,400

-

45,600

-

-

-

Dog Warden Service

Replacement of 1 vehicle (Partnership scheme with Adur District Council. Total cost £25,000)

MQ

16,500

-

-

-

-

16,500

-

Grounds Maintenance

Replacement of vehicles (Partnership scheme with Adur District Council. Total cost £522,120)

PR

281,760

-

-

-

108,000

86,880

86,880

**EXECUTIVE MEMBER FOR DIGITAL AND ENVIRONMENTAL SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**



WORTHING BOROUGH
COUNCIL

Scheme

Lead
Officer

Total
Estimate
£

CAPITAL ESTIMATES

Prior to
1.4.2021
£

2021/2022

Original
£

Current
£

2022/2023
Current
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2023/2024
Draft
Estimate
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2024/2025
Future
Estimate
£

Column Reference (1)

(2)

(3)

(4)

(5)

(6)

(7)

(8)

(9)

Grounds Maintenance (Continued)

Rolling programme of equipment replacements
(Partnership scheme with Adur District Council)

PR

187,970

-

36,000

43,970

48,000

48,000

48,000

Hillbarn / Rotary Recreation Ground

Contribution to new changing rooms / building
(Funded from S106 Receipts)

PR

13,320

-

13,320

-

13,320

-

-

Information and Communications Technology

Corporate ICT hardware and infrastructure replacement programme
(Replacement PCs, laptops, servers, network infrastructure, firewalls, wifi and essential on premise server replacements for services that are not suitable for cloud hosting. Partnership scheme with Adur District Council. Total cost: £320,000)

JJ

307,100

-

53,000

84,500

116,600

53,000

53,000

(Partnership scheme with Adur District Council. Total cost £410,290)

Network Refresh Project

Wifi upgrade across all sites, improvements to remote working, network resilience and robustness

JJ

487,180

28,170

180,000

444,010

15,000

-

-

Digital Strategy General Provision

(Partnership scheme with Adur District Council. Total cost £1,155,080)

JJ

385,500

-

119,580

143,210

109,790

66,250

66,250

Extension of Ultrafast Fibre Network

Additional fibre connections and equipment (£358,550 funded by the Local Enterprise Partnership)

JJ

1,978,740

397,170

422,430

424,580

1,156,990

-

-

HR and Payroll System - Replacement

(Partnership scheme with Adur District Council. Total cost £175,000)

SG

106,000

89,950

-

16,050

-

-

-

Planning and Building Control Document Management Solution

JA

50,370

-

-

-

50,370

-

-

Revenues and Benefits Licence and Set Up

JJ

151,050

-

151,050

151,050

-

-

-

Match Funding

Contribution towards Broadwater Green Pavilion Refurbishment

PR

89,600

-

89,600

-

89,600

-

-

Contribution towards Church House Ground Pavilion Relocation and Refurbishment

PR

150,000

-

150,000

-

150,000

-

-

**EXECUTIVE MEMBER FOR DIGITAL AND ENVIRONMENTAL SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**



WORTHING BOROUGH
COUNCIL

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Future
Estimate
£

Column Reference (1)

(2)

(3)

(4)

(5)

(6)

(7)

(8)

(9)

Outdoor Fitness Equipment

Windsor Lawns
(Funded from S106 Receipts)

PR

20,000

-

-

20,000

-

-

-

Palatine Park

Provision of an artificial football pitch (3G)
(Funded £569,040 from an external
funding bid to the Football Foundation,
£340,000 S106 receipts, and a £7,500
contribution from Worthing Football Club)

BM

916,540

-

916,540

916,540

-

-

-

Parks and Open Spaces

Church House Grounds Bowling Green -
Procurement of irrigation system

PR

16,800

-

-

16,800

-

-

-

Church House Grounds Tennis Courts -
Reconstruction and associated fencing and
paving, including the installation of an
electrical access gate linked to an online
booking system)

MP

251,300

-

-

-

251,300

-

Containers for floral bedding displays

PR

44,400

4,160

-

40,240

-

-

-

Infrastructure improvements to the
Council's Parks

PR

75,000

-

15,000

15,000

-

30,000

30,000

(Improvements to include signage,
recycling, landscape enhancements and
improved community facilities to meet
Green Flag Award submissions)

Landscape Adaptations - A series of projects
designed to help cope with the changing
climate. Schemes to include rain gardens,
wildflower planting, prairie planting, edible
landscapes, rewilding, wildlife habitat
creation and art work

PR

45,000

-

-

45,000

-

-

Street litter and dog bins replacement
programme

MQ

31,000

-

12,400

12,400

6,200

6,200

6,200

(Partnership scheme with Adur District
Council)

Replacement of trees affected by Ash
Dieback

PR

30,000

-

10,000

10,000

10,000

-

10,000

(Restocking of tree cover as part of the
response to Ash Dieback, the climate
emergency and enabling a more sustainable
sustainable approach to the management
of our parks and open spaces)

Signage - Programme of replacements

PR

20,000

3,840

-

16,160

-

-

-

Sustainable landscaping

PR

50,000

-

50,000

50,000

-

-

-

(Successional bulb planting of areas along
major gateways into Adur)

**EXECUTIVE MEMBER FOR DIGITAL AND ENVIRONMENTAL SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**



WORTHING BOROUGH
COUNCIL

Scheme

Lead
Officer

Total
Estimate
£

CAPITAL ESTIMATES

Prior to
1.4.2021
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2021/2022

Original
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Current
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2022/2023
Current
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2023/2024
Draft
Estimate
£

2024/2025
Future
Estimate
£

Column Reference (1)

(2)

(3)

(4)

(5)

(6)

(7)

(8)

(9)

Parks and Open Spaces (Continued)

Parks Improvements
(Future works to be specified)

PR/MP

308,000

-

-

-

115,000

193,000

Play Area Improvements

Palatine Park
(Funded from S106 receipts)

PR

100,800

-

100,800

100,800

-

-

-

Replacements of safety surfaces, equipment
and perimeter fencing

PR

344,750

-

100,800

74,750

90,000

90,000

90,000

Public Conveniences

Rolling programme of upgrades and
improvements
(Sites to be agreed with the Executive
Member)

KS

430,000

-

300,000

230,000

100,000

100,000

Refuse / Recycling Service

Provision of trade waste bins
(Partnership scheme with Adur District
Council. Total annual cost £50,000,
£25,000 funded from a revenue
contribution)

MQ

140,000

-

-

35,000

35,000

35,000

35,000

Provision of wheeled bins
(Partnership scheme with Adur District
Council. Total annual cost £70,000,
£30,000 funded from green bin income)

MQ

203,520

-

31,800

69,960

44,520

44,520

44,520

**Refuse / Recycling / Street Cleansing
Service**

Replacement vehicles
(Partnership scheme with Adur District
Council. Total cost £2,359,470)

MQ

1,396,170

-

213,140

240,630

362,180

396,680

396,680

Fleet Management System
(Partnership scheme with Adur District
Council)

MQ

12,600

-

-

12,600

-

-

-

Splashpoint Leisure Centre

Flume replacement

KS

40,300

3,300

37,000

37,000

-

-

-

Replacement Heat Pump

KS

300,000

-

-

300,000

-

-

-

Transport Workshop

Replacement of HGV Vehicle Lifts

MQ

28,800

-

-

28,800

-

-

-

Replacement of workshop van

MQ

10,320

-

-

-

10,320

-

Worthing Leisure Centre

Replacement of hammer cage

MR

40,000

-

-

40,000

-

-

-

TOTAL

12,841,760

1,106,520

5,102,250


4,074,290

5,112,170


1,369,450

1,179,330


**EXECUTIVE MEMBER FOR HEALTH AND WELLBEING
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2021 £	2021/2022		2022/2023 Current £	2023/2024 Draft Estimate £	2024/2025 Future Estimate £
				Original £	Current £			
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Broadwater Parish Rooms								
* Replacement of electrics (Distribution board, wiring installation and outlets)	KS	22,600	-	-	22,600	-	-	-
* Replacement of heating system (Contribution of £2,000 from Broadwater Community Centre towards the new heating system)	KS	20,000	-	-	20,000	-	-	-
Equalities								
Access Audits as required under the Equalities Act	KS	90,000	-	-	-	30,000	30,000	30,000
Disability Discrimination Act Improvements - Provision of minor alterations and improvements to Council properties	KS	121,290	-	55,000	6,290	65,000	25,000	25,000
Public Health								
Asbestos removal from Council buildings	KS	238,180	-	85,000	93,180	25,000	60,000	60,000
TOTAL		492,070	-	140,000	142,070	120,000	115,000	115,000


**EXECUTIVE MEMBER FOR REGENERATION
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2021 £	2021/2022		2022/2023 Current £	2023/2024 Draft Estimate £	2024/2025 Future Estimate £
				Original £	Current £			
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Boundary Signs								
Replacement of existing boundary signs on main entry routes into Worthing and additional signs on the A27	MG	22,000	-	22,000	22,000	-	-	-
Car Parks								
* Buckingham Road MSCP - Refurbishment	CC	2,333,000	76,890	1,500,000	1,056,110	1,200,000	-	-
Grafton MSCP - Replacement of essential equipment, cameras and entry / exit barriers	JJ	19,800	-	-	19,800	-	-	-
Grafton MSCP - Structural works required to keep the building operational (Concrete works are now required to keep the building open)	KS	120,000	-	-	-	120,000	-	-
* High Street MSCP - Refurbishment	JJ	2,700,000	-	-	-	2,700,000	-	-
High Street and Buckingham Road MSCPs Replacement of payment equipment and entry / exit barriers with automatic number plate recognition	JJ	357,200	-	175,000	57,200	-	300,000	-
Coast Protection								
Strategic Monitoring Project for the South East Phase 5 (Contribution to the Maritime Authorities Partnership Scheme. Funded by the Environment Agency)	MP	489,910	52,950	-	106,430	106,430	117,670	106,430
Worthing Coast Protection Scheme (Contribution to Environmental Agency Scheme. £88,800 funded from ring-fenced capital receipts)	MP	200,000	-	500,000	-	-	-	200,000
Economic Development								
Colonnade House Digital Hub (Acquisition of site to create a digital hub to provide additional flexible workspace for small and start up digital / tech companies. Funded from the revenue budget)	CC	4,100,980	50,980	-	89,020	3,960,980	-	-
Decoy Farm - Development of site to provide office space (Funded by Local Enterprise Grant)	CC	4,844,440	4,748,350	-	96,090	-	-	-
Fulbeck Avenue - Development of site to provide new homes	CC	167,010	142,500	-	24,510	-	-	-
Teville Gate Development - Acquisition of site for redevelopment to deliver new homes and employment opportunities	CC	8,121,750	-	-	8,121,750	-	-	-


**EXECUTIVE MEMBER FOR REGENERATION
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2021 £	2021/2022		2022/2023	2023/2024	2024/2025
				Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<i>Economic Development (Continued)</i>								
Time for Worthing Website	AW	20,000	17,280	10,000	2,720	-	-	-
Creation of a website to provide a central hub of information which will contribute to economic growth and generate income								
Worthing Integrated Care Centre Development on Worthing Town Hall Car Park	CC	33,971,000	1,586,420	-	15,156,470	17,228,110	-	-
Union Place Site - Development (Funded by external funding)	CC	600,000	17,790	573,510	582,210	-	-	-
<i>Foreshore Management</i>								
Active Beach Zone Improvements (Scheme was to be funded from external funding which has not been realised)	JM	-	-	300,000	-	-	-	-
Beach Office - Adaptation to include a Visitor Information Centre	AW	40,000	-	40,000	10,000	30,000	-	-
Replacement of foreshore equipment	PR	-	-	-	-	-	-	-
* Parade lighting columns - structural works	MP	22,400	-	22,400	22,400	-	-	-
* Promenade - Replacement of festoon lighting with LED units	KS	235,000	-	235,000	235,000	-	-	-
Purchase and installation of 32 new beach huts between Esplanade Court and Clarence Court (Invest to Save Scheme)	KS	291,360	5,560	285,800	85,800	200,000	-	-
Splashpoint Rainbow Misting Fountain - Replacement of the failed lighting	MP	32,600	-	-	-	32,600	-	-
Waterwise Garden Refurbishment - Replacement of the deteriorated timber walkway and monolith features with accessible recycled plastic walkways and new monolith features. Refurbishment of signage and incorporation of additional planting to compliment adjusted path layouts	MP	135,400	-	-	-	-	135,400	-
* Worthing Pier - Phased replacements of timber structures and piles to the Landing Stage (Total cost £1,170,000, phased at £234,000 p.a.)	MP	702,000	-	-	-	234,000	234,000	234,000
* Worthing Pier - Replacement of timber decking and timber structures to the landing stage	MP	89,600	-	89,600	89,600	-	-	-

**EXECUTIVE MEMBER FOR REGENERATION
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2021 £	2021/2022		2022/2023	2023/2024	2024/2025
				Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Public Realm Improvements								
Contribution to WSCC scheme to provide public rail improvements at Railway Approach	CC	357,500	303,200	-	54,300	-	-	-
Montague Street Improvements - Design works (Funded from the Community Infrastructure Levy)	AW	200,000	-	-	200,000	-	-	-
Portland Road Improvements Scheme (£3m funded by WSCC, £697,000 funded by Governments Growth Deal)	AW	3,697,000	712,710	2,997,000	2,984,290	-	-	-
Teville Gate Development (To assist and support a joint venture partnership and support the costs associated with delivering housing and commercial development)	CC	531,600	-	-	531,600	-	-	-
Worthing Pier, Southern Pavilion and Seafront Amusements								
* Fire safety compliance works Southern Pavilion Sprinkler System	KS	1,066,150	488,770	483,040	577,380	-	-	-
Worthing Town Centre								
Enhancements of public spaces and the improvement of facilities within the Town Centre, including secondary shopping areas	JM	250,000	-	50,000	100,000	50,000	50,000	50,000
		65,717,700	8,203,400	7,283,350	30,224,680	25,862,120	837,070	590,430

**EXECUTIVE MEMBER FOR RESOURCES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2021 £	2021/2022		2022/2023 Current £	2023/ 2024 Draft Estimate £	2024/ 2025 Future Estimate £
				Original £	Current £			
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(8)	(9)	(10)
Admin Buildings								
* Admin Buildings and Assembly Hall - Heating and air conditioning, doors and windows (Preparatory works on costings and consideration of potential smart hubs)	KS	100,000	-	100,000	100,000	-	-	-
* Portland House - Replacement of boiler and heating upgrade	KS	148,000	-	148,000	148,000	-	-	-
* Portland House - Replacement of building management system	KS	175,000	-	175,000	175,000	-	-	-
* Portland House - Replacement of windows, balconies and ancillary works (Works include new soffit, fascia boards, rainwater goods, localised rebuilding of balcony walls and replacement copings)	KS	536,990	-	287,000	-	536,990	-	-
* Portland House - Asbestos removal and fire safety works	KS	300,000	-	300,000	300,000	-	-	-
* Town Hall - Installation of fire separation and roof insulation (Works identified from Fire Risk Assessment)	KS	75,000	-	-	-	75,000	-	-
* Town Hall - Refurbishment for new ways of working	KS	1,684,800	95,200	1,394,890	1,589,600	-	-	-
* Town Hall - Replacement of slate roof covering and sectional replacement of asphalt coverings	KS	70,000	-	-	-	70,000	-	-
Corporate Buildings								
* Condition Surveys (To provide an assessment of the current condition of the Council's corporate buildings to inform a programme of planned maintenance works)	KS	301,720	72,930	158,790	158,790	-	35,000	35,000
* Fire Risk Assessment Works (Remedial works identified from Fire Risk Assessment Surveys)	KS	50,000	-	12,500	12,500	12,500	12,500	12,500
* Leased Out Properties - Condition Surveys (To provide an assessment of the current condition of the Council's leased out properties to inform a programme of planned maintenance works)	CC	263,230	-	45,000	135,000	-	63,230	65,000
* Montague Street Site - Essential repairs	KS	259,470	11,260	-	-	248,210	-	-
Carbon Reduction Schemes (Invest to Save Schemes)	DG	1,211,470	2,450	400,000	300,000	270,000	239,020	400,000

**EXECUTIVE MEMBER FOR RESOURCES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**



WORTHING BOROUGH
COUNCIL

Scheme

Lead
Officer

Total
Estimate
£

Prior to
1.4.2021
£

Original
£

Current
£

2022/2023
Current
£

2023/
2024
Draft
Estimate
£

2024/
2025
Future
Estimate
£

Column Reference (1)

(2)

(3)

(4)

(5)

(6)

(8)

(9)

(10)

Corporate Buildings (Continued)

Carbon Neutral 2030 : Worthing Heat Network

(Funded by the Heat Network Investment Programme Grant and Loan)

DG

4,433,000

-

-

4,433,000

-

-

Public Sector Decarbonisation Schemes - Funded from Public Sector Decarbonisation Grant

DG

62,000

-

62,000

62,000

-

-

-

(Town Hall / Portland House - Heating, fabric efficiency improvements and heat metering)

136,000

-

136,000

136,000

-

-

-

(Worthing Town Hall - Installation of solar PV array transferred to Assembly Hall)

-

-

25,250

-

-

-

-

(Goring Recreation Ground Pavilion - Installation of solar PV array)

15,150

-

15,150

15,150

-

-

-

Invest to Save Schemes

General Provision

SG

74,500

-

-

-

-

74,500

Office Equipment

Microphone system - Replacement

SS

15,900

-

15,900

15,900

-

-

-

Strategic Property Investment

Investments in property for regeneration or to increase service provision

CC

120,430,270

82,432,020

47,427,660

5,430,270

32,567,980

-

-

Cannon House Refurbishment (To refit the building for office space)

750,000

-

-

750,000

-

-

-

Southdown View Road Development (Acquisition and development of new employment floorspace within Worthing)

CC

5,800,000

1,980,270

-

3,819,730

-

-

-

Flexibility Payments

Revenue Expenditure

SG

15,740

-

-

15,740

-

-

-

Provision for new schemes arising from the Carbon Reduction Plan or other high priority

SG

149,250

-

149,250

149,250

-

-

-

Contingency: Inflation, Fluctuations and Urgent Schemes

SG

457,460

-

100,000

178,980

278,480

-

-

TOTAL

137,514,950

84,594,130

50,952,390

13,491,910

38,492,160

349,750

587,000

ADUR DISTRICT COUNCIL - ENVIRONMENT

RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officers Recommendations
<p>ALLOTMENTS Rolling programme of improvements to include replacements and improvements to pathways, old water pipes and fencing (Annual provision)</p>	11,200	Future works will be undertaken on an ad hoc basis	Remove from Reserve List
<p>CAR PARKS Rolling programme of works to resurface car parks' hard surfaces (Annual provision)</p>	22,000	Future works to be site specific	Remove from Reserve List
<p>CEMETERIES Mill Lane Cemetery - Replacement of boundary fencing</p>	75,000	Works included in the proposed 2022/23 Capital Investment Programme	Remove from Reserve List
<p>Mill Lane Cemetery - Compound replacement and toilets refurbishment</p>	120,000	Works identified from condition survey	Add to Reserve List
<p>Lancing and Sompting Cemetery - Hard landscaping of land to be used for the cemetery extension and also installation of a new boundary fence</p>	295,000	Works included in the proposed 2023/24 Capital Investment Programme	Remove from Reserve List
<p>Rolling programme of works to resurface hard surfaces in cemeteries and churchyards</p>	16,500	Future works to be site specific	Remove from Reserve List



ADUR DISTRICT COUNCIL - ENVIRONMENT

RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officers Recommendations
<p>GROUNDS MAINTENANCE Provision for the replacement of vehicles for the joint service (Partnership scheme with Worthing Borough Council)</p>	Not Costed	Future estimates dependent on current review of service requirements	Amend Reserve List
<p>Rolling programme of equipment replacements (Partnership scheme with Worthing Borough Council. Total annual provision £80,000)</p>	32,000	Estimate revised	Amend Reserve List
<p>LANCING MANOR LEISURE CENTRE Electrical, fire detection and mechanical works</p>	200,000	Estimate revised	Amend Reserve List
<p>Provision of a new pathway to the 3G football pitches to include a hard standing area next to the pitches</p>	35,000	Estimate revised	Amend Reserve List
<p>OPERATIONAL VEHICLES Provision for the replacement of vehicles for Adur and joint services (Partnership scheme with Worthing Borough Council)</p>	Not Costed	Future estimates dependent on current review of service requirements and the move to electric vehicles	Amend Reserve List

ADUR DISTRICT COUNCIL - ENVIRONMENT

RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officers Recommendations
PARKS AND OPEN SPACES			
Buckingham Park - Replacement of groundsman's building	Not Costed	Costings to be reviewed prior to submitting capital PID	Amend Reserve List
Outdoor Fitness Equipment - Rolling programme of replacements (Annual provision)	20,000	Replacements to be funded from play area improvements budget	Remove from Reserve List
Play Areas - Rolling programme of replacements, upgrades and improvements including outdoor fitness equipment (Annual provision)	90,000	Estimate revised due to scope of works revised to equipment upgrades rather than site refurbishments	Amend Reserve List
Programme of works to resurface hard surfaces in the Council's parks (Annual provision)	22,000	Future works to be site specific	Remove from Reserve List
Rolling programme of replacement signage (Annual provision)	20,000	Estimate revised	Amend Reserve List
Vehicular Incursion Prevention Measures including height barriers, provision of bunds, ditches, bollards and gates (Annual provision)	105,000	Estimate revised for future schemes at Sompting and Hamble Recreation Grounds and Elm Grove Open Space	Amend Reserve List
PUBLIC CONVIENCES			
Lancing Manor Park - Provision of a public convenience	132,000	Toilet provisions provided in the leisure centre	Remove from Reserve List



Scheme	Estimates £	Reason	Officers Recommendations
<p>REFUSE / RECYCLING / STREET CLEANSING SERVICE Provision for the replacement of vehicles for the joint service (Partnership scheme with Worthing Borough Council)</p>	Not Costed	Future estimates dependent on the solution for the fleet replacement strategy	Amend Reserve List
<p>Wheeled bins replacement programme (Partnership scheme with Worthing Borough Council. Total joint annual provision £70,000)</p>	25,480	Estimate revised	Amend Reserve List
<p>SOUTHWICK LEISURE CENTRE Replacement of roof to the main hall storeroom</p>	47,000	Works identified from condition survey	Add to Reserve List
<p>Replacement floor coverings</p>	95,000	Estimate revised	Amend Reserve List
<p>Replacement of east roof covering</p>	84,000	Estimate revised	Amend Reserve List



ADUR DISTRICT COUNCIL - HEALTH AND WELLBEING

RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officers Recommendations
<p>PUBLIC HEALTH Asbestos removal from Council buildings (Annual provision)</p>	25,000	Estimate revised	Amend Reserve List



Scheme	Estimates £	Reason	Officers Recommendations
<p>COAST PROTECTION WORKS Strategic Monitoring Project for the South East Phase 5 Contribution to the partnership scheme between Maritime Authorities (Funded by the Environment Agency)</p>	174,160	Continuation of works, years 5 and 6	Amend Reserve List

ADUR DISTRICT COUNCIL - RESOURCES

RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officers Recommendations
ADMIN BUILDINGS Commerce Way Replacement of floor coverings, lighting and internal joinery	76,800	Estimate revised	Amend Reserve List
Shoreham Centre Replacement of main hall roof	168,000	Scheme included in the proposed 2023/24 Capital Investment Programme	Remove from Reserve List
CORPORATE BUILDINGS Condition surveys of corporate buildings (Annual provision)	25,000	Estimate revised	Amend Reserve List
Condition surveys of commercial leased out properties (Annual provision)	65,000	Estimate revised	Amend Reserve List


WORTHING BOROUGH COUNCIL - CUSTOMER SERVICES
RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officer's Recommendations
ASSEMBLY HALL			
Dressing Rooms - Refurbishment	16,000	Works are the responsibility of the Worthing Theatres and Museum Trust	Remove from Reserve List
Flooring - new carpet and flooring to the main dance area, bar area, bar surround, foyer and reception area	10,000	Works are the responsibility of the Worthing Theatres and Museum Trust	Remove from Reserve List
Foyer and Auditorium - Refurbishment	40,000	Works are the responsibility of the Worthing Theatres and Museum Trust	Remove from Reserve List
Theatre - Stage extensions	15,000	Works are the responsibility of the Worthing Theatres and Museum Trust	Remove from Reserve List
CONNAUGHT THEATRE			
Dressing Rooms - Refurbishment	65,000	Estimate Revised	Amend Reserve List
HOUSING			
Housing Renovation Assistance - Discretionary grants and loans to finance home repairs and home insulation works (Annual provision)	60,000	Estimate revised in line with the demand for grants	Amend Reserve List
MUSEUM AND ART GALLERY			
Building - Refurbishment and redevelopment	Not Costed	Scope of works dependent on grant claim submitted by Worthing Theatres and Museum Trust to the Heritage Lottery	Amend Reserve List
Toilets - Refurbishment and resiting	42,500	Works are the responsibility of the Worthing Theatres and Museum Trust	Remove from Reserve List

WORTHING BOROUGH COUNCIL - CUSTOMER SERVICES
RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officer's Recommendations
PAVILION THEATRE			
Dressing Rooms - Refurbishment	30,000	Works are the responsibility of the Worthing Theatres and Museum Trust	Remove from Reserve List
Theatre - Upgrade of florescent fittings in the perimeter lighting to LED	20,000	Works are the responsibility of the Worthing Theatres and Museum Trust	Remove from Reserve List
Windows - Replacement of office windows	32,000	Works included in the 2022/23 Capital Investment Programme	Remove from Reserve List
PAVILION THEATRE CAFÉ (DENTON LOUNGE)			
Bar / Servery - Refurbishment	13,000	Works are the responsibility of the Worthing Theatres and Museum Trust	Remove from Reserve List
Ceilings - Repairs and redecoration to ornate ceiling	40,000	Works are the responsibility of the Worthing Theatres and Museum Trust	Remove from Reserve List
RICHMOND ROOM			
Main hall ceiling - Replacement	22,000	Works are the responsibility of the Worthing Theatres and Museum Trust	Remove from Reserve List
Replacement of suspended ceiling	20,000	Works are the responsibility of the Worthing Theatres and Museum Trust	Remove from Reserve List


WORTHING BOROUGH COUNCIL - ENVIRONMENT
RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officer's Recommendations
ALLOTMENTS Rolling programme of improvements to include replacement and improvements to pathways, old water pipes and fencing (Annual provision)	12,500	Works to be undertaken on an ad hoc basis	Remove from Reserve List
BEACH HOUSE GROUNDS Chalets - Replacement of front elevations	114,000	Estimate Revised	Amend Reserve List
BEACH HOUSE PARK Reconstruction of western access road	300,000	Estimate Revised	Amend Reserve List
CEMETERIES Durrington Cemetery Chapel - Continuation of refurbishment works	70,000	Works include new drainage, damp treatment, replacement carpets, new cataphalque, new entrance and new waiting room	Add to Reserve List
CREMATORIUM CCTV upgrade and installation of new cameras	10,000	To improve security	Add to Reserve List
Demolish existing shed and install a new greenhouse	30,000	Estimate Revised	Amend Reserve List
Kingswood Chapel - Replacement of chapel doors	80,000	Works identified from condition survey	Add to Reserve List
Kingswood Chapel - Green planted area	20,000	To improve visitor experience at the chapel and improve market share	Add to Reserve List

WORTHING BOROUGH COUNCIL - ENVIRONMENT
RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officer's Recommendations
Muntham Chapel - Refurbishment	100,000	Works to include new carpets, electrical works, new curtains and cataphalque,	Add to Reserve List
Replacement of gas cremators with electric cremators	1,000,000	Estimate Revised	Amend Reserve List
Replacement of waiting room and vestry carpets	80,000	To improve visitor experience at the crematorium and improve market share	Add to Reserve List
Vehicle flow improvement Phase 2	72,000	Phase 2 works are no longer being progressed	Remove from Reserve List
CYCLE STRATEGY			
Seafront Cycle Route Phase 3	256,000	The cycle strategy has been revised and new PIDs will be submitted for any future works	Remove from Reserve List
Seafront Cycle Route Phase 4	35,000		
GROUNDS MAINTENANCE			
Provision for the replacement of vehicles for the joint service (Partnership scheme with Adur District Council)	Not Costed	Future estimates dependent on current review of service requirements	Amend Reserve List
Rolling programme of equipment replacements (Partnership scheme with Adur District Council. Total annual provision £80,000)	48,000	Estimate revised	Amend Reserve List



WORTHING BOROUGH COUNCIL - ENVIRONMENT

RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officer's Recommendations
HIGHWAYS Graham Road access improvements	35,000	Estimate revised	Amend Reserve List
MEADOW ROAD DEPOT Reconstruction of hard surfaces	50,400	Resurfacing works have been completed. New PIDs will be submitted for any further works identified	Remove from Reserve List
OPERATIONAL VEHICLES Provision for the replacement of vehicles for the joint services (Partnership scheme with Adur District Council)	Not Costed	Future estimates dependent on current review of service requirements and the move to electric vehicles	Amend Reserve List
Programme of works to resurface hard surfaces in the Council's parks (Annual provision)	22,000	Future works to be site specific	Remove from Reserve List
PARKS AND OPEN SPACES Boundary Fencing Replacements (Annual provision)	20,000	Future works to be site specific	Remove from Reserve List
Outdoor Fitness Equipment - Rolling programme of replacements (Annual provision)	20,000	Replacements to be funded from play area improvements budget	Remove from Reserve List
Rolling programme of replacement signage (Annual provision)	20,000	Estimate revised	Amend Reserve List

WORTHING BOROUGH COUNCIL - ENVIRONMENT

190
WORTHING BOROUGH
COUNCIL

RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officer's Recommendations
<p>PAVILIONS Fernhurst Recreation Ground - Provision of a new pavilion</p>	Not Costed	Investigations to be undertaken to ascertain scope of works required	Remove from Reserve List
<p>REFUSE/RECYCLING/STREET CLEANSING SERVICE Provision for the replacement of vehicles for the joint service (Partnership scheme with Adur District Council)</p>	Not Costed	Estimate Revised	Amend Reserve List
<p>Wheeled bins replacement programme (Partnership scheme with Adur District Council. Total joint annual provision £70,000)</p>	44,520	Estimate revised	Amend Reserve List
<p>SPLASHPOINT LEISURE CENTRE External cladding replacement</p>	21,500	Estimate revised	Amend Reserve List
<p>WORTHING LEISURE CENTRE Athletics Track - Replacement</p>	941,000	Estimate revised	Amend Reserve List
<p>Building - Rewire whole complex</p>	316,800	Estimate revised	Amend Reserve List
<p>Garages - Conversion to social use</p>	Not Costed	Very old PID. No recent request	Remove from Reserve List
<p>New ceilings, boilers and ventilation</p>	300,000	Estimate revised	Amend Reserve List



WORTHING BOROUGH COUNCIL - ENVIRONMENT

RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officer's Recommendations
Refurbishment of the Durrington Leisure Centre	Not Costed	Estimate removed as it was based on very old costings	Amend Reserve List
Roof areas - Renewal of flat roof areas	360,000	Estimate revised	Amend Reserve List


WORTHING BOROUGH COUNCIL - HEALTH AND WELLBEING
RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officer's Recommendations
COMMUNITY CENTRES East Worthing Community Centre - Replacement boilers and hot water cylinder	15,000	Estimate Revised	Amend Reserve List



WORTHING BOROUGH COUNCIL - REGENERATION

RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officer's Recommendations
COAST PROTECTION WORKS Strategic Monitoring Project for the South East Phase 5. Contribution to the partnership scheme between Maritime Authorities (Funded by the Environment Agency)	212,860	Continuation of works, years 5 and 6	Amend Reserve List
FORESHORE			
Alinora Avenue Boat Launching Ramp - Extension to hard surface	14,300	Included in scheme below	Remove from Reserve List
Alinora Avenue Boat Launching Ramp - Renewal	450,000	Estimate revised	Amend Reserve List
Beach Office - Boat launching ramp	450,000	Ramp is now required for service provision	Add to Reserve List
Chalets and Kiosks - Renewal of fronts	114,000	Estimate revised	Amend Reserve List
Centre and Southern Pavilions - Replacement of decorative lighting	35,000	To provide more energy efficient LED lighting and modern wiring	Add to Reserve List
Coastal Path - (George V Avenue to Sea Lane, Goring) - Replacement	Not Costed	Previous estimate is now out of date	Amend Reserve List
Inshore Water Speed Restriction / Byelaws Control Zone Markers - Replacement	15,000	Current estimate are below the £10,000 capitalisation threshold	Remove from Reserve List
Promenade - Provision of railing or walling along northern side	Not Costed	Previous estimate is now out of date	Amend Reserve List



WORTHING BOROUGH COUNCIL - REGENERATION

RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officer's Recommendations
Sea Place - Boat Launching Ramp	450,000	Ramp is now required for service provision	Add to Reserve List
Splashpoint Rainbow Misting Fountain - Replacement of the failed lighting	28,300	Works included in the proposed 2022/23 Capital Investment Programme	Remove from Reserve List
WORTHING PIER Replacement of timber decking (3 year programme of works 2023/24 - 2025/26 @ £117,000 p.a.)	351,000	Phased replacement of the pier decking to ensure the pier remains open and safe	Add to Reserve List


WORTHING BOROUGH COUNCIL - RESOURCES
RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officer's Recommendations
PORTLAND HOUSE Building - Replacement of soffits and fascias	38,500	Works included in the proposed 2022/23 Capital Investment Programme	Remove from Reserve List
PROPERTY MANAGEMENT Colonnade House Renewal of metal windows	39,000	Works to be undertaken as part of the Colonnade House refurbishment	Remove from Reserve List
Meadow Road Depot External wall cladding	24,000	Estimate Revised	Amend Reserve List
Toilet Refurbishment	14,400	Estimate Revised	Amend Reserve List
Sea Place Road Access improvements to Yacht Club	N/C	The yacht club has been rebuilt and sea place has been resurfaced	Remove from Reserve List
TOWN HALL Air Conditioning Units - Replacement	200,000	Estimate Revised	Amend Reserve List
Roofing - Renewal of slate roof coverings	680,000	Estimate Revised	Amend Reserve List
Roof space - Removal of asbestos and installation of fire separation	Not Costed	Works included in the proposed 2022/23 Capital Investment Programme	Remove from Reserve List
Upgrade listed toilets	Not Costed	Works being undertaken as part of the Adur and Worthing Workspaces project	Remove from Reserve List
Windows - Replacement of 2nd floor windows with double glazing	74,800	Works included in the proposed 2022/23 Capital Investment Programme	Remove from Reserve List

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ADUR & WORTHING
COUNCILS

Joint Governance Committee
23 November, 2021

Joint Strategic Committee
7 December, 2021

Key Decision : No
Ward(s) Affected: All

MID YEAR REVIEW OF TREASURY MANAGEMENT 2021-22, ADUR DISTRICT COUNCIL AND WORTHING BOROUGH COUNCIL

REPORT BY THE DIRECTOR FOR DIGITAL, SUSTAINABILITY AND RESOURCES

Officer Contact Details:-

Pamela Coppelman, Group Accountant (Strategic Finance)

01903 221236

pamela.coppelman@adur-worthing.gov.uk

EXECUTIVE SUMMARY

1. PURPOSE

- 1.1 This report asks Members to note the Treasury Management mid-year performance for Adur and Worthing Councils at the 30 September 2021, as required by regulations issued under the Local Government Act 2003.

2. RECOMMENDATIONS

- 2.1 The Joint Governance Committee is recommended to note this report, including the recommendations for additions to the counterparties contained in section 4.3, and refer any comments or suggestions to the Joint Strategic Committee meeting on the 7th December 2021.
- 2.2 The Joint Governance Committee is recommended to note that the contract for Treasury advice is due for renewal on 1 April 2022 and the Chief Financial Officer will be re-procuring the contract.
- 2.3 The Joint Strategic Committee is recommended to note this report and approve the recommendations for additions to the counterparties contained in section 4.3.

2.4 The Joint Strategic Committee is recommended to note that the contract for Treasury advice is due for renewal on 1 April 2022 and the Chief Financial Officer will be re-procuring the contract.

3. CONTEXT

3.1 This report summarises the treasury management activities and portfolio for both Adur and Worthing Councils for the half year to 30 September 2021.

3.2 This is one of 3 treasury management reports that are required to be presented during the financial year (see Para. 4.1.3).

3.3 Capital Strategy

In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued revised Prudential and Treasury Management Codes. All local authorities are required to prepare a Capital Strategy which is intended to provide the following: -

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

A report setting out our Capital Strategy was approved by the full Councils on 22nd July 2021 (Adur) and 20th July 2021 (Worthing).

3.4 Treasury Management

The Councils operate balanced budgets, which broadly means cash raised during the year will meet their cash expenditure. Part of the treasury management operation is to ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.

The second main function of the treasury management service is the funding of the Councils' capital plans. These capital plans provide a guide to the borrowing needs of the Councils, essentially the longer term cash flow planning to ensure the Councils can meet their capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

Accordingly, treasury management is defined as:

“The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

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

4. ISSUES FOR CONSIDERATION

- 4.1 This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy’s (CIPFA) Code of Practice on Treasury Management (revised 2017).

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Councils’ treasury management activities.
 2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Councils will seek to achieve those policies and objectives.
 3. Receipt by the full Councils of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report (stewardship report) covering activities during the previous year.
 4. Delegation by the Councils of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
 5. Delegation by the Councils of the role of scrutiny of treasury management strategy and policies to a specific named body. For these Councils the delegated bodies are the Joint Governance Committee and the Joint Strategic Committee.
- 4.2 This mid-year report has been prepared in compliance with CIPFA’s Code of Practice on Treasury Management, and covers the following:
- An economic update for the first half of the 2021/22 financial year;
 - A review of the Treasury Management Strategy Statement and Annual Investment Strategy;

- The Councils' capital expenditure, as set out in the Capital Strategy, and prudential indicators;
- A review of the Councils' investment portfolios for 2021/22;
- A review of the Councils' borrowing strategy for 2021/22;
- A review of any debt rescheduling undertaken during 2021/22;
- A review of compliance with Treasury and Prudential Limits for 2021/22

4.3 **RECOMMENDED ADDITIONS/AMENDMENTS TO COUNTERPARTIES**

- 4.3.1 The Councils have declared a climate emergency and Members have expressed their enthusiasm to improve the sustainability of the Councils' investments. Officers have been careful to avoid counterparties with direct connections to industries which would not comply with this aim, wherever possible, but in order to fulfil the investment security requirements and our counterparty limits, it is not always possible to avoid indirect connections. The Councils use Low Volatility Net Asset Value (LVNAV) money market funds to manage liquidity and these funds invest in a wide range of assets. HSBC is in the process of launching a new ESG (Environmental, Social and Governance) LVNAV money market fund that will be implementing a "Best in Class" strategy towards ESG investing. It is recommended that, subject to confirmation of AAA rating for the fund, the HSBC ESG Sterling Liquidity Fund is added to the funds currently used by the Councils.
- 4.3.2 As permitted under the Non-Specified Investments sections of the Treasury Management Strategy Statement, the Councils have placed fixed term deposits with the UK bank Standard Chartered, which currently has an A+ rating. It is recommended that Standard Chartered Bank is now added to the Specified Investments lists with a maximum investment limit of £3m.
- 4.3.3 For social policy purposes, the Councils both hold deferred shares in the local Credit Union, Boom. Boom has approached the Councils with a request to hold and invest some of Boom's funds in order to mitigate their treasury management investment risk. They may wish to deposit £1m-£2m with the Councils on a call basis, so would be satisfied with a soft interest rate, possibly linked to Bank Rate. This has the potential to benefit both parties because we are able to diversify the investment risk over a wider portfolio and the Councils will have a lower borrowing requirement, as long as the funds are held. The details are still under discussion, but it is recommended that the Councils add the option to invest on behalf of Boom to the approved investment and borrowing strategy.
- 4.3.4 Local Climate Bonds have been suggested as a means of raising funds for smaller sustainability projects, such as local solar farms. This was a

recommendation from the Climate Assembly and would allow local residents to invest securely in environmentally friendly initiatives. The bonds are promoted by the Green Finance Institute. Initial research has shown that other local authorities have used these bonds successfully. Therefore it is recommended that this option is added to the Councils' borrowing strategy. Full due diligence would be undertaken before committing to a bond.

- 4.3.5 The Councils have invested with the Local Authorities' Property Fund. The current investment limit is £3m per Council and it is recommended that the limit should be raised to £5m per Council for the purpose of setting aside long term funds for the repayment of debt.

5. THE ECONOMY AND INTEREST RATES

A commentary supplied by *Link Treasury Services Ltd*, the professional consultants for the Councils' shared treasury management services, is included as an appendix to this report. The context is significant as it describes the backdrop against which treasury management activity has been undertaken during the year.

6. TREASURY MANAGEMENT STRATEGY STATEMENT and ANNUAL INVESTMENT STRATEGY UPDATE

- 6.1 The Treasury Management Strategy Statement (TMSS) for 2021/22 was noted by the Joint Governance Committee on the 26th January 2021 and approved by Adur Council on 18th February 2021 and by Worthing Council on 23rd February 2021.
- 6.2 There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

7. THE COUNCILS' CAPITAL POSITION (PRUDENTIAL INDICATORS)

This part of the report is structured to update:

- The Councils' capital expenditure plans
- How these plans are being financed
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow
- Compliance with the limits in place for borrowing activity

7.1 Prudential Indicator for Capital Expenditure

These tables show the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget.

Adur District Council

	2021/22 Original Estimate	Actual at 30 Sept 2021	2021/22 Revised Estimate
	£m	£m	£m
HRA	18.956	2.183	25.666
Non HRA	9.447	1.758	10.270
Commercial property	20.000	0.000	0.000
Total capital expenditure	48.403	3.941	35.936

The change in the Adur revised capital expenditure estimate for the HRA is due mainly to reprofiling from 2020-21 caused by Covid-19 and additional safety works. The Council no longer plans to invest in property solely for commercial purposes due to changes in government guidance. £2m of the planned commercial property expenditure has been re-profiled to non HRA investment in local property for regeneration or service delivery.

Worthing Borough Council

	2021/22 Original Estimate	Actual at 30 Sept 2021	2021/22 Revised Estimate
	£m	£m	£m
Non HRA	16.550	11.811	52.355
Commercial property	0.000	0.000	0.000
Total capital expenditure	16.550	11.811	52.355

There have been various changes to the Worthing capital expenditure programme, which have been detailed in regular reports and are partly due to reprofiling of several schemes caused by Covid-19. Specific changes include:

- the inclusion of the budget for the purchase of the Teville Gate Development Site of £8.122m
- expenditure on the Worthing Integrated Care Centre of £15.156m
- £10m reprofiled from 2020/21 commercial property investment to investments in local property for regeneration or service provision
- £1.595m for refurbishment of the Town Hall for new ways of working.

7.2 Changes to the Financing of the Capital Programme

The tables below draw together the main strategy elements of the capital

expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the tables increases the underlying indebtedness of the Councils by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Adur District Council

	2021/22 Original Estimate	2021/22 Revised Estimate
	£m	£m
Total Capital Expenditure	48.403	35.936
Financed by:		
Capital receipts	1.799	1.519
Capital Grants & contributions	1.425	4.363
Reserves & revenue contributions	7.808	6.474
Total financing	11.032	12.356
Borrowing requirement	37.371	23.580

Worthing Borough Council

	2021/22 Original Estimate	2021/22 Revised Estimate
	£m	£m
Total Capital Expenditure	16.550	52.355
Financed by:		
Capital receipts	0.000	0.184
Capital grants & contributions	5.468	6.568
Reserves & revenue contributions	3.201	1.979
Total financing	8.669	8.731
Borrowing requirement	7.881	43.624

7.3 Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

The tables below show the CFR, which is the underlying external need to incur borrowing to fund the capital programme. They also show the expected debt position over the period, which is termed the Operational Boundary.

Prudential Indicator - Capital Financing Requirement

As explained above, the CFR forecasts change with the capital expenditure forecasts, to the extent that the expenditure is not funded. Due to the reprofiling of capital expenditure, partly due to Covid 19, the CFR is below the forecast for both Adur and Worthing.

Prudential Indicator - the Operational Boundary for external debt Adur District Council

	2021/22 Original Estimate	Actual at 30 Sept 2021	2021/22 Revised Estimate
	£m	£m	£m
Prudential Indicator Capital Financing Requirement			
CFR - HRA	79.004	61.941	79.713
CFR – Non-HRA	158.544	108.173	112.363
Total CFR	237.548	170.114	192.076
Net movement in CFR	37.371	1.618	23.580
	Operational Boundary	Actual Debt	Operational Boundary
Borrowing	233.000	156.361	233.000
Other long term liabilities	1.000	0.000	1.000
Total debt	234.000	156.361	234.000

Worthing Borough Council

	2021/22 Original Estimate	Actual at 30 Sept 2021	2021/22 Revised Estimate
	£m	£m	£m
Prudential Indicator Capital Financing Requirement			
CFR - Non-HRA	191.619	144.564	179.256
Net movement in CFR	7.881	8.932	43.624
	Operational Boundary	Actual Debt	Operational Boundary
Borrowing re Worthing Homes	10.000	10.000	10.000
Borrowing re GB Met	5.000	4.625	5.000
Other Borrowing	177.000	124.926	177.000
Other long term liabilities	1.000	0.000	1.000
Total debt	193.000	139.551	193.000

7.4 Limits to Borrowing Activity: CFR and debt

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital investment purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and the next two financial years. This allows some flexibility for limited early borrowing for future years. The Councils have approved a policy for borrowing in advance of need which will be adhered to if this proves prudent. The Chief Financial Officer reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.

Adur District Council

	2021/22 Original Estimate	Actual debt at 30 Sept 2021	2021/22 Revised Estimate
	£m	£m	£m
Borrowing	232.332	156.361	178.323
Other long term liabilities	0.000	0.000	0.000
Total debt	232.332	156.361	178.323
CFR	237.548	170.114	192.076

Worthing Borough Council

	2021/22 Original Estimate	Actual debt at 30 Sept 2021	2021/22 Revised Estimate
	£m	£m	£m
Borrowing	190.902	139.551	174.243
Other long term liabilities	0.000	0.000	0.000
Total debt	190.902	139.551	174.243
CFR	191.619	144.564	179.256

7.5 Limits to Borrowing Activity: Authorised Limit and debt

A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Adur District Council

	2021/22 Original Indicator	Actual debt at 30 Sept 2021	2021/22 Revised Indicator
Authorised Limit for external debt	£m	£m	£m
Borrowing	238.000	156.361	238.000
Other long term liabilities	1.000	0.000	1.000
Total	239.000	156.361	239.000

Worthing Borough Council

	2021/22 Original Indicator	Actual debt at 30 Sept 2021	2021/22 Revised Indicator
Authorised Limit for external debt	£m	£m	£m
Borrowing re Worthing Homes and GB Met	15.000	14.625	15.000
Other Borrowing	182.000	124.926	182.000
Other long term liabilities	1.000	0.000	1.000
Total	198.000	139.551	198.000

8 BORROWING

- 8.1 The Capital Financing Requirement (CFR) denotes the Councils' underlying need to borrow for capital purposes. If the CFR is positive the Councils may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. For both Adur and Worthing Councils capital expenditure in 2021/22 is funded from grants, capital receipts, contributions, reserves and revenue contributions as well as borrowing. This is a prudent and cost effective approach in the current economic climate but will require ongoing monitoring in the event that any upside risk to gilt yields prevails..
- 8.2 Adur District Council's revised CFR forecast for 2021/22 is £192.076m. The relevant table in 7.4 shows the Council has borrowings of £156.361m at 30 September 2021 and has utilised £13.753m of cash flow funds in lieu of borrowing.

Worthing Borough Council's revised CFR for 2021/22 is £179.256m. The relevant table in 7.4 shows the Council has borrowings of £139.551m at 30 September 2021 and has utilised £5.013m of cash flow funds in lieu of borrowing.

8.3 Due to the overall financial position, the payments made on repayment loans and the underlying need to borrow for capital purposes, new external borrowing was undertaken as shown in the tables below. It is anticipated that further borrowing will be undertaken by both Councils during this financial year to fund capital expenditure and any debt refinancing needs. The capital programmes are being kept under regular review to assess progress and the associated need to finance the programme. Our borrowing strategy will, therefore, also be regularly reviewed and then revised, if necessary, in order to achieve optimum value and risk exposure in the long-term. The Councils have made some use of short-term borrowing from other local authorities due to the low interest rates available.

Adur District Council – new loans

Lender	Principal	Type	Interest Rate	Maturity
Public Works Loans Board	£1.0m	Fixed interest rate	2.01%	08/07/2041

Worthing Borough Council – new loans

Lender	Principal	Type	Interest Rate	Maturity
Leicester City Council	£5m	Fixed interest rate	0.25%	18/08/2023

8.4 PWLB maturity certainty rates (gilts plus 80bps) year to 30 September 2021

Gilt yields and PWLB rates were on a falling trend between May and August. However they rose sharply towards the end of September. The 50-year PWLB target certainty rate for new long-term borrowing started in April at 1.90%, rose to 2.00% in May, fell back to 1.70% in August and has now returned to 2.00% at the end of September after the MPC meeting of 23rd September.

The current PWLB rates are set as margins over gilt yields as follows (100 basis points is equivalent to 1%):-

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

9.0 DEBT RESCHEDULING

Debt rescheduling opportunities have been very limited in the current economic climate and following the various increases in the margins added to

gilt yields which have impacted PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken to date in the current financial year for either Council.

10.0 COMPLIANCE WITH TREASURY AND PRUDENTIAL LIMITS

It is a statutory duty for the Councils to determine and keep under review the affordable borrowing limits. During the half year ended 30 September 2021, the Councils have operated within the treasury and prudential indicators set out in the Joint Treasury Management Strategy Statement for 2021/22. The Chief Financial Officer reports that no difficulties are envisaged for the current or future years in complying with the indicators.

All treasury management operations have also been conducted in full compliance with the Councils' Treasury Management Practices.

11.0 ANNUAL INVESTMENT STRATEGY

11.1 The Treasury Management Strategy Statement (TMSS) for 2021/22, which includes the Annual Investment Strategy, was approved by the Adur Council on 18 February 2021 and by Worthing Council on 23 February 2021. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Councils' investment priorities as being:

- Security of capital
- Liquidity
- Yield

The Councils will aim to achieve the optimum return (yield) on investments commensurate with proper levels of security and liquidity and with the Councils' risk appetite. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with high credit rated financial institutions. The shared Treasury Service uses information supplied by the Treasury advisers, Link Asset Services, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information.

As shown by the interest rate forecasts in the Appendix, it is now impossible to earn the level of interest rates commonly seen in previous decades as all short term money market investment rates have only risen weakly since Bank Rate was cut to 0.10% in March 2020 until the MPC meeting on 24th September 2021 when 6 and 12 month rates rose in anticipation of Bank Rate going up in 2022. Given this environment and the fact that Bank Rate may only rise marginally, or not at all, before mid 2023, investment returns are expected to remain low.

This has had an impact on the income from our investment portfolios which has fallen substantially since 2019/20. Within the Medium Term Financial Strategy, the impact of these rates has added to the financial pressure the Councils are under although this pressure is offset by the low rates on the Councils' loans.

11.2 Creditworthiness

Significant levels of downgrades to Short and Long Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks (the rating agency's view regarding the potential direction of a long term credit rating over the intermediate period - typically 6 months to 2 years). However, as economies are beginning to reopen, there have been some instances of previous lowering of Outlooks being reversed.

Investment Counterparty criteria

The current investment counterparty criteria selection approved in the TMSS is meeting the requirements of the treasury management function except for the amendments recommended in section 4.3.

Credit Default Swap prices

Credit Default Swaps (CDS) are credit derivative contracts that enable investors to swap credit risk on a company with another counterparty. They are market indicators of credit risk. Although CDS prices for UK banks spiked at the outset of the pandemic in 2020, they have subsequently returned to near pre-pandemic levels. **However, sentiment can easily shift, so it remains important to undertake continual monitoring of all aspects of risk and return in the current circumstances.**

11.3 Investment balances

The Councils occasionally lend funds to each other, for example when a competitive rate is available from another Local Authority, but that Authority wishes to lend a larger sum than Adur or Worthing need individually. In 2020 Worthing borrowed £5m from another Authority, of which £2.5m was lent onwards to Adur.

The average level of funds available for investment purposes during the half year for Adur was £14.8m and for Worthing was £17.1m, excluding long term loans to Adur District Council, Worthing Homes and GB Met College. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt and payment of grants and progress on the capital programme.

11.4 Investment performance – Adur District Council

The investment portfolio yield for the first 6 months of the year is 0.25% p.a. against the London Interbank Bid Rate benchmark rate (supplied by Link) of 0.07% for 12 month deposits. This rate excludes the £3m investment in the Local Authorities' Property Fund, which returned 3.46% p.a. over the 6

months. The portfolio is shown below. Adur District Council's budgeted investment return for 2021/22 for both the General Fund and the HRA is £135k and the current forecast will result in a small over achievement of about £6k. The interest payable budget is currently expected to underspend by £159k by the year end.

Investment portfolio – Adur District Council

Counterparty	Issue Date	Maturity Date	Principal	Interest Rate	Long Term Rating
CCLA MMF	n/a	n/a	£3,000,000	var	AAA
Close Brother Ltd	10.08.21	09.08.22	£1,000,000	0.45%	A-
Close Brothers Ltd	06.09.21	06.03.23	£1,000,000	0.60%	A-
Federated Investments MMF	n/a	n/a	£10,000	var	AAA
Goldman Sachs Int Bank	26.05.21	06.06.22	£1,000,000	0.32%	A+
Goldman Sachs Int Bank	19.05.21	21.02.22	£1,000,000	0.24%	A+
Goldman Sachs Int Bank	15.07.21	07.03.22	£1,000,000	0.19%	A+
Handelsbanken call account	n/a	n/a	£140,000	0.02%	AA
Handelsbanken 35 day notice	n/a	n/a	£2,000,000	0.05%	AA
Lloyds Bank call account	n/a	n/a	£660,000	0.01%	A+
Lloyds Bank 95 day notice	n/a	n/a	£10,000	0.05%	A+
Local Authority Property Fund	25.04.17	n/a	£3,000,000	var	n/a
Santander UK 95 day notice	n/a	n/a	£4,000,000	0.40%	A+
Standard Chartered Bank	16.06.21	28.03.22	£1,000,000	0.17%	A+
Boom Credit Union	06.03.15	n/a	£25,000	n/a	n/a
TOTAL			£18,845,000		

11.5 Investment performance – Worthing Borough Council

The investment portfolio yield for the first 6 months of the year is 0.28% p.a. against the London Interbank Bid Rate benchmark rate of 0.07% for 12 month deposits. The portfolio yield includes a £2.5m loan to Adur District Council but excludes the £1.5m investment in the Local Authorities' Property Fund, which returned 3.46% p.a. over the 6 months.

The Council has also made 2 loans which are treated as capital expenditure rather than treasury investments:

- £10m to Worthing Homes at 0.7% above the rate at which the funds were borrowed, generating £70k p.a. for the Council
- £5m repayment loan to GB Met College at 2% above the rate at which funds were borrowed; the balance is now £4.868m, which will generate £104k in 2021/22 for the Council.

Worthing Borough Council's budgeted investment income for 2021/22, excluding the Worthing Homes and GB Met loans, is £65k and the current forecast will result in an over achievement of about £40k, due to the substantial Covid grants still held by the Council, but due to be repaid to

Government in the near future. The use of internal borrowing and the reprofiling of the capital programme contribute to a saving in the interest payable budget which is currently expected to underspend by £304k by the year end.

Investment Portfolio - Worthing Borough Council

Counterparty	Issue Date	Maturity Date	Principal	Interest Rate	Long Term Rating
Adur District Council	30.06.20	30.06.22	£2,500,000	1.00%	n/a
CCLA MMF	n/a	n/a	£3,000,000	var	AAA
Close Bros	30.06.21	05.01.22	£1,000,000	0.25%	A-
Federated Investments MMF	n/a	n/a	£10,000	var	AAA
Goldman Sachs Int Bank	26.05.21	28.02.22	£2,000,000	0.26%	A+
Goldman Sachs Int Bank	02.06.21	07.03.22	£1,000,000	0.25%	A+
Handelsbanken call account	n/a	n/a	£2,000,000	0.02%	AA
Handelsbanken 35 day notice	n/a	n/a	£2,000,000	0.05%	AA
Invesco MMF	n/a	n/a	£10,000	var	AAA
Leeds Building Society	09.06.21	06.06.22	£1,000,000	0.15%	A-
Lloyds call account	n/a	n/a	£280,000	0.01%	A+
Lloyds 32 day notice	n/a	n/a	£10,000	0.03%	A+
Lloyds 95 day notice	n/a	n/a	£10,000	0.05%	A+
Santander 95 day notice	n/a	n/a	£4,000,000	0.40%	A+
Standard Chartered Bank	16.06.21	28.02.22	£2,000,000	0.16%	A+
Standard Chartered Bank	24.06.21	05.10.21	£1,000,000	0.09%	A+
Local Authority Property Fund	27.04.17	n/a	£1,500,000	var	n/a
Boom Credit Union	Various	n/a	£50,000	n/a	n/a
TOTAL			£23,370,000		

Investment Performance – Approved Limits

The Chief Financial Officer confirms that the approved limits within the Annual Investment Strategy were not breached during the period ended 30 September 2021. The Local Authority Property Funds gave a briefing for Members on the 27th October 2021 to update them and answer any questions.

11.6 Counterparty commitment to sustainability

The Councils are committed to ethical investments and the use of counterparties which have appropriate sustainability, carbon reduction or ethical plans. There are links below to the plans or declarations of our current investment counterparties.

<https://www.ccla.co.uk/our-policies/climate-change-and-investment-policy>

<https://www.closebrothers.com/sustainability-and-environment>

<https://www.federatedinvestors.com/resources/resource-centers/responsible-investing-center.do?hint=class>

<https://www.goldmansachs.com/investor-relations/corporate-governance/sustainability-reporting/>

<https://www.handelsbanken.com/en/sustainability/climate-impact>
<https://www.invesco.com/corporate/about-us/esg/environmental-sustainability>
<https://www.leedsbuildingsociety.co.uk/knowledge-base/members/continuing-to-reduce-our-carbon-footprint/>
<https://www.lloydsbankinggroup.com/our-group/responsible-business/financing-a-green-future-together/reducing-our-own-environmental-footprint/>

https://www.santander.co.uk/assets/s3fs-public/documents/2019_santander_esg_supplement.pdf

https://www.sc.com/en/sustainability/?gclid=Cj0KCQjw18WKBhCUARIsAFiW7Jw9h9XtzcULNMBFfdOMiAEC0Lkjinwv5QBGzPyHH7ftV08AuVuZm3hYaAmJmEALw_wcB&gclidsrc=aw.ds

12. ENGAGEMENT AND COMMUNICATION

- 12.1 The Adur and Worthing Councils' treasury management team provides treasury services to Mid Sussex District Council through a shared services arrangement (SSA). The SSA is provided under a Service Level Agreement that was renewed from 18th October 2019, and which defines the respective roles of the client and provider authorities for a period of three years.
- 12.2 The Adur and Worthing Councils' treasury management team has also provided treasury services to Arun District Council through a shared services arrangement (SSA) since 1st March 2021 under a Service Level Agreement which defines the respective roles of the client and provider authorities for a period of three years.
- 12.2 Information and advice is supplied throughout the year by Link Treasury Services Ltd, the professional consultants for the Councils' shared treasury management service. This contract is due to be re-procured for 1st April 2022.

13. FINANCIAL IMPLICATIONS

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

14. LEGAL IMPLICATIONS

- 14.1 The presentation of the Half Year Report is required by regulations issued under the Local Government Act 2003 to review the treasury management activities, the actual prudential indicators and the treasury related indicators for 2021/22.

Background Papers

Joint Treasury Management Strategy Statement and Annual Investment Strategy Report 2021/22 to 2023/24 (Adur Council 18 February 2021 and Worthing Council 23 February 2021)

Annual Joint In-House Treasury Management Operations Report 1 April 2020 – 31 March 2021 (Adur Council 28 October 2021, Worthing Council 19 October 2021)

Link Treasury Services Ltd Half Year Report Template 2021/22

Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (CIPFA)

The Prudential Code for Capital Finance in Local Authorities (CIPFA)

SUSTAINABILITY & RISK ASSESSMENT

1. ECONOMIC

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

2. SOCIAL

2.1 Social Value

Matter considered and no issues identified.

2.2 Equality Issues

Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified.

2.4 Human Rights Issues

Matter considered and no issues identified.

3. ENVIRONMENTAL

Matter considered and no issues identified.

4. GOVERNANCE

4.1 The Councils' Treasury Management Strategy and Annual Investment Strategy places the security of investments as foremost in considering all treasury management dealing. By so doing it contributes towards the Council priorities.

4.2 The operation of the treasury management function is as approved by the Councils' Treasury Management Strategy and Annual Investment Strategy 2021/22 - 2023/24, submitted and approved before the commencement of the 2021/22 financial year.

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

APPENDIX

This commentary has been supplied by Link Treasury Services Ltd, the professional consultants for the Councils' shared treasury management services. The context is significant as it describes the backdrop against which treasury management activity has been undertaken during the year.

Economics and interest rates

1. Economics update

MPC meeting 24th September 2021

- The Monetary Policy Committee (MPC) voted unanimously to leave Bank Rate unchanged at 0.10% and made no changes to its programme of quantitative easing purchases due to finish by the end of this year at a total of £895bn; two MPC member voted to stop these purchases now to leave total purchases £35bn short of the total target as they were concerned that this would add to inflationary pressures.
- There was a major shift in the tone of the MPC's minutes at this meeting from the previous meeting in August which had majored on indicating that some tightening in monetary policy was now on the horizon, but also not wanting to stifle economic recovery by too early an increase in Bank Rate. In his press conference after the August MPC meeting, Governor Andrew Bailey said, "the challenge of avoiding a steep rise in unemployment has been replaced by that of ensuring a flow of labour into jobs" and that "the Committee will be monitoring closely the incoming evidence regarding developments in the labour market, and particularly unemployment, wider measures of slack, and underlying wage pressures." In other words, it was flagging up a potential danger that labour shortages could push up wage growth by more than it expects and that, as a result, CPI inflation would stay above the 2% target for longer. It also discounted sharp increases in monthly inflation figures in the pipeline in late 2021 which were largely propelled by events a year ago e.g., the cut in VAT in August 2020 for the hospitality industry, and by temporary shortages which would eventually work their way out of the system: in other words, **the MPC had been prepared to look through a temporary spike in inflation.**
- So, in August the country was just put on alert. However, this time the MPC's words indicated there had been a marked increase in concern that more recent increases in prices, particularly the increases in gas and electricity prices in October and due again next April, are, indeed, likely to lead to **faster and higher inflation expectations and underlying wage growth, which would in turn increase the risk that price pressures would prove more persistent next year than previously expected. Indeed, to emphasise its concern about inflationary pressures, the MPC pointedly chose to reaffirm its commitment to the 2% inflation target in its statement;** this suggested that it was now willing to look through the flagging economic recovery during the summer to prioritise bringing inflation down next year. This is a reversal of its priorities in August and a long way from words at earlier MPC meetings which indicated a willingness to look through inflation overshooting the target for limited periods to ensure that inflation was 'sustainably over 2%'. Indeed, whereas in August the MPC's focus was on getting through a winter of temporarily high energy prices and supply shortages, believing that inflation would return to just under the 2% target after reaching a high around 4% in late 2021, now its primary concern is that underlying price pressures in the economy are likely to get embedded over the next year and elevate future inflation to stay significantly above its 2% target and for longer.

- Financial markets are now pricing in a first increase in Bank Rate from 0.10% to 0.25% in February 2022, but this looks ambitious as the MPC has stated that it wants to see what happens to the economy, and particularly to employment once furlough ends at the end of September. At the MPC's meeting in February it will only have available the employment figures for November: to get a clearer picture of employment trends, it would need to wait until the May meeting when it would have data up until February. At its May meeting, it will also have a clearer understanding of the likely peak of inflation.

The MPC's forward guidance on its intended monetary policy on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows: -

1. Placing the focus on raising Bank Rate as "the active instrument in most circumstances".
2. Raising Bank Rate to 0.50% before starting on reducing its holdings.
3. Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
4. Once Bank Rate had risen to at least 1%, it would start selling its holdings.

- **COVID-19 vaccines.** These have been the game changer which have enormously boosted confidence that **life in the UK could largely return to normal during the summer** after a third wave of the virus threatened to overwhelm hospitals in the spring. With the household saving rate having been exceptionally high since the first lockdown in March 2020, there is plenty of pent-up demand and purchasing power stored up for services in hard hit sectors like restaurants, travel and hotels. The big question is whether mutations of the virus could develop which render current vaccines ineffective, as opposed to how quickly vaccines can be modified to deal with them and enhanced testing programmes be implemented to contain their spread.

Globally, our views on economies are as follows: -

- **US.** See comments below on US treasury yields.
- **EU.** The slow roll out of vaccines initially delayed economic recovery in early 2021 but the vaccination rate has picked up sharply since then. After a contraction in GDP of -0.3% in Q1, Q2 came in with strong growth of 2%, which is likely to continue into Q3, though some countries more dependent on tourism may struggle. Recent sharp increases in gas and electricity prices have increased overall inflationary pressures but the ECB is likely to see these as being only transitory after an initial burst through to around 4%, so is unlikely to be raising rates for a considerable time.
German general election. With the CDU/CSU and SPD both having won around 24-26% of the vote in the September general election, the composition of Germany's next coalition government may not be agreed by the end of 2021. An SPD-led coalition would probably pursue a slightly less restrictive fiscal policy, but any change of direction from a CDU/CSU led coalition government is likely to be small. However, with Angela Merkel standing down as Chancellor as soon as a coalition is formed, there will be a hole in overall EU leadership which will be difficult to fill.
- **China.** After a concerted effort to get on top of the virus outbreak in Q1 2020, economic recovery was strong in the rest of the year; this enabled China to recover all the initial contraction. During 2020, policy makers both quashed the virus and implemented a programme of monetary and fiscal support that was particularly effective at stimulating short-term growth. At the same time, China's economy

benefited from the shift towards online spending by consumers in developed markets. These factors helped to explain its comparative outperformance compared to western economies during 2020 and earlier in 2021. However, the pace of economic growth has now fallen back after this initial surge of recovery from the pandemic and China is now struggling to contain the spread of the Delta variant through sharp local lockdowns - which will also depress economic growth. There are also questions as to how effective Chinese vaccines are proving. In addition, recent regulatory actions motivated by a political agenda to channel activities into officially approved directions, are also likely to reduce the dynamism and long-term growth of the Chinese economy.

- **Japan.** 2021 has been a patchy year in combating Covid. However, after a slow start, nearly 50% of the population are now vaccinated and Covid case numbers are falling. After a weak Q3 there is likely to be a strong recovery in Q4. The Bank of Japan is continuing its very loose monetary policy but with little prospect of getting inflation back above 1% towards its target of 2%, any time soon: indeed, inflation was negative in July. New Prime Minister Kishida has promised a large fiscal stimulus package after the November general election – which his party is likely to win.
- **World growth.** World growth was in recession in 2020 but recovered during 2021 until starting to lose momentum more recently. Inflation has been rising due to increases in gas and electricity prices, shipping costs and supply shortages, although these should subside during 2022. It is likely that we are heading into a period where there will be a reversal of world globalisation and a decoupling of western countries from dependence on China to supply products, and vice versa. This is likely to reduce world growth rates from those in prior decades.

Supply shortages. The pandemic and extreme weather events have been highly disruptive of extended worldwide supply chains. At the current time there are major queues of ships unable to unload their goods at ports in New York, California and China. Such issues have led to mis-distribution of shipping containers around the world and have contributed to a huge increase in the cost of shipping. Combined with a shortage of semi-conductors, these issues have had a disruptive impact on production in many countries. Many western countries are also hitting up against a difficulty in filling job vacancies. It is expected that these issues will be gradually sorted out, but they are currently contributing to a spike upwards in inflation and shortages of materials and goods on shelves.

2 Interest rate forecasts

The Council's treasury advisor, Link Group, provided the following forecasts on 29th September 2021 (PWLB rates are certainty rates, gilt yields plus 80bps):

Link Group Interest Rate View		29.9.21								
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.75
3 month ave earnings	0.10	0.10	0.20	0.20	0.30	0.40	0.50	0.50	0.60	0.70
6 month ave earnings	0.20	0.20	0.30	0.30	0.40	0.50	0.60	0.60	0.70	0.80
12 month ave earnings	0.30	0.40	0.50	0.50	0.50	0.60	0.70	0.80	0.90	1.00
5 yr PWLB	1.40	1.40	1.50	1.50	1.60	1.60	1.60	1.70	1.70	1.70
10 yr PWLB	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10
25 yr PWLB	2.20	2.20	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.60
50 yr PWLB	2.00	2.00	2.10	2.20	2.20	2.20	2.20	2.30	2.30	2.40

Additional notes by Link on this forecast table: -

- LIBOR and LIBID rates will cease from the end of 2021. Work is currently progressing to replace LIBOR with a rate based on SONIA (Sterling Overnight Index Average). In the meantime, our forecasts are based on expected average earnings by local authorities for 3 to 12 months.
- Our forecasts for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short term cash at any one point in time.

The coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings.

As shown in the forecast table above, one increase in Bank Rate from 0.10% to 0.25% has now been included in quarter 2 of 2022/23 and another increase to 0.50% in quarter 4 of 23/24 and a third one to 0.75% in quarter 4 of 2023/24.

Significant risks to the forecasts

- COVID vaccines do not work to combat new mutations and/or new vaccines take longer than anticipated to be developed for successful implementation.
- The pandemic causes major long-term scarring of the economy.
- The Government implements an austerity programme that suppresses GDP growth.
- The MPC tightens monetary policy too early – by raising Bank Rate or unwinding QE.
- The MPC tightens monetary policy too late to ward off building inflationary pressures.
- Major stock markets e.g. in the US, become increasingly judged as being over-valued and susceptible to major price corrections. Central banks become increasingly exposed to the “moral hazard” risks of having to buy shares and corporate bonds to reduce the impact of major financial market sell-offs on the general economy.
- Geo-political risks are widespread e.g. German general election in September 2021 produces an unstable coalition or minority government and a void in high-profile leadership in the EU when Angela Merkel steps down as Chancellor of Germany; on-going global power influence struggles between Russia/China/US.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is now to the downside, including residual risks from Covid and its variants - both domestically and their potential effects worldwide.

Forecasts for Bank Rate

Bank Rate is not expected to go up fast after the initial rate rise as the supply potential of the economy has not generally taken a major hit during the pandemic, so should be able to cope well with meeting demand without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the surge to around 4% towards the end of 2021. Three increases in Bank rate are forecast in the period to March 2024, ending at 0.75%. However, these forecasts may well need changing within a relatively short time frame for the following reasons: -

- There are increasing grounds for viewing the economic recovery as running out of steam during the summer and now into the autumn. This could lead into stagflation which would create a dilemma for the MPC as to which way to face.
- Will some current key supply shortages e.g., petrol and diesel, spill over into causing economic activity in some sectors to take a significant hit?
- Rising gas and electricity prices in October and next April and increases in other prices caused by supply shortages and increases in taxation next April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflation. Then we have the Government's upcoming budget in October, which could also end up in reducing consumer spending power.
- On the other hand, consumers are sitting on around £200bn of excess savings left over from the pandemic so when will they spend this sum, in part or in total?
- There are 1.6 million people coming off furlough at the end of September; how many of those will not have jobs on 1st October and will, therefore, be available to fill labour shortages in many sectors of the economy? So, supply shortages which have been driving up both wages and costs, could reduce significantly within the next six months or so and alleviate the MPC's current concerns.
- There is a risk that there could be further nasty surprises on the Covid front, on top of the flu season this winter, which could depress economic activity.

In summary, with the high level of uncertainty prevailing on several different fronts, it is likely that these forecasts will need to be revised again soon - in line with what the new news is.

It also needs to be borne in mind that Bank Rate being cut to 0.10% was an emergency measure to deal with the Covid crisis hitting the UK in March 2020. At any time, the MPC could decide to simply take away that final emergency cut from 0.25% to 0.10% on the grounds of it no longer being warranted and as a step forward in the return to normalisation. In addition, any Bank Rate under 1% is both highly unusual and highly supportive of economic growth.

Forecasts for PWLB rates and gilt and treasury yields

As the interest forecast table for PWLB certainty rates above shows, there is likely to be a steady rise over the forecast period, with some degree of uplift due to rising treasury yields in the US.

There is likely to be **exceptional volatility and unpredictability in respect of gilt yields and PWLB rates** due to the following factors: -

- How strongly will changes in gilt yields be correlated to changes in US treasury yields?
- Will the Fed take action to counter increasing treasury yields if they rise beyond a yet unspecified level?
- Would the MPC act to counter increasing gilt yields if they rise beyond a yet unspecified level?

- How strong will inflationary pressures turn out to be in both the US and the UK and so impact treasury and gilt yields?
- How will central banks implement their new average or sustainable level inflation monetary policies?
- How well will central banks manage the withdrawal of QE purchases of their national bonds i.e., without causing a panic reaction in financial markets as happened in the “taper tantrums” in the US in 2013?
- Will exceptional volatility be focused on the short or long-end of the yield curve, or both?

The forecasts are also predicated on an assumption that there is no break-up of the Eurozone or EU within our forecasting period, despite the major challenges that are looming up, and that there are no major ructions in international relations, especially between the US and China / North Korea and Iran, which have a major impact on international trade and world GDP growth.

Gilt and treasury yields

Since the start of 2021, there has been a lot of volatility in gilt yields, and hence PWLB rates. During the first part of the year, US President Biden’s, and the Democratic party’s determination to push through a \$1.9trn (equivalent to 8.8% of GDP) fiscal boost for the US economy as a recovery package from the Covid pandemic was what unsettled financial markets. However, this was in addition to the \$900bn support package already passed in December 2020 under President Trump. This was then followed by additional Democratic ambition to spend further huge sums on infrastructure and an American families plan over the next decade which are caught up in Democrat / Republican haggling. Financial markets were alarmed that all this stimulus, which is much bigger than in other western economies, was happening at a time in the US when: -

1. A fast vaccination programme has enabled a rapid opening up of the economy.
2. The economy had already been growing strongly during 2021.
3. It started from a position of little spare capacity due to less severe lockdown measures than in many other countries. A combination of shortage of labour and supply bottle necks is likely to stoke inflationary pressures more in the US than in other countries.
4. And the Fed was still providing monetary stimulus through monthly QE purchases.

These factors could cause an excess of demand in the economy which could then unleash stronger and more sustained inflationary pressures in the US than in other western countries. This could then force the Fed to take much earlier action to start tapering monthly QE purchases and/or increasing the Fed rate from near zero, despite their stated policy being to target average inflation. It is notable that some Fed members have moved forward their expectation of when the first increases in the Fed rate will occur in recent Fed meetings. In addition, more recently, shortages of workers appear to be stoking underlying wage inflationary pressures which are likely to feed through into CPI inflation. A run of strong monthly jobs growth figures could be enough to meet the threshold set by the Fed of “substantial further progress towards the goal of reaching full employment”. However, the weak growth in August, (announced 3.9.21), has spiked anticipation that tapering of monthly QE purchases could start by the end of 2021. These purchases are currently acting as downward pressure on treasury yields. As the US financial markets are, by far, the biggest financial markets in the world, any trend upwards in the US will invariably impact and influence financial markets in other countries. However, during June and July, longer term yields fell sharply; even the large non-farm payroll increase in the first week of August

seemed to cause the markets little concern, which is somewhat puzzling, particularly in the context of the concerns of many commentators that inflation may not be as transitory as the Fed is expecting it to be. Indeed, inflation pressures and erosion of surplus economic capacity look much stronger in the US than in the UK. **As an average since 2011, there has been a 75% correlation between movements in 10 year treasury yields and 10 year gilt yields. This is a significant UPWARD RISK exposure to our forecasts for longer term PWLB rates. However, gilt yields and treasury yields do not always move in unison.**

There are also possible **DOWNSIDE RISKS** from the huge sums of cash that the UK populace have saved during the pandemic; when savings accounts earn little interest, it is likely that some of this cash mountain could end up being invested in bonds and so push up demand for bonds and support their prices i.e., this would help to keep their yields down. How this will interplay with the Bank of England eventually getting round to not reinvesting maturing gilts and then later selling gilts, will be interesting to keep an eye on.

The balance of risks to medium to long term PWLB rates: -

- There is a balance of upside risks to forecasts for medium to long term PWLB rates.

A new era – a fundamental shift in central bank monetary policy

One of the key results of the pandemic has been a fundamental rethinking and shift in monetary policy by major central banks like the Fed, the Bank of England and the ECB, to tolerate a higher level of inflation than in the previous two decades when inflation was the prime target to bear down on so as to stop it going above a target rate. There is now also a greater emphasis on other targets for monetary policy than just inflation, especially on 'achieving broad and inclusive "maximum" employment in its entirety' in the US before consideration would be given to increasing rates.

- The Fed in America has gone furthest in adopting a monetary policy based on a clear goal of allowing the inflation target to be symmetrical, (rather than a ceiling to keep under), so that inflation averages out the dips down and surges above the target rate, over an unspecified period of time.
- The Bank of England has also amended its target for monetary policy so that inflation should be 'sustainably over 2%' and the ECB now has a similar policy.
- **For local authorities, this means that investment interest rates and very short term PWLB rates will not be rising as quickly or as high as in previous decades when the economy recovers from a downturn and the recovery eventually runs out of spare capacity to fuel continuing expansion.**
- Labour market liberalisation since the 1970s has helped to break the wage-price spirals that fuelled high levels of inflation and has now set inflation on a lower path which makes this shift in monetary policy practicable. In addition, recent changes in flexible employment practices, the rise of the gig economy and technological changes, will all help to lower inflationary pressures.
- Governments will also be concerned to see interest rates stay lower as every rise in central rates will add to the cost of vastly expanded levels of national debt; (in the UK this is £21bn for each 1% rise in rates). On the other hand, higher levels of inflation will help to erode the real value of total public debt.

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ADUR & WORTHING COUNCILS

Key Decision: No

Ward(s) Affected: All

Council Tax Support Schemes for 2022/23

Report by the Director for Digital, Sustainability & Resources

Officer Contact Details:

Paul Tonking, Head of Revenues & Benefits
(01903) 221290
paul.tonking@adur-worthing.gov.uk

Executive Summary

1. Purpose

- 1.1. Members are asked to recommend to their respective Full Councils the Council Tax Support Schemes in respect of 2022/23.

2. Recommendations

- 2.1. The Joint Strategic Committee is asked to:
 - a. Note the content of this report
 - b. Consider recommending to Adur District Council that the Council Tax Support scheme for Adur District Council in respect of working age customers for 2022/23
 - i. Should be based upon the scheme for 2021/22 with no restrictions; and
 - ii. No other changes should be made beyond necessary technical amendments required to keep the scheme consistent with the national rules in respect of Housing Benefit
 - c. Consider recommending to Worthing Borough Council that the Council Tax Support scheme for Worthing Borough Council in respect of working age customers for 2022/23

- i. Should be based upon the scheme for 2021/22 with the £5.00 weekly restriction retained; and
- ii. That the discretionary budget to support those in severe financial difficulties should be retained; and
- iii. No other changes should be made beyond necessary technical amendments required to keep the scheme consistent with the national rules in respect of Housing Benefit

3. Context

- 3.1 Since April 2013 Members have had the freedom to set a local Council Tax Support scheme in respect of “working age” customers. Both Councils opted to retain the national scheme for 2013/14 and 2014/15 and whilst Adur District Council has also retained the national scheme since then, Worthing Borough Council introduced a £5.00 per week restriction from 1 April 2015 for all “working age” customers together with a discretionary budget to allow additional assistance to be provided where appropriate.
- 3.2 There are statutory protections for all pensioners and refugees, so local schemes only apply to “working age” customers.
- 3.3 At the meeting of Adur Full Council held on 17 December 2020 it was resolved that: there should be no restrictions introduced in respect of the 2021/22 scheme and that no other changes should be made beyond necessary technical amendments required to keep the scheme consistent with the national rules in respect of Housing Benefit.
- 3.4 At the meeting of Worthing Full Council held on 15 December 2020 it was resolved that the £5.00 weekly restriction should be retained together with the discretionary budget to support those in severe financial difficulties and that no other changes should be made beyond necessary technical amendments required to keep the scheme consistent with the national rules in respect of Housing Benefit.
- 3.5 Until 2018 the Councils undertook public consultations about whether changes should be made to the following year’s schemes. However, revised advice from the Councils’ Legal Services Team has confirmed that consultations are not required unless the fundamental criteria of the schemes is amended.
- 3.6 The costs of the schemes directly impact on the overall budget-setting process for each Council and the scheme parameters therefore need to be determined at the annual tax-setting meetings held each February. If required, public consultations should be undertaken for at least eight weeks and consequently there is insufficient time to make changes (that would require a public consultation) in respect of the schemes for 2022/23.
- 3.7 However, if Members are minded to consider changes in respect of the 2023/24 schemes, a further report can be provided in early summer 2022 to allow sufficient time for consultations to be undertaken.

4. Issues for consideration

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

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

4.2 Whilst Adur District Council also retained the national scheme for 2015/16 - 2021/22, Worthing Borough Council amended the scheme in 2015/16 and has retained this amended scheme thereafter. The scheme that was approved for Worthing:

- Introduced a £5.00 per week restriction for all “working age” customers; and
- Created a discretionary budget in partnership with West Sussex County Council to allow additional assistance to be provided where appropriate; and
- Provided 1 x FTE additional member of staff to the Revenues & Recovery Team in anticipation of the additional recovery work that would arise

4.3 Over the past few years the cost of Council Tax Support (CTS) has generally fallen, following local trends in employment. During the early part of 2020/21 the Councils experienced an increase in the cost of CTS reflecting the impact of the COVID-19 pandemic. In Adur, the number of “live” CTS claims has remained static but in Worthing the caseload has gradually been reducing since April 2021. The costs of CTS have been:

Financial year	Adur		Annual increase / decrease (-)		Worthing		Annual increase / decrease (-)	
	Cost of CT Support	Overall Average Council Tax increase	£'000	%	Cost of CT Support	Overall Council Tax increase	£'000	%
2012/13 Actual	£'000	%	£'000	%	£'000	%	£'000	%
2012/13 Actual	5,195				7,287			
2013/14 Actual	4,976	0.00	-219	-4.22	7,049	0.00	-238	-3.27
2014/15 Actual	4,633	0.18	-343	-6.89	6,754	0.18	-295	-4.18
2015/16 Actual	4,414	0.00	-219	-4.73	5,201	0.18	-1,553*	-22.99
2016/17 Actual	4,313	3.51	-101	-2.29	5,167	3.63	-34	-0.65
2017/18 Actual	4,314	3.51	1	0.02	5,100	3.62	-67	-1.30
2018/19 Actual	4,295	4.92	-19	-0.44	5,188	4.95	88	1.73
2019/20 Actual	4,332	5.48	37	0.86	5,429	5.61	241	4.65
2020/21 Actual	4,628	3.78	296	6.83	5,800	3.87	371	6.83
2021/22 (estimate)	4,650	4.78	22	0.40	5,890	4.87	90	1.55

** Introduction of £5.00 weekly restriction in Worthing from 1 April 2015*

- 4.4 However, the grant towards the cost of Council Tax Support Schemes has been consolidated into the Revenue Support Grant and the retained Business Rates scheme. The combined income from these sources has fallen each year, and the Revenue Support Grant has now ceased as a source of income to the Council. This means that the Councils have faced an ever-increasing cost associated with the scheme. In 2021/22, the level of subsidy is estimated to be:

	2021/22 cost of CTS	Council share of overall cost	Estimated Grant received	Net cost	Percentage shortfall in funding
	£'000	£'000	£'000	£'000	%
Adur	4,650	750	-388.8	361.2	48.16
Worthing	5,890	739	-433.1	305.9	41.39

- 4.5 The restriction implemented in Worthing in respect of 2015/16 resulted in all working age” customers being asked to pay at least £261.43, subject to being able to apply for additional financial support by way of a discretionary award.
- 4.6 For those customers who were previously in receipt of maximum Council Tax Benefit (and therefore had £nil to pay) this represented a significant change and considerable work has been undertaken to engage with these customers to discuss realistic payment arrangements ensuring that financial inclusion was maximised. This work is being further enhanced by the Proactive Project and is embedded as part of the current Autumn Recovery initiative.
- 4.7 The issue of a summons and the Magistrates’ Court granting a Liability Order results in costs being added to the account. If an account is subsequently referred to an Enforcement Agent additional statutory fees of either £75.00 or £310.00 will also become due (the level of the fees depends on the stage at which the customer engages with the Enforcement Agent).
- 4.8 In conjunction with the Customer Service Team and the Proactive Project, the empathetic approach has continued to be applied when considering payment arrangements and where appropriate customers have been provided with assistance to complete an application form for a discretionary award, signposted to debt advice agencies and/or signposted to ways in which they can increase their income (e.g. by claiming other state benefits). For Members’ information, the annual in-year collection rates for Council Tax in respect of the last five financial years have been

	<u>Adur</u>	<u>Worthing</u>
2016/17	97.89%	97.58%
2017/18	97.66%	97.42%
2018/19	97.96%	97.62%

2019/20	97.59%	97.37%
2020/21	96.09%	96.00%

- 4.9 During the current financial year Council Tax collection has been challenging as the result of the COVID-19 situation and as at 30 September 2021 in-year collection rates were
- Adur: 60.31% (-0.27% compared to 30 September 2020)
 - Worthing: 53.84% (-4.64% compared to 30 September 2020)

These figures are lower than those for neighbouring authorities.

- 4.10 At the beginning of the COVID-19 situation the Government announced that every work-age customer who receives Council Tax Support during 2020/21 would be entitled to up to £150 discretionary assistance and Members subsequently determined to utilise government discretionary funding in respect of 2021/22. The collection rates detailed in paragraphs 4.8 and 4.9 take these additional awards into account; during the current financial year awards have amounted to £138,152 in Adur and £579,489 in Worthing.
- 4.11 Further consideration has been given to recommending to Members that a “banded income” scheme should be introduced. Within last the few years a number of other local authorities have chosen to introduce this method of calculating entitlement to Council Tax Support because it results in fewer changes to monthly Council Tax payments.

For example, a scheme could be introduced whereby (the figures shown are illustrative only)

- Customers with a weekly income of less than £100.00 would be entitled to Council Tax Support of £20.00 per week
- Customers with a weekly income of £100.00 to £150 would be entitled to Council Tax Support of £10.00 per week
- Customers with a weekly income of £150.00 to £200 would be entitled to Council Tax Support of £5.00 per week

Therefore, if a customer’s weekly income changed from £105.00 to £145, their entitlement to Council Tax Support would continue at £10.00 per week and consequently their monthly Council Tax payments would remain unchanged.

- 4.12 However, a number of local authorities have revised their “banded income” schemes despite extensive modelling prior to introduction and at least one authority has discontinued this approach. It appears that this is a reflection of the wide variety of customer circumstances and unintended consequences.

There is also a perceived “unfairness” that Council Tax Support awards do not necessarily reflect a customer’s change in income: in the example detailed in paragraph 4.11, a customer with a weekly income of £100.01 would be asked to pay the same amount of Council Tax as another customer with a weekly income of £149.99.

The effects of this situation could be minimised by introducing more granular income bands, but this undermines the intention to reduce amended Council Tax payments and the greater the granularity the more akin a banded income scheme would be to the current “means tested” schemes.

The recommendation that Members should not introduce banded income schemes at this time therefore remains unchanged.

5. Engagement and Communication

- 5.1 Revised advice from the Councils’ Legal Services Team has confirmed that consultations are not required unless the fundamental criteria of the schemes is amended. Further details are provided in section 7 of this report.

6. Financial Implications

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

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

- 6.2 If Adur members choose to implement a £5.00 per week restriction accompanied by a discretionary Council Tax Support Hardship Fund, the financial gain in respect of 2022/23 is estimated to be:

	Overall	Adur District Council share
Impact of reduced Council Tax Support cost on Council Tax income	£'000 767.9	£'000 131.9
Less: Additional collection costs	-30.2	-30.2
Less: Hardship Fund	-60.0	-15.0
Less: Allowance for increased write offs @ 5%	-38.4	-6.6
	639.3	80.1

7. Legal Implications

- 7.1 The Local Government Finance Act 2012 amended the Local Government Finance Act 1992 in relation to Council Tax Reduction Schemes (England).
- 7.2 Paragraph 3 in schedule 1A of the amended 1992 Act states that before making a scheme the authority must consult the major precepting authority, publish a draft scheme and consult such other persons as it considers are likely to have an interest in the operation of the scheme.
- 7.3 Paragraph 5 in the same schedule states that each financial year each billing authority must consider whether to revise its scheme or to replace it with another scheme and that a duty to consult applies when revising a scheme in the same way as when the authority was making the scheme.
- 7.4 If Members determine that, beyond the necessary technical changes to keep the respective Council Tax Support schemes aligned with the national rules for Housing Benefit, no other changes will be made to the schemes for 2022/23, there will be no revision to the schemes and therefore the duty to consult with residents does not apply.

Background Papers

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

Welfare Reform Act 2012

Local Government Finance Bill 2012

Minutes of the meetings of the Joint Strategic Committee of Adur District and Worthing Borough Councils held on 26 July 2012, 28 November 2012, 3 December 2013, 2 December 2014, 2 February 2016, 10 January 2017, 5 December 2017, 31 January 2019, 14 January 2020 and 1 December 2020

Minutes of the Adur Full Council meeting held on 17 December 2020

Minutes of the Worthing Full Council meeting held on 15 December 2020

Sustainability & Risk Assessment

1. Economic

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

2. Social

2.1 Social Value

Matter considered and no issues identified.

2.2 Equality Issues

Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified.

2.4 Human Rights Issues

Matter considered and no issues identified.

3. Environmental

Matter considered and no issues identified.

4. Governance

Matter considered and no issues identified.



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
7 December 2021

Key Decision No

Ward(s) Affected: Central Ward, Worthing

Teville Gate next steps and London & Continental Railways (LCR Property) Partnership

Report by the Director for the Economy

Officer Contact Details

Cian Cronin, Head of Major Projects & Investment

07824 343896

cian.cronin@adur-worthing.gov.uk

Executive Summary

1. Purpose

- To update the Committee on the financial implications of completing the purchase of the site.
- To update the Committee on a workstream to open up a footpath crossing the site, and to deliver meanwhile uses while the permanent development is being brought forward.
- To seek agreement to continue negotiations with London & Continental Railways Property for them to invest in the site and to jointly work with them on the development.
- To agree the proposed approach to delivering development on the site.

2. Recommendations

2.1 To note the update on access and meanwhile uses set out in Section 4

2.2 To delegate to the Head of Major Projects & Investment in consultation with the Leader of Worthing Borough Council and Executive Member for Regeneration, the authority to enter into an Agreement, in accordance with the Heads of Terms set out in the Appendix C for the purpose of securing the development of the Teville Gate Site.

2.3 To delegate to the Head of Major Projects & Investment the authority to continue to negotiate terms of the draft Heads of Terms set out at the Appendix C and to make any required amendments.

2.4 To note and agree to the Development Strategy summarised in Section 6 and in full at Appendix D.

3. Context

3.1 The Teville Gate site is a key development site in Worthing and the delay in its development has been a prominent issue affecting residents and businesses in the town for a long period. The site is a cornerstone of the Council's 2016 Investment Prospectus, is one of the most significant housing allocations in the Draft Local Plan for the town, and is a key commitment in the Council's Platforms for our Places: Going Further Strategy. The site was successful in receiving funding from the Coast to Capital Local Enterprise Partnership in 2018 and the social, economic and environmental outputs that the funding agreement enables are required to be delivered by March 2025. The development of the site will fulfill important regeneration and housing objectives for the town and solve a significant blight in the town, providing confidence for further economic growth and investment.

3.2 Members of the Joint Strategic Committee considered a report in July 2021 which set out the background and justification for intervening to purchase the site following years of market failure to develop the site.

3.3 Having received approval and agreed the financial envelope for the transaction, officers continued to negotiate the purchase of the site. Section 7 of the July JSC report outlined the financial implications of purchasing the site which were anticipated at the time. These were:

- Maximum price £7,725,000
- Stamp Duty Land Tax (SDLT) £381,750
- Legal and other professional fees £15,000
- Total Budget £8,121,750

3.4 Following negotiation the Council successfully negotiated the land price to be reduced from £7,725,000 to £7,000,000. The final cost of purchasing the land by Worthing Borough Council was therefore as follows:

- Purchase price - £7,000,000
- Stamp Duty Land Tax - £409,500
- Legal fees - £40,410
- Land Registry fees and search fees - £2,650

3.5 The total cost to the Council was therefore: £7,452,560 and was £668,190 less than what was budgeted for in the Joint Strategic Committee Report.

4. Short Term Objectives: Improving Site Appearance; Access; and Meanwhile Uses

4.1 Having purchased the site some key short term objectives have been identified to improve its physical appearance, reestablish the site as a place for people to go, and repair the north south route across the site that hampers access to Worthing Station.

Site Hoarding

4.2 The site is currently unattractive and damaging the reputation of the town due to the appearance of the sites hoarding, and the overgrowth of weeds and rubble throughout the site. To address this officers have instructed contractors to repair and replace the existing hoarding and remove graffiti along Teville Road and Broadwater Road. A template hoarding design has been designed that will be attached to the hoarding on the southern and eastern perimeters. This template for the hoarding design is attached at Appendix A and will be made specific to the site.. The materials of this will be washable and bright and attractive design will discourage further graffiti.

North - South Access

4.3 The main pedestrian route from Worthing Station to the town centre was through the site until the demolition took place in 2018. The closure of this route has caused a problem for visitors to the town about how to access the town centre and seafront. It also made the town feel like a smaller place as its railway station and surrounding area didn't have a sense of place that reflects the civic and economic strength of the town.

4.4 A key short term mission is therefore to reopen the north south route, drawing visitors past the new HMRC building and recreating an attractive route to the town centre via Chapel Road.

- 4.5 A design has been developed for this route and a contract for its construction is currently subject to a tender exercise and a contract for its construction will be let as soon as possible. It is anticipated that this north-south route will be open as early in the new year as possible. The design of the route has heavily emphasised public safety with lighting columns and a broad width to allow visibility and space to pass. The perimeter materials are open fencing and have been chosen so as not to enclose the site in the manner a wooden hoarding would. These works will be undertaken using permitted development rights so a planning application is not required and will take place regardless of the temporary and meanwhile uses mentioned in the section below.

Temporary and Meanwhile Uses

- 4.6 The Council's investment criteria was set out at the July JSC report. This anticipates that the Borough's ownership of the site will be no longer than three years. It is recognised that the planning application that was approved by the planning committee in March 2020 was limited and its approach rendered the site unviable for any developer without the deepest of reserves.
- 4.7 A pragmatic assessment of the situation concludes the site is likely to remain undeveloped for a period of time while revised plans are devised and a commercially viable development is identified. While pragmatic, this is still undesirable and it was agreed that the land should be marketed for meanwhile uses.
- 4.8 There are long term benefits in applying meanwhile use strategies to development projects. Not only can they deliver a rapidly deployable stop-gap for longer-term regeneration, but also provide space for experimentation and become a prototype of the character of the new development.
- 4.9 By quickly animating and activating an empty site, stakeholders develop an early understanding of its potential as a place. There are opportunities for early wins by developing interim income streams and enhancing desirability for future tenants. What's more, businesses may also flourish and provide ready-made tenants that can migrate into permanent space over time.
- 4.10 A marketing exercise was undertaken in October and November 2021 and a preferred bidder has been identified in QED Sustainable Urban Developments Ltd. The bid document from QED is attached as Appendix B and proposes a mixture of uses including workspaces, a performance venue, skate park, padel tennis courts, food and beverage, public realm and community gardens

amongst other uses. The initial uses and layout is subject to change, depending on site conditions.

- 4.11 The meanwhile uses will enable a phased delivery of the main development and will focus on supporting Worthing based businesses and industry.
- 4.12 The various uses will need planning, licensing and other regulatory approval which will be sought in due course. Assuming these consents are received it is anticipated that these meanwhile uses will begin to open on the site in Spring/ Summer 2022.

5. Proposed Partnership with London & Continental Railways

- 5.1 The Major Projects & Investment Team have been working in partnership through a formal Collaboration Agreement and Landpool and Promotion Agreement with London & Continental Railways (LCR Developments) since 2018 on the promotion and development of the Union Place site.
- 5.2 LCR is a company wholly owned by the Department for Transport and has experience in developing and promoting significant mixed use and regeneration developments throughout the UK. Some of their most significant projects include a joint venture with Argent on Kings Cross; Stratford; and a significant development at Mayfield in Manchester. They have a special remit from the government for delivering regeneration and housing generally especially on sites around railway stations.
- 5.3 The Council have a strong and effective relationship with LCR which has resulted in them investing over £1.1m in promoting regeneration in Worthing. Following the purchase of the Teville Gate site, through the joint venture's Board, officers have been working with LCR on collaborating again on the promotion and development of Teville Gate.
- 5.4 As a public body there are no significant procurement issues with forming a further partnership with LCR. The collaboration will complement and strengthen the Council's capacity and capability in bringing the site forward and will be key in attracting developers of the strength and calibre that can deliver complex mixed use development.
- 5.5 At Teville Gate detailed Heads of Terms for working with LCR are set out in Appendix C. However in summary:
 - The Heads of Terms agree shared development objectives for the site.

- LCR and WBC will agree a Planning and a Disposal Strategy for the Site to achieve the Development Objectives and will include an associated Budget and Programme.
- Establishes that LCR will purchase a 14.29% share in the freehold of the Site with a single payment of £1m.
- LCR will both make available a further working capital which will be matched by the Council to fund de-risking and promotion costs for the site in accordance with an agreed project budget. This can be met from within existing budget envelopes dedicated for major projects.
- It is anticipated that both LCR and WBC will provide equal staff resources to support the project as anticipated under a collaborative approach.

5.6 It is considered that the proposed working arrangement and terms within the Heads of Terms document set out at Appendix C below are a continuation of the existing successful relationship between the organisations and are a welcome approach to further regeneration and housing delivery in the town.

6. Proposed Development Strategy and Milestones

6.1 A Development Strategy sets out the overall approach to promoting and enabling the site to come forward and considers the options available, resources and steps required to de-risk the site and enable the development. The Strategy is designed to ensure that a deliverable development is realised, and to prevent any potential land banking by the eventual construction partner. The Draft Development Strategy is set out in Appendix D below for comment.

6.2 A number of key workstreams will be undertaken in implementing the Development Strategy. These include:

6.3 **Workstream 1: Maximising the number of homes, especially affordable homes.** To enable the delivery of the site, and in line with the Draft Local Plan that has recently been through examination in public an important factor will be making clear that the site is a housing led development focused on addressing the substantial housing shortfall in the town. We will aim to deliver as much affordable housing on the site as possible working in partnership with registered providers, developers, and Homes England.

6.4 **Workstream 2: Focused approach to attract government funding and support to aid viability.** A key focus of this workstream will be to work to position the site to most effectively attract further investment to support the

delivery of homes and commercial space on the site. While the site has previously benefited from £1.8m of Local Growth Funding in 2016 which was used to demolish the multi storey car park and construct the current surface car park. Further funding from Homes England, Levelling Up Funding or Brownfield Development Fund will be welcomed to support the scheme.

- 6.5 **Workstream 3: Design review and phasing.** A key focus will be on working to decrease the commercial risk presented by previous development's design approach. Previous schemes submitted for planning permission were not easily phasable resulting in a significant level of peak debt on the scheme before any revenue was received. Ensuring a design is prepared that allows us the scheme to be built in consecutive phases will improve the commercial case for development. Furthermore, ensuring a design that is of the right scale, massing and mix of facilities to match an appropriate sales rate that is reflective of demand in Worthing town centre.

7. Financial Implications

- 7.1. Worthing Borough Council previously agreed to release capital funding of £8.12m to fund the acquisition of the Teville Gate report, and within the same report agreed that £50,000 of reserves could be used to fund any revenue costs associated with meanwhile use of the property.
- 7.2 The final cost of the acquisition was £7,452,550 and so there is currently an underspend of £668,190 against the budget.
- 7.3 As part of preparation for the meantime use of the site, ground works costing £300,000 will be required which can be funded from the overall budget for Teville Gate acquisition.
- 7.4 The LEP has previously given permission for the residual funds from the original bid to be used to assist and support a joint venture partnership with a third party purchaser of Teville Gate. These funds will now be used to support the purchase of the site.
- 7.5 The receipt of £1m from LCR for 14.29% of the site will reduce down the Council's overall costs associated with securing the site, whilst working with a partner to secure the longer term development.

8. Legal Implications

- 8.1 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.
- 8.2 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.
- 8.3 Section 1 Local Government (Contracts) Act 1997 confers power on the Council 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 Council.
- 8.4 Where a genuine land pooling agreement for the development of Teville Gate exists which would enable the Council and LCR to co-operate with each other (and the provision of services supplied by LCR to the Council is only an ancillary element to that land pool/development agreement), the overall agreement would fall outside of the Public Contract Regulations 2015, and would be unlikely to create a Public Services Contract.
- 8.5 Where there is any ambiguity in this approach and in the alternative, LCR and the Council are both public bodies for the purposes of the Public Contract Regulations 2015. As such the proposed collaboration agreement would fall within the provision of Regulation 12.7 of the Public Contract Regulations 2015 (the Hamburg exemption) which confirms that a contract exclusively between two or more contracting authorities falls outside of the Regulations providing the following conditions are met: a) the contract establishes or implements co-operation between the authorities with the aim of ensuring the public services they have in common are performed to achieve common objectives b) the implementation of that cooperation is governed solely by considerations relating to the public interest and c) the participating authorities perform on the open market not less than 20% of the activities concerned by the operation.
- 8.6 When entering into any arrangement with LCR the Council must ensure that it does not offend the rules on Subsidies as set out in the Trade and Cooperation Agreement 2020.

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
- Report to the Joint Strategic Committee dated 3rd November 2020: A Partnership Approach to Secure New Homes at Teville Gate.
- Report to the Joint Strategic Committee dated 13th July 2021: Securing the regeneration of Teville Gate through acquisition of the site

Sustainability & Risk Assessment

1. Economic

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

Redevelopment of 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.

Appendix A: Template Time for Worthing Hoarding Design to be used on Major Projects Sites

A panel template for each letter of the alphabet could be created to allow for flexibility

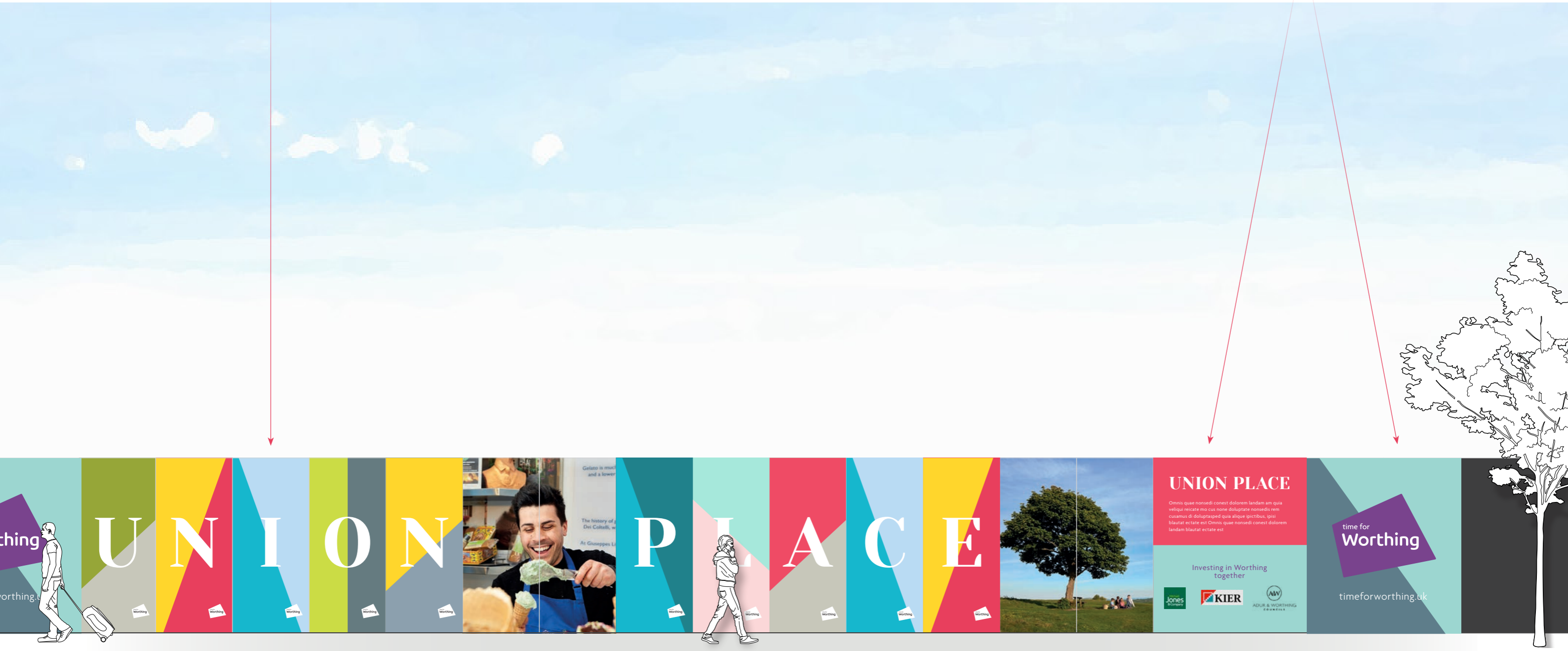
Branded end panel



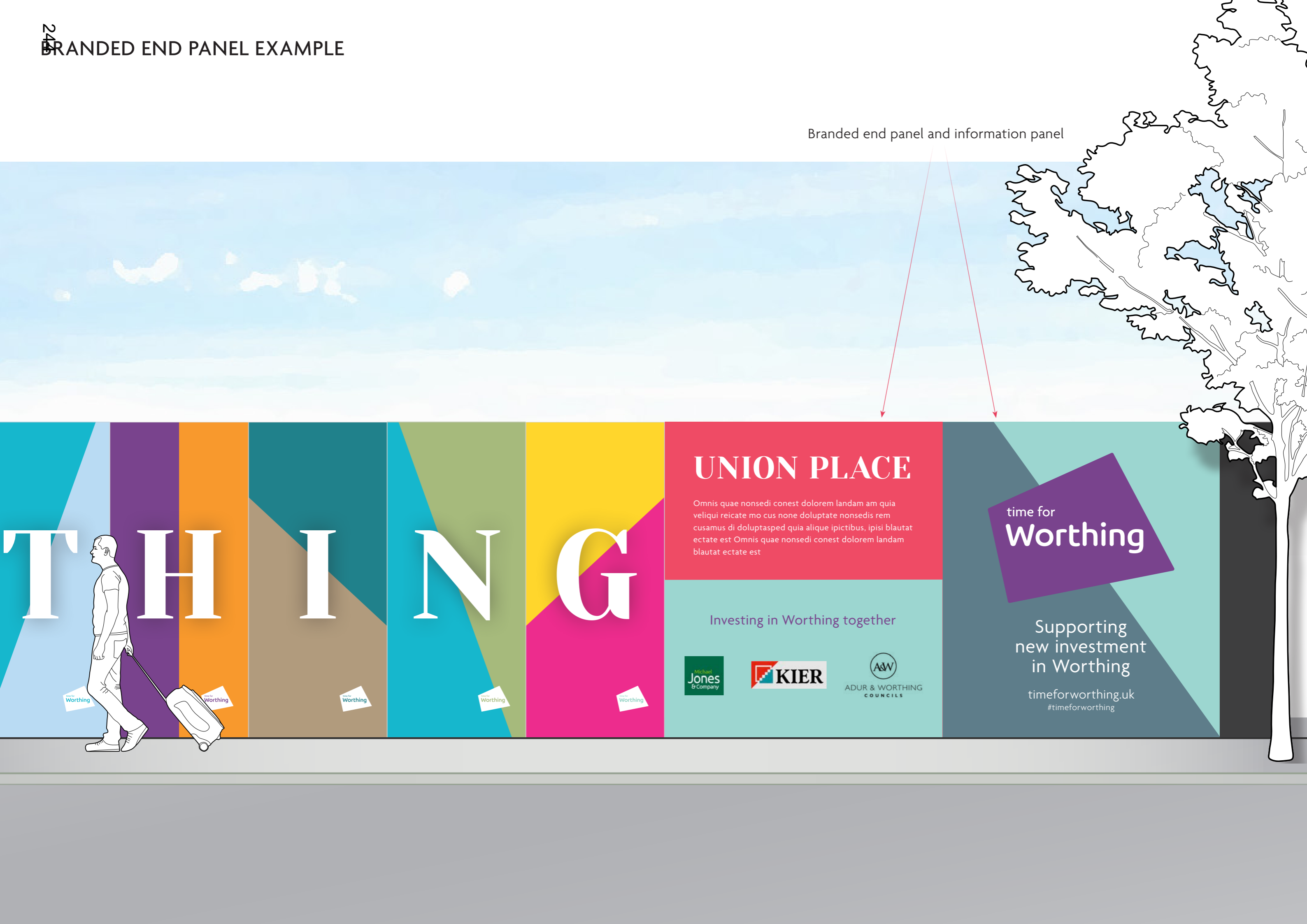
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Location placement copy example

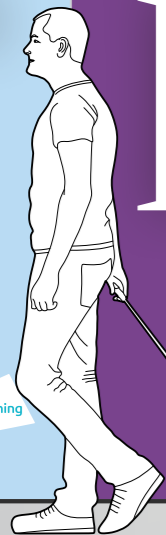
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Branded end panel and information panel



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Investing in Worthing together



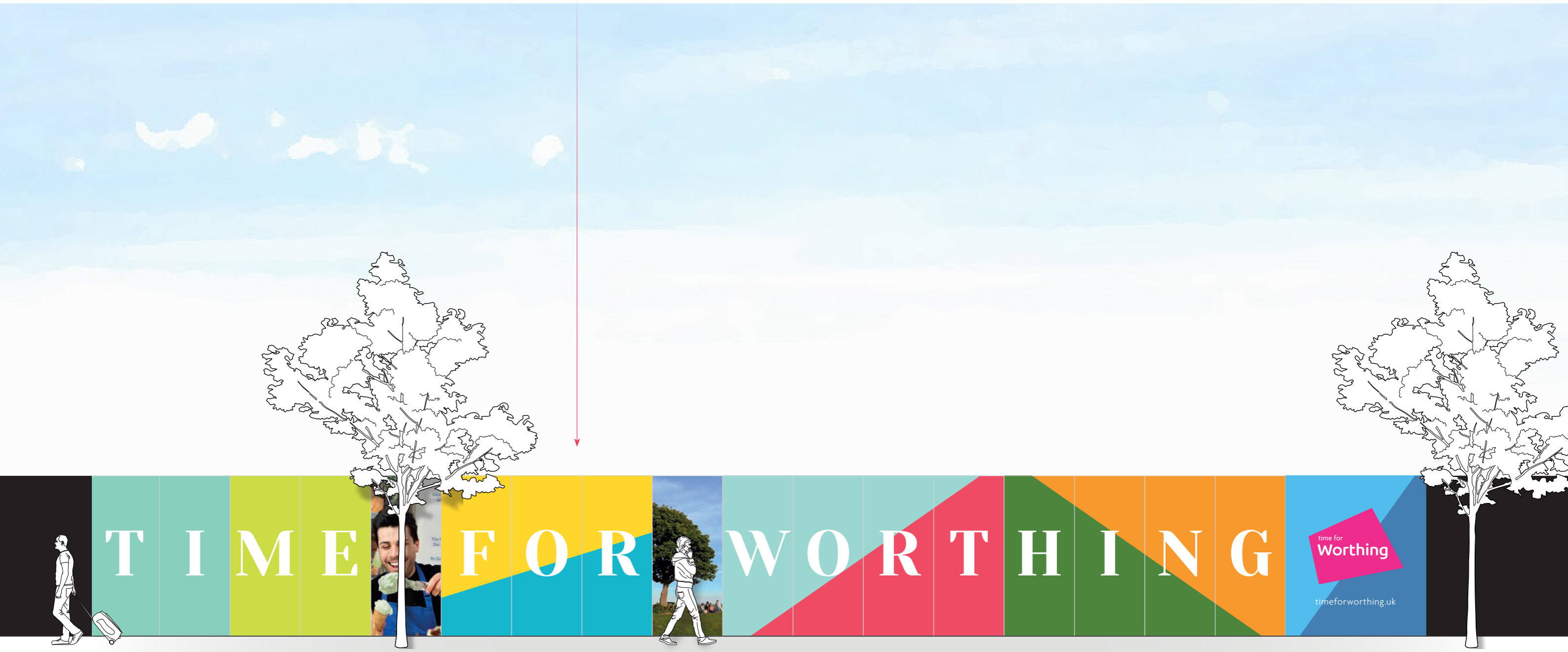
time for
Worthing

Supporting
new investment
in Worthing

timeforworthing.uk
#timeforworthing



Or a simplified structure where the graphic goes over multiple panels



INTERACTING IMAGES

Introduction of imagery interacting with the words







UNION PLACE



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Investing in Worthing together



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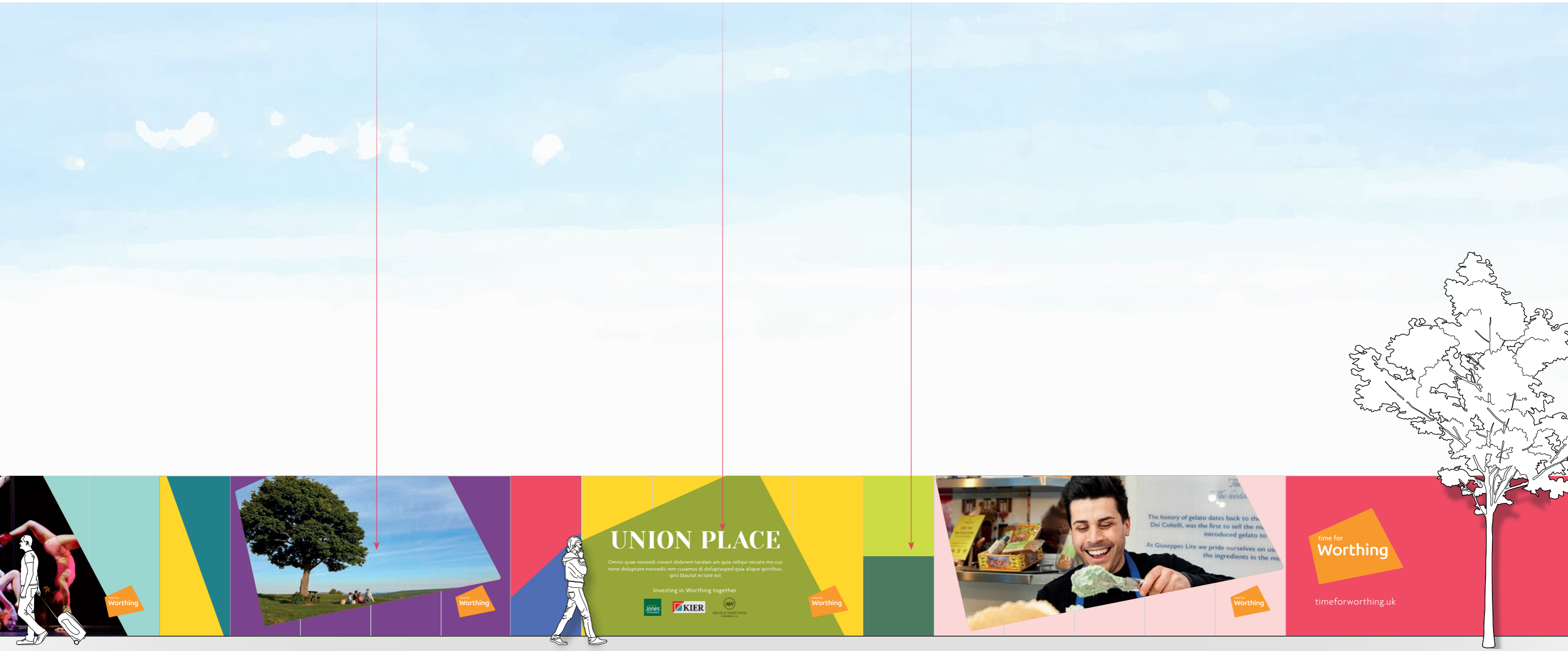


PROMINENT GRAPHIC CONTAINERS

The logo shape is the prominent graphic

Text container

Panel breaks between imagery would be painted, mimicking the time angles in two tone





time for
Worthing

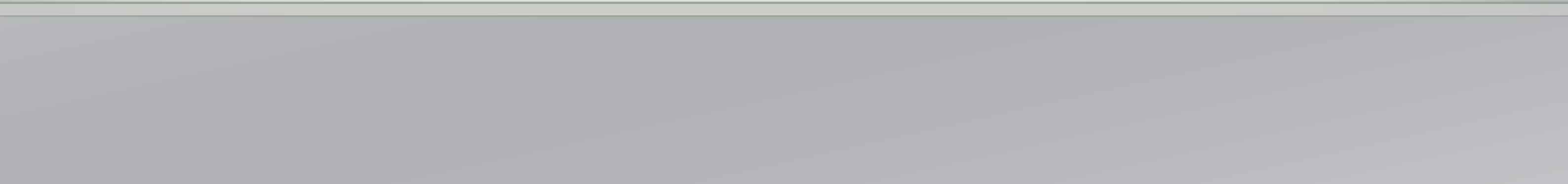
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Investing in Worthing together



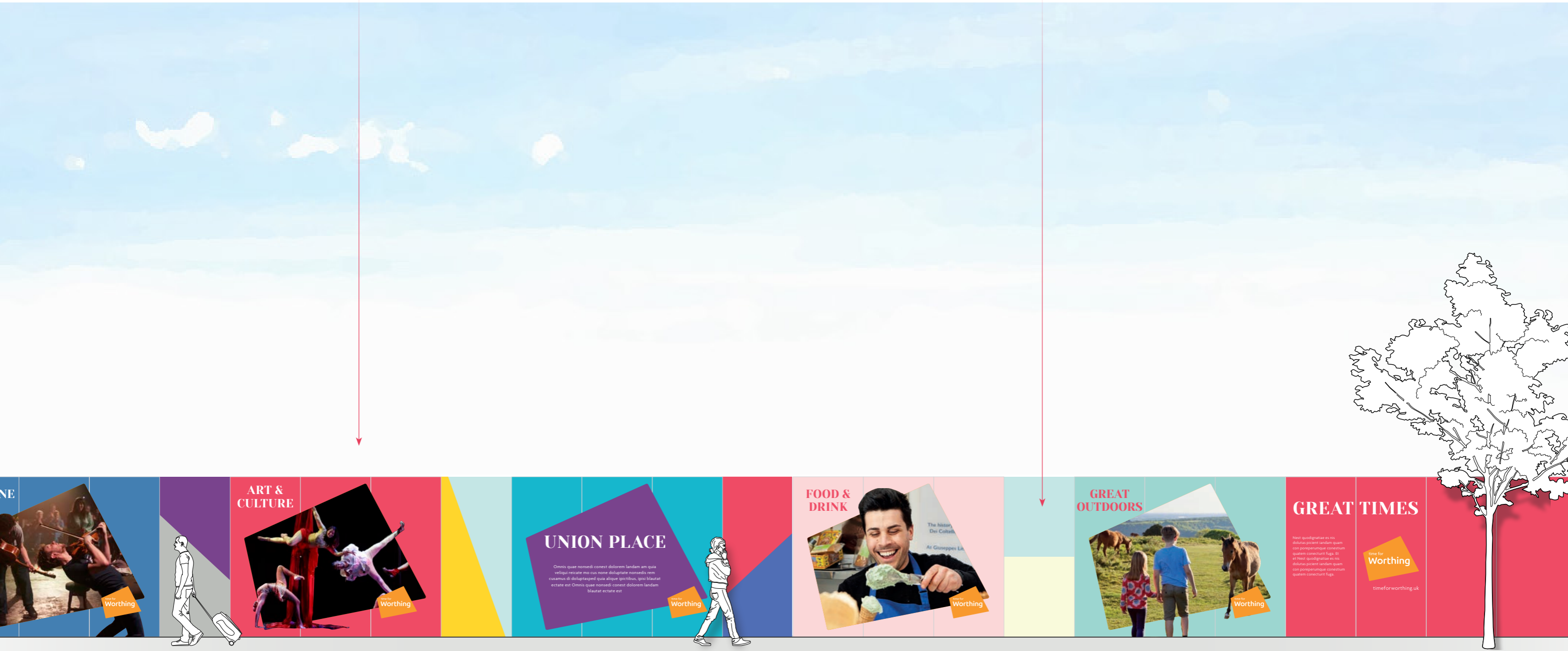
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PROMINENT GRAPHIC CONTAINERS

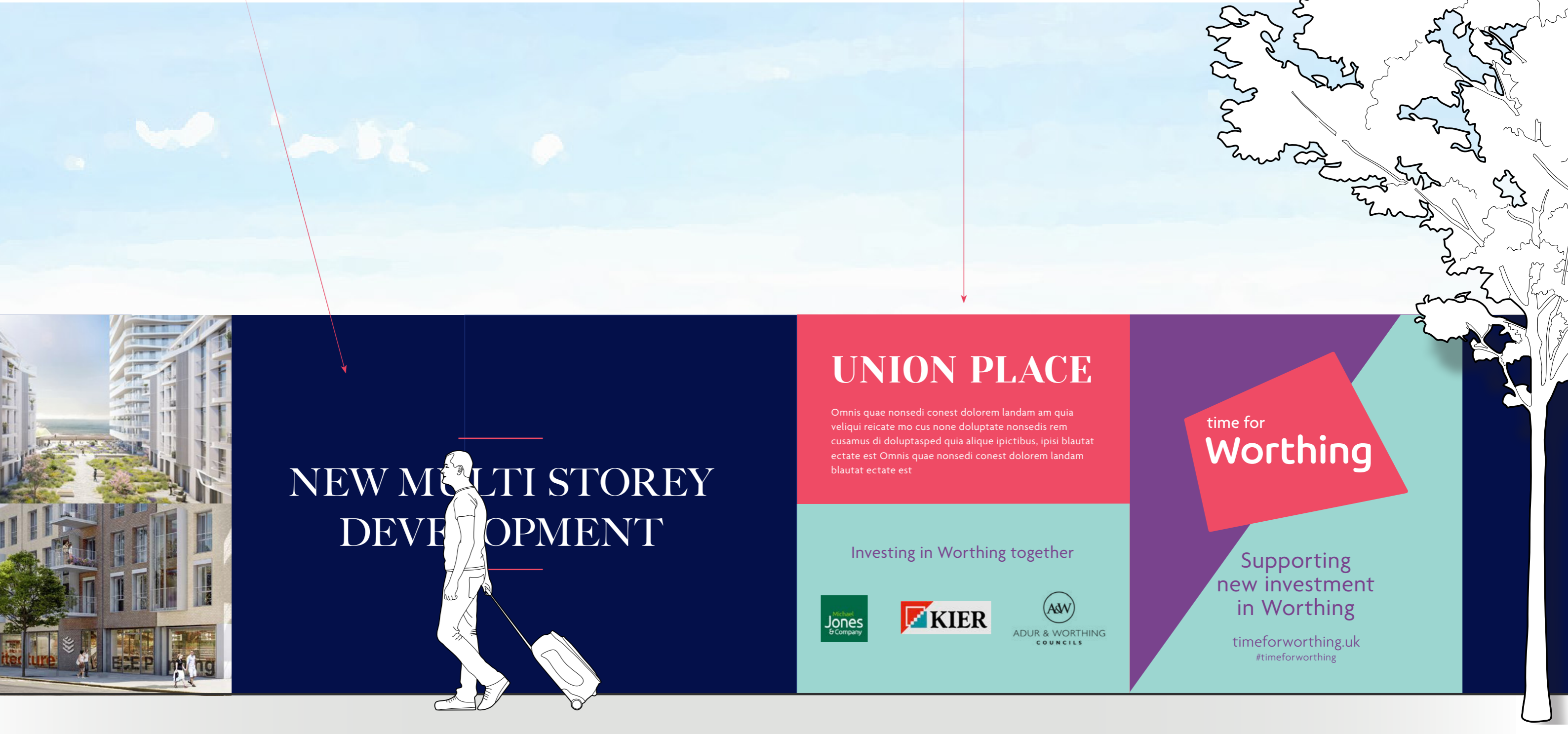
Imagery breaks the shape to add further interest supported by a copy line

Panel breaks between imagery would be painted, mimicking the time angles in two tone



Example of a developers designed panel

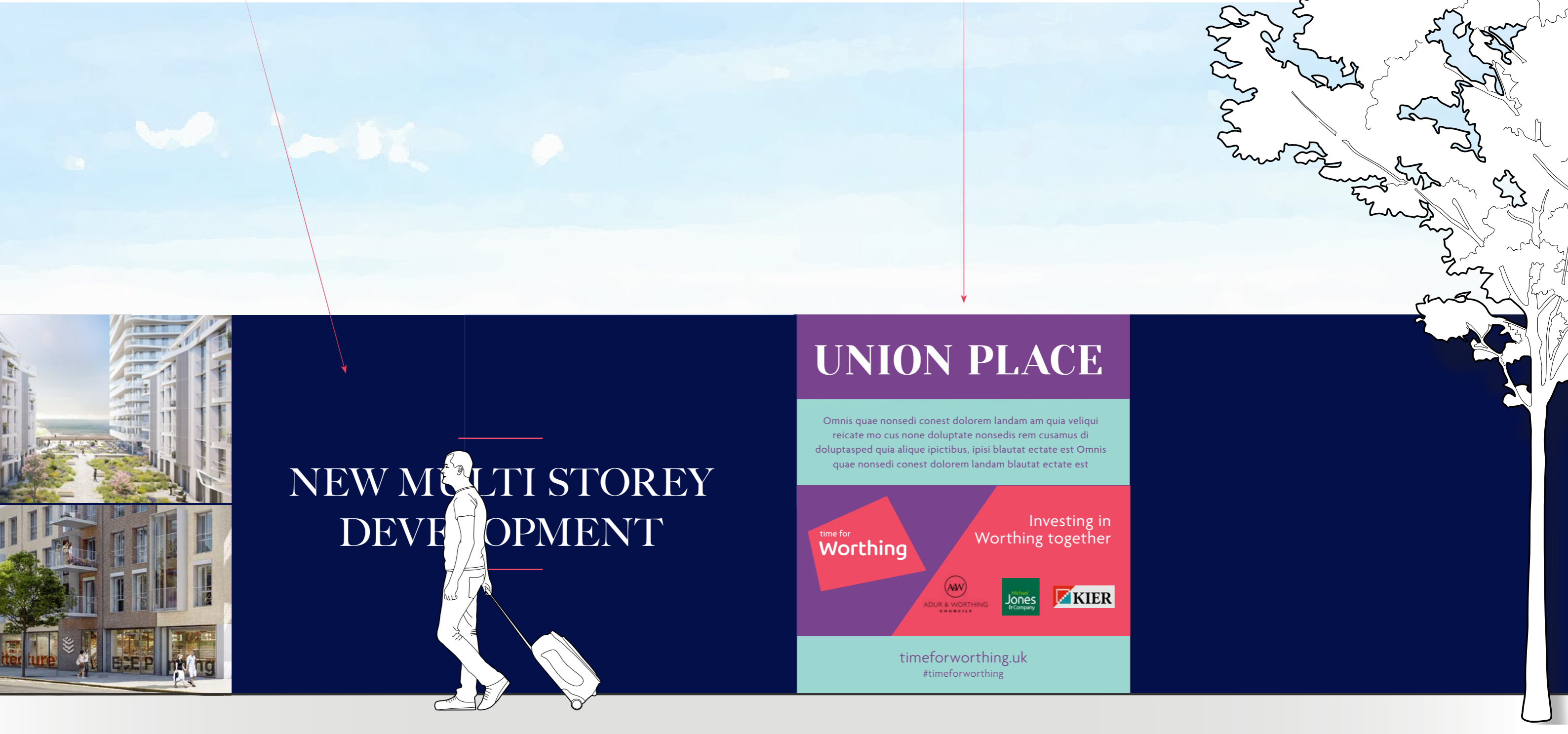
Development support panel with small print and contractor logos



DEVELOPMENT END PANEL EXAMPLE

Example of a developers designed panel

Single panel example



Appendix B QED Sustainable Urban Developments Bid Document



Teville Gate

Meanwhile use proposal
QED Sustainable Urban Developments

2. Meanwhile is worthwhile
3. Our proposal
5. Work, make and sell
6. Health, fitness and leisure
8. Events, food and drink
9. Public realm and community gardening
10. Phasing and Flexibility
11. Site security
12. Relevant experience
13. Other examples
14. Letters of support
 - A. *South Downs Leisure*
 - B. *Skateboard UK*
 - C. *Atom Presents*

QED is an innovative property company specialising in the regeneration of brownfield sites through meanwhile use.

Our aim is to make the built environment a better place, solve problems, share knowledge and contribute to the field of sustainable development.

Having successfully worked together to deliver Level 1 we would be delighted to work again with Worthing Borough Council to activate this exciting and strategic development site.

MEANWHILE IS WORTHWHILE

Teville Gate lies in a highly prominent location, linking the railway station with the town centre. It formerly comprised the Teville Gate Shopping Centre and multi-storey car park which have been demolished. In advance of redevelopment, part of the cleared site is currently in use as a temporary surface car park.

There has been an aspiration to redevelop this prime site for a number of years and various schemes have been proposed. The current consented scheme seeks to deliver a mixed use scheme comprising of three blocks of 378 residential units, hotel, foodstore and gym.

There are long term benefits in applying meanwhile use strategies to development projects. Not only can they deliver a rapidly deployable stop-gap for longer-term regeneration, but also provide space for experimentation and become a prototype of the character of the new development.

By quickly animating and activating an empty site, stakeholders develop an early understanding of its potential as a place.

There are opportunities for early wins by developing interim income streams and enhancing desirability for future tenants. What's more, businesses may also flourish and provide ready-made tenants that can migrate into permanent space over time.

The proposed meanwhile use also offers an opportunity to explore and prototype key actions of the transformational solutions from the Adur and Worthing Economic Strategy, including:

Superconnected Worthing

- *Extend Colonnade House creative hub to increase employment space and enable creative and digital businesses to locate in the town centre*
- *Support planning applications and further use of our own buildings to support open innovation, new business models and collaborative workstyles*
- *Establish a Digital Hub and network, to provide specialist business support for creative, digital and other priority sectors*
- *Ensure improvements to the public realm incorporate and accelerate innovation and connectivity, to support town centre regeneration and the visitor experience*

Adur Applied Technologies Centre

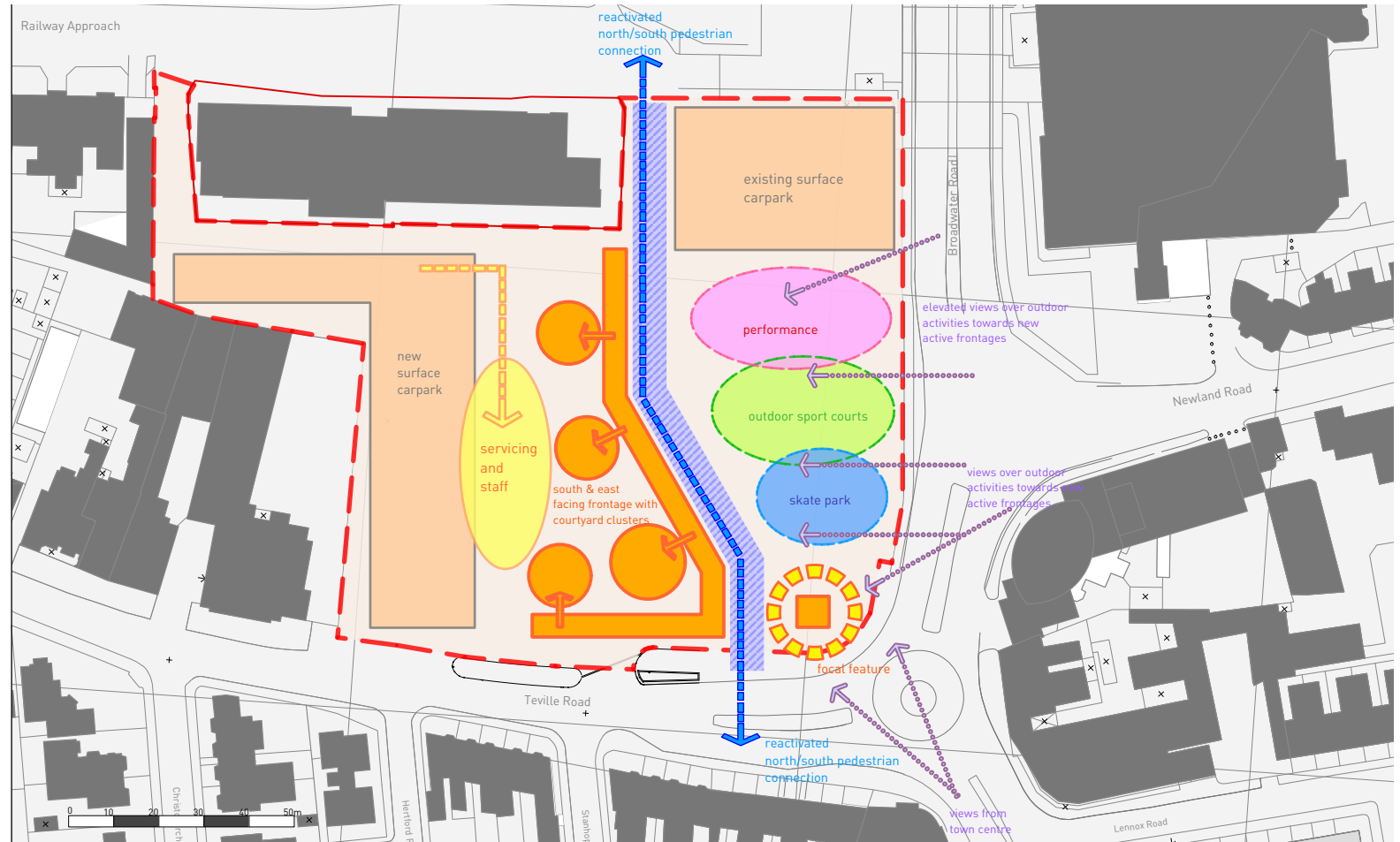
- *Promote and facilitate business access to specialist support, encouraging the transformation of business and manufacturing processes to drive high value growth, clustering and supply chain efficiencies*
- *Explore opportunities to facilitate investment in new and upgraded manufacturing floorspace on existing business parks and/or the creation of incubation space(s) and testing facilities in locations across Adur*



We would like to work with Worthing Borough Council to quickly activate the Teville Gate site. The meanwhile development would restore a key route through to the town centre and bring additional facilities for businesses as well as unique leisure activities for the whole community to enjoy.

This development will make the most of Teville Gate's highly prominent location with views over leisure activities to active frontage and an interesting, and safe, link between Worthing train station and the town centre.

The meanwhile project will make use of, and enhance the appearance of the Teville Gate site and compliment the comprehensive redevelopment.





Broadwater Road

Teville Road

261

access road

surface carpark

surface carpark

servicing and staff carpark

600p performance venue

padel tennis

skate park

sculptural tower

gateway

gateway

The unique business units at the Teville Gate meanwhile project would create new affordable and inspiring spaces to work, make and sell. This wouldn't be an opportunity for another storefront for high street brands, but instead a creative space for local, independent businesses. The units would be targeted to support the little guys with the big ideas.

Clustering the units around the courtyards would encourage business growth and innovation, community collaboration and positive social impact. This business model and collaborative workstyle is a prototype for the future redevelopment, which could feature a business innovation hub like *Plus X, Brighton*.

The large, open and flexible space is also ideal to host unique markets such as **The Teenage Market**, supporting the next generation of market traders and bringing an influx of energy, vibrancy and diversity. As well as a creative retail offer, a really important part of Teenage Market events is performance. The creative fusion of specialist retail and live performance creates a thriving and bustling marketplace which succeeds in attracting a new generation of shoppers

We expect the meanwhile project to create over 100 full time equivalent jobs and additional rates revenue for Worthing Borough Council. This innovative scheme could also be a fantastic case study for the *Time for Worthing* place brand which we would adopt within the scheme and promote as part of the marketing and communications.

Prioritising Worthing Businesses

We will run an open tender process to select the businesses for the available units (including food and beverage units). Initially this will be **open to Worthing based businesses only** to ensure they are prioritised. If after the conclusion of the tender process there are still available units then it will be reopened to Sussex based businesses.

The business units could also be used to unlock planned developments within the town.



Photo credit: Pop Brixton / Turner Works



Photo credit: Plus X



Photo credit: Platform 9



Cobblers Thumb, Brighton



Padel Tennis

Padel has been rising through the sports industry at lightning speed. There are now a staggering 8 million active padel players around the world. Padel is easy to play, quick to learn, and sociable; so no wonder it is the fastest growing racket sport in the world.

However there are currently only 107 courts in the UK, the nearest courts to Worthing are; one covered court at The Triangle Leisure Centre, Burgess Hill (21 miles) and two uncovered courts at Chichester Racquets & Fitness Club (20 miles). The Lawn Tennis Association predicts that the number of UK padel courts is set to triple by 2023.

Including two covered courts as part of the meanwhile project will put Worthing on the Padel map and kick start participation in the sport whilst permanent facilities are developed. We would work with **South Downs Leisure** to provide these unique facilities and ensure they were accessible to the whole community.



Skate Park

With the introduction of Skateboarding and Freestyle BMX at the Tokyo Olympics and with British medal success in both disciplines with Sky Brown (Bronze), Charlotte Worthington (Gold) and Delcan Brooks (Bronze) these sports are now here to stay with participation increasing dramatically. Skateboard GB have just launched their 12 year strategy which focuses on supporting the growth of skateboarding across all levels from local communities to the Olympics with British Cycling looking to support BMX in a similar way.

Working with a specialist partner, Skateboard GB and British Cycling the meanwhile project would include a new indoor skate park, to compliment the existing outdoor facilities throughout Adur and Worthing. A safe and controlled space to increase participation across multiple action sports including Skateboarding, Freestyle BMX, Scooting and Inline/Quad Skates.

The park, which will include a small retail space and cafe, would be staffed during opening hours and open to all ages and abilities, with sessions for specific groups and ages. Tuition will also be available, ranging from group courses to private lessons as well as outreach programmes to alternative provision organisations such as the Sussex Youth Offenders, Home Start, Active Sussex and Reboot.

BYC Skatepark, Brighton and Source Park, Hastings are examples of similar, successful facilities.

David Cracknell
Head of Development at Graystone Action Sports

“An indoor skatepark offers more than just another space to participate, its a space that works all year round what ever the weather, it gives children a safe space to try out these sports, away from broken glass and an intimidating atmosphere, with facilities designed to give them the best experience and a desire to come back again, something outdoor spaces don't offer.”

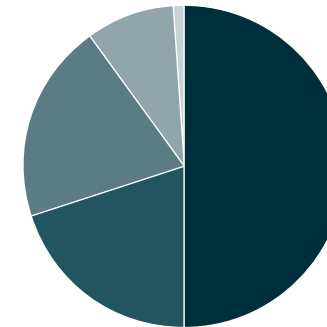


Photo credit: Graystone

Dale Lay
Founder of South Coast Skate Club

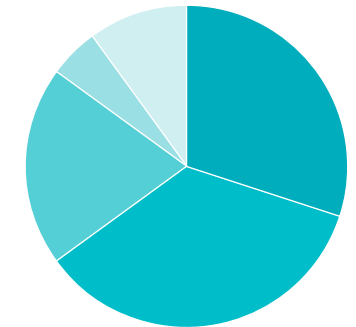
“The positives that can come from such facilities are astounding. We use these sports as tools to promote the growth and development of young people to teach them that failure and achievements go hand in hand and to see failure not as a negative but as a way to learn and build resilience and dedication towards their end goals.”

Age Range of Participants



- Under 13 (50%)
- 13-18 (20%)
- 18-30 (20%)
- 30-45 (9%)
- 45+ (1%)

Participation by Sport



- Skateboard (30%)
- Scooter (35%)
- Bikes (20%)
- Inline/Quad (5%)
- 1st Timer (10%)

EVENTS, FOOD AND DRINK

Performance venue

Worthing has a range of fantastic flexible spaces which accommodate a variety of events and audience sizes. There is however, a gap for a standing venue for audiences of 600-800, which could attract contemporary artists to Worthing, engage new audiences and provide additional facilities for existing local event businesses.

Existing venue capacity (standing):

Bar 42 – 100

Factory Live – 300

The Venue (St Paul's) – 450

Assembly Hall – 1050

Pavilion Theatre – 1050

We would work with local promoter & venue management company **Atom Presents** to curate an exciting programme of Live Music, DJ, Comedy & Experiential Events. We would also ensure that other local businesses like **Audio Active** could access the venue to showcase local musical talent they help develop. The venue would also compliment the work of **Worthing Theatres and Museum** and offer them a different type of venue to expand their current programme.

O2 Academy Islington, Concorde 2, Brighton and The Warehouse Project are examples of successful venues with similar capacity.

Food & Beverage

The performance venue would be at the heart of the meanwhile projects food and beverage offering but the offering would also serve the small business units and local community throughout the day and outside of the events schedule.

There would be permanent opportunities for three businesses including a bar operator, food offering and coffee provider. These would be supplemented by pop-up operators during key seasonal periods and large events.



Photo credit: Atom Presents



Photo credit: FIKA Level 1



Photo credit: Hand Brew Co.



Photo credit: Pop Brixton

In addition to enhancements to the public realm including planting, lighting, seating and secure bicycle parking we would like to encourage community gardening projects within the scheme.

The aim would be to make gardening more accessible to local people, educating, informing and sharing food growing knowledge in the community. Across the site, we would create an urban farm, growing decorative plants and fresh herbs, vegetables and other ingredients for use by local people and food businesses.

To ensure the community garden thrives beyond the meanwhile project, part of the urban farm would be a moveable skip garden similar to the one used at the King Cross development in London. A community of local gardeners and volunteers will also be established to engage and support with the development of public realm and community gardening in the long term.



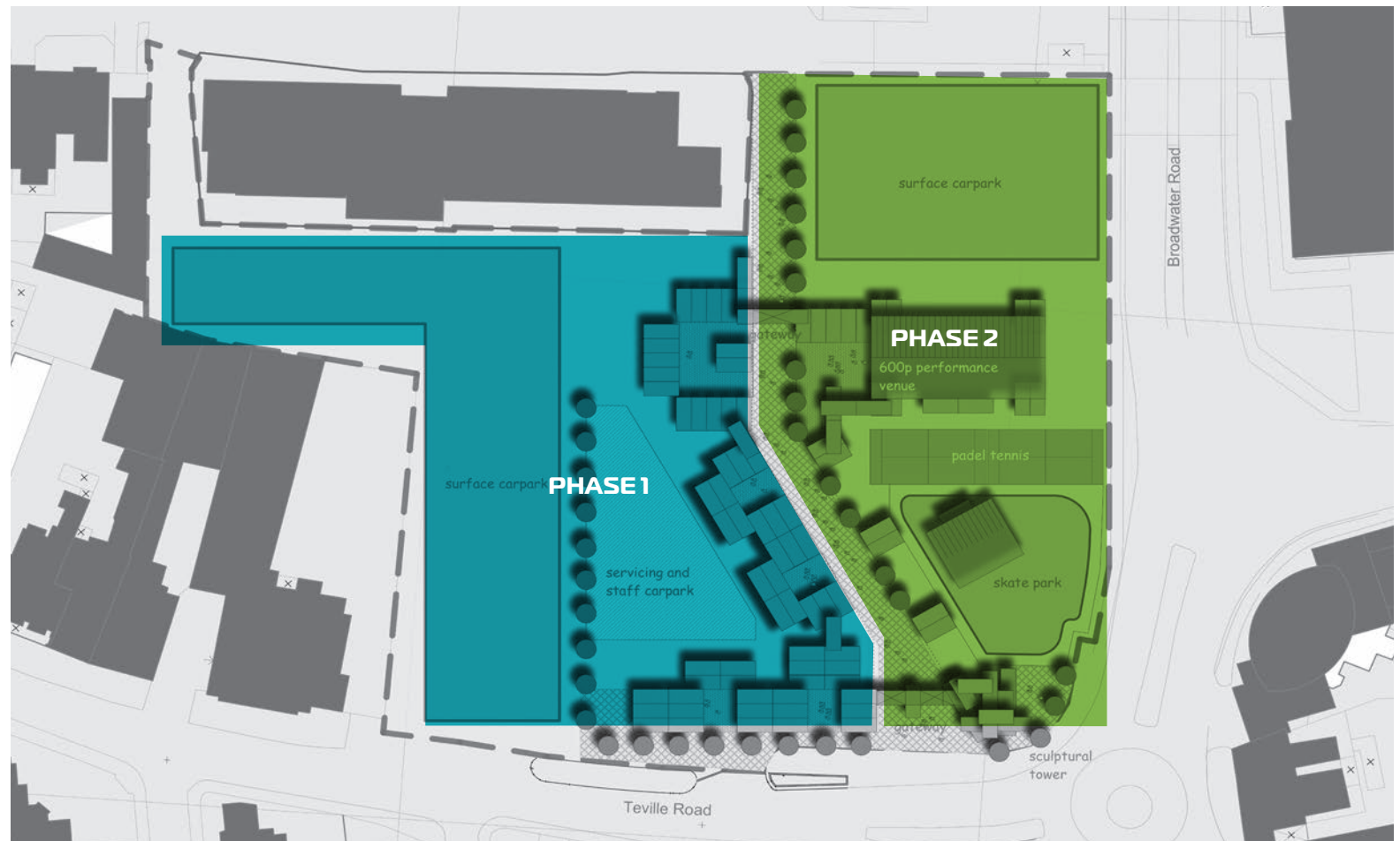
PHASING AND FLEXIBILITY

The proposed site layout of the meanwhile project has considered the option to phase the long term regeneration. Elements of the meanwhile project which involve a greater capital expenditure have been positioned East of the North-South pathway to create flexibility in the term certain period required to ensure our proposals are deliverable.

Phasing the development in this way would enable construction to begin in the Phase 1 area after a minimum term certain period for that part of the meanwhile project of 24 months. The Phase 2 area would require a term certain period of 36 months to ensure that the capital expenditure is recovered.

This proposed flexibility provides Worthing Borough Council with a significant amount of control and influence in the local residential and commercial property market. Long term regeneration proposals will include a mix of residential and commercial uses at significant scale.





With an absorption rate of flats in Worthing Town Centre estimated at between 80-100 homes per year, this proposed phasing ensures that as the new homes are ready, they are quickly occupied on completion and the local market is not saturated. These same principles apply to the demand for commercial space as well.



The proposed layout of the site has been designed to offer views over the leisure activities to active frontage and an interesting, and safe, link between Worthing train station and the town centre.

The majority of the existing site hoarding can be removed and the drawing to the right suggest replacement perimeter treatments to improve the site visually whilst maintaining a safe environment.

Where possible existing barriers (e.g. bridge balustrade and level change) will be used, alongside the temporary buildings to secure the site. Some areas will require perimeter fencing for security purposes and there is also the option for site gates and overnight closure should it be required.

- Key**
-  Building and court enclosure
 -  Existing bridge balustrade & level change
 -  Secure perimeter with gates
 -  Gate
 -  Car park enclosure
 -  Containers form a secure edge
 -  Temporary (night) closure
 -  Skate park enclosure



RELEVANT EXPERIENCE

Level 1, Worthing



The Grafton multi storey car park in Worthing was coming to the end of its natural life and had been earmarked for redevelopment. As these plans are being brought forward, together with Worthing & Adur Councils, QED bought the best of Worthing and Sussex based leisure, food and drink businesses to this fantastic seafront location to provide a unique visitor experience.

This dynamic mixed use urban space opened in July 2021. It was delivered from concept to completion in under 9 months during a global pandemic. Illustrating just what can be done with focus, clear goals and aligned interests.

In addition to providing an opportunity to explore and prototype elements of the vision of the Seafront Master Plan, the scheme links the town centre with the seafront, creates space for 8 small businesses and 24 new jobs with a focus on providing employment opportunities for young people and driving outdoor activity.

Sea Lanes, Brighton



Sea Lanes won a Brighton & Hove City Council competition to create a year round leisure destination on Madeira Drive Brighton. The vision; to create the UK's first National Open Water Swimming Centre of Excellence. At the heart of the scheme is a 50m open air heated swimming pool and a cluster of 39 small business spaces.

These proposals are being delivered through a phased approach with a pop up scheme operated by QED currently on site. The pop up - which features; a training pool, guided sea swims, wood-fired saunas, a yoga studio, a holistic therapy centre, beach bar and kitchen with alfresco dining - enables us to start placemaking from the outset, build community from the ground up and put this too long neglected part of Brighton's heritage back at the forefront of people's minds. All the while informing the long term development plan.

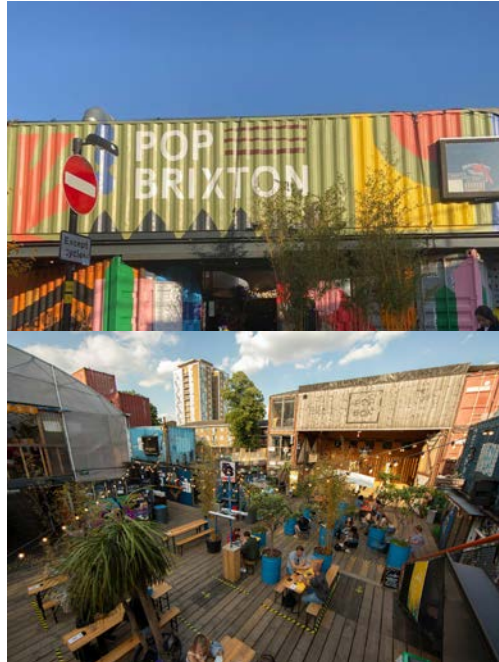
SPARK*, York



SPARK* is a project centred around social change. Their aim was to transform Piccadilly, a rundown and underutilised street in the centre of York and turn it into a vibrant, colourful destination that York could be proud of.

They have a complementary mix of entrepreneurs from different sectors, with the curation of retail, food and drink, workspace and arts and culture. This encourages collaboration, knowledge and business skills to create ambitious yet resilient start-ups and innovative companies.

Pop Brixton, London



Pop Brixton is a temporary project that has turned disused land into a creative space for local, independent businesses working in food, retail, design and social enterprise.

The community initiative helps businesses to set up shop and share space, skills and ideas. It is a temporary project, delivered in partnership with Lambeth Council.

By The River Brew Co, Newcastle



By The River Brew Co. is an independent container settlement which lives and breathes beneath the iconic Tyne Bridge on the Gateshead side of the river.

Consisting of a Brewery & Tap Room, Träkol (Open Fire Kitchen), the Backyard Bikeshop a Custom Build Bike Shop, Coffee House & Covert Cocktail Bar. At weekends, during spring through to late autumn, you can also sample the delights of their vibrant Hawker Market which hosts the finest selection of street food and independent traders.

Cargo, Bristol



Wapping Wharf is home to CARGO, Bristol's first-ever retail yard made of converted shipping containers.

Spanning two container parks, CARGO has an independent retail focus in line with Wapping Wharf's vision to create a new quarter for the city, brimming with independent shops, restaurants and cafes.

Many of the units, which are set across two levels, have glass frontages, views out onto the waterfront and outside terraces.

Southdown's Leisure are officially supporting QED's bid and the proposed build of new Padel Tennis Courts at the Teville Gate site in Worthing.

Padel Tennis is one of the fastest growing grass roots sports in Europe with over 80 courts now being built across the UK. Due to the nature and simplicity of the sport, Padel tennis is a fun, inclusive game that appeals to a wide variety of people as it fundamentally has less physical demands than regular tennis or squash. Making it an ideal option to be placed in populated towns and cities where space is a premium and activity levels are low.

Southdown's Leisure are committed to improving the health and wellbeing of our members and local communities. Constantly looking for new ways to motivate, engage and challenge, we believe Padel Courts would represent a fantastic addition to Worthing's recreational sporting services. Appealing to all ages and all levels, this sport represents a perfect balance of exercise and inclusivity. With activity studies indicating 75% of all time on court is spent 'active' even for beginners, this is the ideal exercise choice for people wishing to improve their cardiovascular fitness in a safe and fun environment.

With a relatively small number of courts across the south, Worthing would be an ideal location for this growing sport.

Regards



Duncan Anderson
CEO
South Downs Leisure

SkateboardGB

28/10/2021

To whom it may concern

I am Neil Ellis, I work for Skateboard GB; The National Governing Body for Skateboarding. Our aims include encouraging the development of world-class facilities, helping community groups get local skate parks built, create accredited coaching courses, run competitions. We are continually developing coaching, competitive pathways, events, facility partnerships and provide information about skateboarding.

We have seen information about the Teville Gate (Worthing) Skatepark project and feel that this is a really positive project for many user groups in the local community.

Skateboarding is a growing sport, with in excess of 534,000 active participants in England and across the UK as a whole approximately 750,000. It is also a sport with a strong and growing record in attracting new people into physical activity and, in particular, working effectively with young people and under-represented groups.

Skateboarding is very accessible and gives a fantastic opportunity to engage with hard to reach young people who are “turned off” by traditional sport and physical activity. The type of youngsters who take up skateboarding tend not to engage with football, cricket, golf, running, cycling, etc. and are currently missing out on the various initiatives being delivered across outcomes by other providers.

Skateboarding was included in the Olympic Games in 2021 for the first time which increased the profile and interest in the sport, which in turn has seen an increase in participation.

Over the last year we have worked with over 200 local community skatepark projects and it is great to see that Worthing has such a proactive stance in providing these much needed facilities for the community.

We would be willing to provide further support to work together to enable this project to be a great success.

Yours

Neil Ellis
Head of Engagement

26 October 2021

To whom it may concern,

I write as the co-founder of Atom Presents, a Worthing based business which aims to unite people at local live events, support communities and create memories, we deliver live music, comedy & other events. We're fully supportive of QED's proposed plans for Teville Gate - a performance venue, and other facilities - as part of a meanwhile project.

Worthing's music scene has made significant progress in the past decade, including the opening of the 300-capacity venue The Factory Live, and some big acts: The Charlatans, Rag 'n' Bone Man, The Horrors, Grayson Perry, James Acaster, Andy C and loads more. Although the pandemic has been devastating for the live music industry, we are confident that the cultural revival in Worthing will continue after the pandemic passes, this was evidenced recently with our Rag 'n' Bone Man concert at Pavilion Theatre - Selling Out in 8hrs

With the influx of people moving to Worthing from London and Brighton, the town has the capacity for a diverse music, comedy, and live event scene. There is currently a gap for a 600-800 capacity venue and the proposals from QED Sustainable Urban Developments are much needed, both to contribute to the local economy, create jobs, build local confidence and attract tourists to the area...

All the best,



Thom Milner-Smith
Co-Founder & CEO, Atom Presents

We are very excited at the prospect of working with you on this project, if you have any questions about our proposal please don't hesitate to get in contact:

Harry Smith

Director

QED Sustainable Urban Developments

harrysmith@qedproperty.com

+44 (0) 1273 857246

Thank you

Appendix C Draft Heads of Terms for Partnership with LCR Property

Teville Gate, Worthing

Heads of Terms for Collaboration and Promotion Agreement (“CPA”)

1. Parties

- 1.1. London & Continental Railways Limited (“**LCR**”) of 4th Floor, One Kemble Street, London, WC2B 4AN (registered number 02966054); and
- 1.2. Worthing Borough Council (“**WBC**”) of Worthing Town Hall, Chapel Road, Worthing, West Sussex, BN11 1HA,

together “**the Parties**”

2. Background

- 2.1. LCR is a government owned property development and regeneration company involved in delivering homes, jobs and investment on and around railway related land, working in partnership with both the public and private sectors. LCR has corporate objectives to drive the opportunity to achieve jobs, homes and investment through its activities and involvement within the CPA.
- 2.2. WBC have purchased the Teville Gate site (“The Site”) as shown edged red in Annex 1 and is seeking to promote development and secure wider regeneration benefits.
- 2.3. The Site is a significant town centre site at the gateway into Worthing but has been vacant for a long-time and has a history of failed development proposals.
- 2.4. The Parties have agreed to collaborate with each other on the terms set out in these Heads of Terms in order to work to promote the successful development of the Site.
- 2.5. The principal aim of the Parties is for the joint promotion and sale/or development of their joint interest in The Site to achieve the Development Objectives.
- 2.6. The “**Development Objectives**” means the following:

- To de-risk the Site and promote a well-designed sustainable residential-led mixed use scheme which complements and enhances the Worthing town centre in accordance with the agreed Planning Strategy;
- To provide activation which supports the economy in Worthing town centre;
- To identify opportunities to deliver jobs, homes and investment through the joint activities of the Parties;
- To secure the optimum value reasonably obtainable in the open market for the Site in accordance with the agreed Disposal Strategy or such alternative disposal, development or delivery strategy as agreed between the Parties;
- Both parties are seeking early repayment of capital investment to mitigate interest and holding costs;
- To provide high quality public realm in Worthing and to provide an appropriate setting for Worthing Station and an attractive route into the town centre;
- To promote productive interim use of the Site either through activities or environmental enhancements;
- To seek to minimise land banking by any purchaser of the Site so as to ensure development;
- To support WBC Sustainability objectives for the town centre including relevant initiatives, for example, District Heat Network, and
- Such other objectives identified and agreed between the Parties from time to time.

2.7 The Parties shall use reasonable endeavours to achieve the Development Objectives.

2.8 The Parties intend to enter into a Collaboration and Promotion Agreement to formally document the principles agreed in the Heads of Terms.

3. The Site

3.1. The “**Site**” is the area edged red on the Plan in Annex 1 owned freehold by Worthing Borough Council and registered under Land Registry Title []. The Site was purchased for £7m in August 2021. The Site is elected for VAT.

3.2. WBC also benefit from a freehold lease of a section of the Site registered under Land Registry Title []. It is intended that this lease is surrendered to unify the title.

- 3.3. The Site is subject to a short-term (17 years) lease to HMRC registered under Land Registry Title [] for 50 car parking spaces. The lease is subject to lift and shift arrangements within a 15 minute radius of the Site.

4. Commercial Principles

The Site

- 4.1. LCR will purchase a share in the freehold of the Site.
- 4.2. The exact mechanism wherein LCR and WBC hold their joint interest in the Site will be the subject of further legal and tax advice.
- 4.3. WBC will make available their legal due diligence from their purchase of the Site and have procured a duty of care from their solicitors Bevan Brittan for the benefit of LCR.
- 4.4. WBC have put in place indemnity insurance in respect of various title defects and will work to enable LCR to share the benefits of this.
- 4.5. WBC will be responsible for the interim management of the site including insurance, maintenance and security and the associated costs. WBC will work to promote interim uses on the site and will take the benefit of any income generated including from car parking.
- 4.6. LCR and WBC can acquire additional sites or interests to benefit the development of the Site. Any additional agreed spend will be converted into an enhanced equity share in accordance with the Commercial Principles set out in Section 12.
- 4.7. WBC will permit access to LCR and/or for any appointed consultants, agents or contractors to enter the Site, with or without plant and machinery at all reasonable times after giving reasonable notice to carry out tests, inspections or surveys as part of the Disposal Strategy and in accordance with such reasonable health and safety approvals as necessary.

Promotion Activity

- 4.8. LCR and WBC will both make available working capital to fund de-risking and promotion costs for the site in accordance with the agreed Budget.

- 4.9. Should project expenditure not be pari passu to the interest stake held, then agreed additional spend will be converted into an enhanced equity share in the Site.
- 4.10. It is anticipated that both LCR and WBC will aim to provide equal staff resource to support the project as anticipated under a collaborative approach. Should the staff time or resource invested by either organisation prove to be materially unequal relative to the promotion activities then the Parties will agree a Resource Plan to enable this additional resource time to be capable of conversion into an enhanced equity share.

Other

- 4.11 During the term of the CPA, the Parties shall not without the consent of the other enter into separate negotiations (or instruct or allow anyone else to enter into negotiations) with any other party for the disposal of their respective interests in the Site.
- 4.12. The CPA shall not be assignable without consent.
- 4.13. Neither of the Parties shall use their interest in the Site or any respective site owned or any additional rights acquired or any rights or interests to the detriment of the other Party (subject to statutory requirements or as otherwise required by law).
- 4.14. LCR recognise the development of the Site needs to be locally-led and particular delivery arrangements or uses may be promoted by WBC which are politically driven or non-commercial in nature. In such a scenario, LCR will be held financially harmless or provided with an exit with agreed costs recovered.

5. Development or Disposal Strategy

- 5.1. LCR and WBC will agree a Planning and a Disposal Strategy for the Site to achieve the Development Objectives and will include an associated Budget and Programme.

6. Governance and Principles

- 6.1. The Parties shall work together in collaboration, in the spirit of cooperation, with an open-book approach and in good faith to achieve the Development Objectives and implementation of the agreed Disposal Strategy.

- 6.2. The Parties will dedicate resources, from the LCR Development team and from the WBC Major Projects team to work together jointly to facilitate the development of the Site.
- 6.3. The Parties (and if required their advisors) shall meet as a Collaboration Board (to include video/phone conference calls) at regular intervals (and in any event not less frequently than once a month, unless otherwise agreed) and each of the Parties shall allow sufficient senior resources (in terms of time and personnel) in order to satisfy their respective obligations in the CPA.
- 6.4. Decision making will be by consensus.

7. Appointments

- 7.1. The Professional Team will be agreed between the Parties.
- 7.2. The Parties will jointly appoint the Professional team where practical.

8. Costs

- 8.1 Each Party shall bear its own costs in connection with the negotiation of these Heads of Terms and the CPA including the fees and expenses of all respective legal and other advisors and VAT incurred in connection with the completion.

9. Approvals

- 9.1 These Heads of Terms are subject to LCR Board approval and appropriate WBC Council approval.

10. Confidentiality

- 10.1. Each Party agrees to keep the commercially sensitive aspects of these Heads of Terms, all commercial matters concerning the development of the Site and all confidential information about the other Party received in connection with the subject of these Heads of Terms, confidential and not to make any disclosure or announcement in relation to the same other than to a Party's advisers that are bound by confidentiality obligations or with the prior written consent of the other parties, save as may be required by any applicable law or regulatory or listing authority. LCR is permitted to disclose the aforementioned matters to relevant Government agencies.

11. Timetable

11.1. The Parties will dedicate sufficient resources and use best endeavours to ensure that the transaction can be completed within two months of the date of the Heads of Terms.

12. Costs and Receipts of Sale

12.1 Sale receipts to be shared in respect of each Parties respective % equity interest in the Site.

12.2 Should an alternative Disposal Strategy be agreed i.e. not a land sale, the Parties will agree to an alternative strategy.

We agree to these Heads of Terms in the above form.

For and on behalf of London & Continental Railways Limited

Date:

For and on behalf of Worthing Borough Council

Date:

Annex 1: The Site



Appendix D - Draft Development Strategy

Teville Gate Strategy Document

November 2021

PREPARED BY

LCR & WORTHING BOROUGH COUNCIL



Contents

Planning Strategy	3
Disposal Strategy	5
Key Workstreams	7
Budget	10
Proposed Project Budget	10
Proposed Budget Split (LCR / WBC)	11
Programme	12

Planning Strategy

The Mosaic planning application is not considered to be deliverable and consequently a new planning strategy is required to ensure the successful development of the site.

Options for consideration:

<p>1. Secure Mosaic Consent</p>	<p>Secure Mosaic consent to establish principle of development/building envelope and underpin the value in the site.</p> <p><i>Risk: limited risk, requires some legal/commercial due diligence to review the extent of the obligations set out in the draft S106. It is understood that this is otherwise final.</i></p>
<p>2. Pre-App</p>	<p>Secure positive pre-app for a new deliverable scheme to provide confidence to the market and de-risk the opportunity.</p> <p>Quicker and less costly than obtaining a full planning consent and allows a developer flexibility to progress their own application with the comfort that the LPA broadly supports the proposed pre-app scheme.</p> <p><i>Risk: intervention is not sufficient to differentiate from the Mosaic position or provide market confidence of deliverability. Risk that written pre-app response is either delayed or not sufficiently supportive, however this could be mitigated by bringing the local planning authority into the project team as appropriate.</i></p>
<p>3. Outline Planning Application</p>	<p>Obtain outline planning consent for a new deliverable scheme.</p> <p>Provides greater planning confidence and the incoming developer retains the ability to refine the proposed scheme through reserved matters, however, outline parameters would be fixed.</p> <p><i>Risk: significant time and cost associated with progressing a new application and danger that we get the scheme 'wrong' and it does not appeal to the market.</i></p>

<p>4. Amend Mosaic Application</p>	<p>Assuming we are able to secure the Mosaic consent this could be amended to reflect a deliverable/ market facing scheme.</p> <p>Quicker and less costly than submitting a new outline application.</p> <p><i>Risk: significant amendments to the Mosaic scheme are required which are likely to constitute a significant material change and require a new application in any event.</i></p>
<p>5. SPD/Masterplan</p>	<p>The Council could seek to influence the nature of development by creating an SPD/masterplan for the Teville Gate area.</p> <p>This enables the Council to dictate through planning policy the nature of the scheme that is delivered whilst providing confidence to the market that an application within the parameters will be acceptable in planning terms.</p> <p><i>Risk: Danger that the SPD/Masterplan is not deliverable/commercial. Question as to whether this is sufficient to de-risk the site from a market perspective, particularly given historic planning context which has already secured principles and parameters.</i></p>

Preferred Approach

1. Secure Mosaic Consent – Given how far advanced the Mosaic scheme is we would suggest that the S106 is finalized to crystallise the planning position. Whilst we do not believe the scheme is deliverable this would help to establish the principle of mixed use development on the site and define a building envelope and associated parameters to work within.

2. Pre-App – subject to soft market testing to understand what the market would require LCR/WBC to do to de-risk the site, we would suggest progressing with a pre-app in the first instance, working with the Local Planning Authority (LPA) to overcome any planning issues. Whilst this is only informal, a positive response from the LPA will provide the market with confidence that the proposed new scheme is likely to be well received. It is also a lot faster and more cost effective than submitting a new outline application and avoids the pit-falls of getting the application ‘wrong’ and being left with a consent that is undeliverable/unmarketable.

Disposal Strategy

Options for consideration:

<p>1. Freehold sale of whole or phases of development</p>	<p>Unconditional or STP sale of the freehold interest in the whole or phases of the site with the benefit of a positive pre-app.</p> <p>Generates an upfront capital receipt and transfers risk to the incoming developer.</p> <p><i>Risk: Lose control of ownership of the site so no ability to influence proposed scheme outside of Council's planning control as LPA.</i></p>
<p>2. Sale of long leasehold interest</p>	<p>Unconditional or STP sale of a long leasehold interest in the whole or phases of the site.</p> <p>Generates an upfront capital receipt and transfers risk to the incoming developer. Enables the freeholder(s) to influence the proposed development through lease terms and generate a longer term income stream.</p> <p><i>Risk: long leasehold interest may not be as attractive to purchasers/ lenders so could impact on value/marketability.</i></p>
<p>3. Retain freehold and grant building license for development of whole or phases</p>	<p>Unconditional or STP sale of a building license in the whole or phases of the site.</p> <p>Generates an upfront capital receipt and transfers risk to the incoming developer. Enables the freeholder(s) to influence the proposed development through license terms and generate a longer term income stream.</p> <p><i>Risk: build license may not be as attractive to purchasers/ lenders so could impact on value/marketability.</i></p>
<p>4. Development agreement</p>	<p>Enter into a development agreement with an incoming developer(s) to deliver the proposed scheme.</p> <p>Generates an upfront capital receipt and the developer takes on the development risk. Allows freeholder(s) to retain an element of control/ influence over the proposed</p>

	<p>development based on the terms of the agreement.</p> <p><i>Risk: Generally, requires planning consent to have been achieved prior to marketing to fix the parameters for the scheme for which the development agreement will apply. Selection of developer requires formal (OJEU) procurement, though this could be mitigated/expedited through use of frameworks such as Pagabo or Homes England's DPP3</i></p>
5. Joint Venture	<p>Enter into a joint venture agreement with an incoming developer(s) to deliver the proposed scheme.</p> <p>Enables the freeholder to retain an element of control over the development as parties to the JV dependent on the terms of the vehicle. Parties remain invested and receive a share of the development profit at the back end.</p> <p><i>Risk: All parties take on development risk and a capital receipt is only received on successful completion of the project subject to individual parties stake in the JV and priority return. Selection of JV partner(s) requires formal (OJEU) procurement. Requires significant time, resource and funding to progress/monitor.</i></p>
6. Direct development	<p>LCR and the Council promote a planning application and develop the site directly.</p> <p>Retain full control of the planning and development process and share in the proceeds of sale/ development profit.</p> <p><i>Risk: parties take on full planning and development risk. Capital receipt/profit share is only received on successful completion of the project. Requires significant time, resource, and funding to progress. Experience from Union Place highlights the time risk in achieving an acceptable planning permission.</i></p>

Preferred Approach

1. Freehold sale of whole or phases of development – subject to soft market testing to understand what the market would require LCR/WBC to do to de-risk the site, and procurement advice, we would suggest marketing the freehold interest in the whole or phases of the site with the benefit of a positive pre-app.

We would anticipate offers being conditional upon the developer securing planning consent for their proposed scheme but in doing so they take on the planning risk. The developer would pay the full purchase price at the point that planning consent is granted, prior to implementation/ delivery of the scheme.

Key Workstreams

Aim – to de-risk the site (through activities to provide confidence to the market on demand, design, technical and legal issues) to enable the site to a credible purchaser generating an early land receipt.

Workstream	Description	Timing
1. Collaboration	Documentation of LCR-WBC joint working relationship Aim to present [HoTs or full document] to Worthing JSC 9 th November.	Nov 21
2. Research	Research into site title, previous planning position/schemes, property market context, stakeholder position.	Nov 21
3. Soft Market Testing (SMT)	Targeted engagement to understand market view on proposed uses, specification requirements, disposal strategy and planning strategy. Identify target list and questions/ required output.	Dec 21
4. Procurement Advice	Appointment of legal advisor. Seek legal advice in respect of procurement route based on feedback from SMT	Dec 21
5. Disposal Strategy	Agree Disposal Strategy based on feedback from SMT and Procurement Advice. [Preferred position to offer Site to market for unconditional sale and early land receipt]	Dec 21
6. Mosaic	Research into detail of Mosaic planning application/ s106 agreement, consider whether there are any disadvantages of concluding the s106 agreement. Secure consent to establish principle of development/density and underpins site value.	Feb 22
7. Design Feasibility	<ul style="list-style-type: none"> ● Assael Architects to present to WBC team. ● Confirm architects and agree scope of works/ budget and procurement route. ● Confirm supporting consultant team (RoLs, highways, engineer, QS) required, undertake procurement and appoint. ● Undertake design study including review of context, constraints and testing a range of development options/ alternative uses and densities. ● Development appraisal and costs analysis to info design optimisation. ● Consultation key stakeholders 	Mar 22
8. Planning Strategy	<ul style="list-style-type: none"> ● Procurement and appointment of planning consultant. ● Confirm planning strategy (Pre-app, outline planning application, amend Mosaic consent or SPD masterplan) [Strategy and budget assumes preapplication strategy which is quicker/less costly than obtaining a full planning consent and allows a developer flexibility to progress their own applications in the comfort that the LPA broadly supports the proposed pre-app scheme.] ● Agree pre-application strategy/PPA with WBC planning team. Informs and integrated in design feasibility work. ● Undertake pre-application workshops and secure formal feedback. ● Design review workshops. 	Dec 21
9. Third Party Land	<ul style="list-style-type: none"> ● Research and consider opportunity/merits of engagement/ interfaces with any third party landowners to extend or enhance the scheme (Morrisons, HMRC/Hanson Capital Management, Kwikfit + Richard & Associates (freeholder), David Bridger and Jeremy Rippon (Station Approach offices), West Sussex CC (Railway Approach) and NRIL/Southern TOC in respect of station interface/potential improvements. 	Nov 21

10. De-risking Opportunity	<ul style="list-style-type: none"> ● Research title and take steps to address legal impediments or irregularities including boundaries, restrictions, highways. ● Undertake title/utilities searches. ● Technical analysis to understand material physical site constraints (e.g. flooding, utilities capacity, highways/access, utilities) ● Obtain existing or commission topographical/ GPR survey of site [needed to support design study and RoL analysis] ● Analysis of available geotechnical data and undertake further trial pits/boreholes if needed. 	Mar 22
11. Commercial	<ul style="list-style-type: none"> ● CBRE appointment (+ LCR reliance) ● Scope of advice/ services ● Market analysis ● Agree disposal strategy/ phasing ● Consider mechanisms to ensure control to prevent land-banking and influence design/quality e.g. buybacks, building leases. ● Negotiation of pre-sale, AfL or option agreements if relevant. 	Nov 22
12. Disposal	<ul style="list-style-type: none"> ● Preparation of marketing material ● Preparation of marketing and legal data rooms ● Marketing and disposal process ● Selection and legal documentation. 	Nov 22
13. Monitoring and completion	<ul style="list-style-type: none"> ● [Dependent upon disposal route] 	
14. Interim Uses	<ul style="list-style-type: none"> ● Repair and improvements to hoardings. ● Use of the site for interim uses to raise/ change profile and generate interim income/ activation. 	On-going
15. Comms	<ul style="list-style-type: none"> ● Stakeholder management and communications plan ● Stakeholder engagement and management ● Political stakeholders ● Communications to raise profile, demonstrate momentum and change profile (sell the vision) of site/ Worthing market for developers. 	Nov 22
16. Funding and Investment	Explore station improvements, highway improvements, secure works to improve Railway Approach, LEP funding, Highways England funding/AHG, other?	Jun 22

Budget

Proposed Project Budget

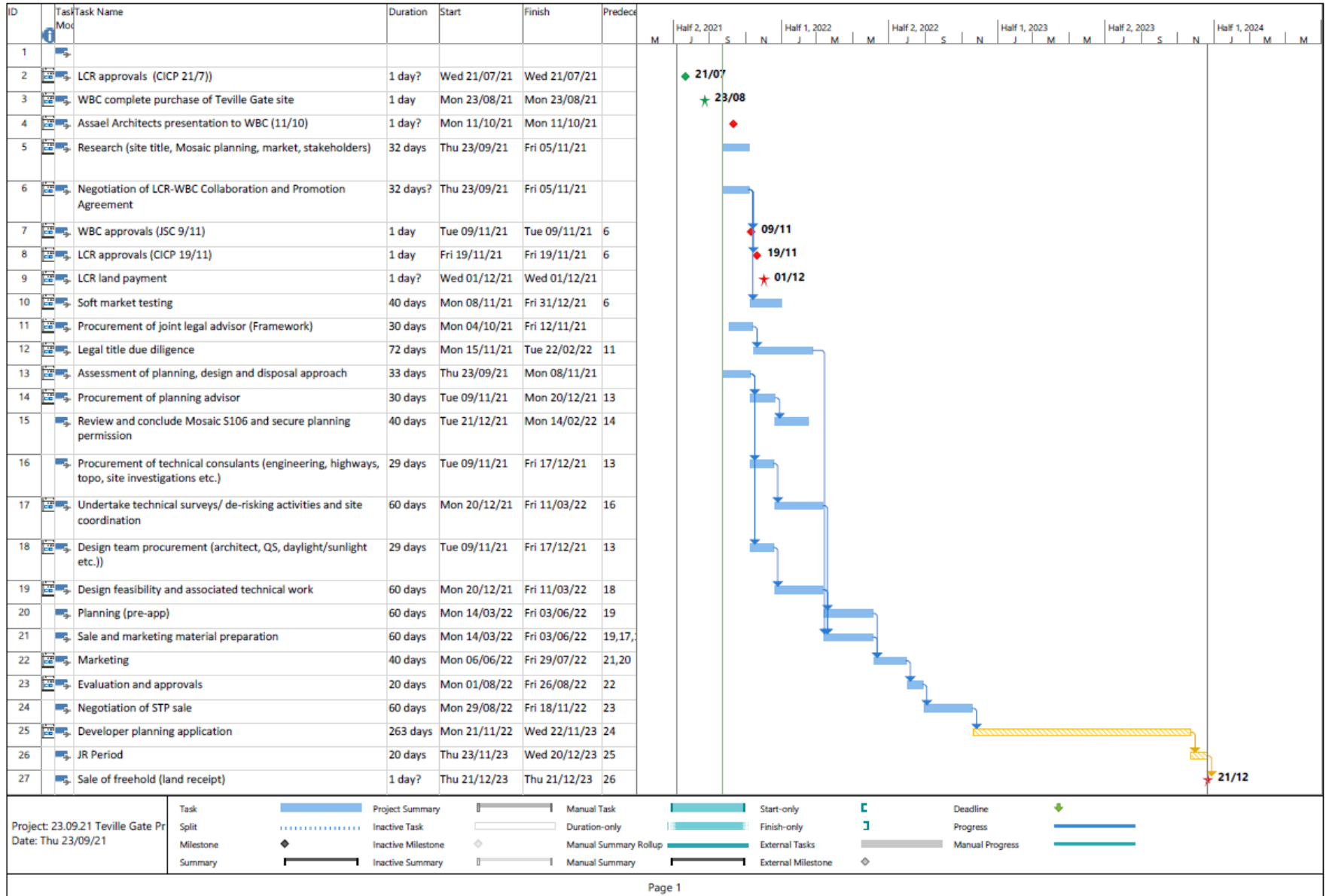
		2021/22	2022/23	2023/24	Total
De-Risking		£30,000	£20,000	£0	£50,000
	Legal (title issues/procurement)	£30,000	£20,000		£50,000
Planning & Design		£280,000	£20,000	£0	£300,000
	Legal (Mosaic application/S106)	£10,000			£10,000
	Architect	£50,000			£50,000
	Planning Advisor	£15,000			£15,000
	Technical Support (MD engineering)	£20,000			£20,000
	Heritage/Townscape	£5,000			£5,000
	Daylight/Sunlight/ROL	£25,000			£25,000
	Highways	£20,000			£20,000
	Pre-App Fee	£10,000			£10,000
	Topo/ GPR/ Utilities	£30,000			£30,000
	Cost advice	£15,000			£15,000
	Design Review	£5,000			£5,000
	Site and Ground Investigations	£35,000			£35,000
	Strategic Commercial Advice (CBRE)	£40,000	£20,000		£60,000
Site Mangement		£0	£0	£0	£0
	Interim Income				£0
	Security				£0
	Maintenance		WBC		£0
	PL Insurance				£0
	Hoardings				£0
Disposal		£10,000	£50,000	£95,000	£155,000
	Agent @ 1.0% (£9m), CBRE			£90,000	£90,000
	Legal @ 0.5% (£9m)		£45,000	£5,000	£50,000
	Marketing material	£10,000	£5,000		£15,000
Contingency		£25,000	£25,000	£0	£50,000
	Contingency	£25,000	£25,000		£50,000
Funding		£0	£0	£0	£0
	Council Cost of Borrowing	tbc	tbc	tbc	£0
	LCR Cost of Borrowing	tbc	tbc	tbc	£0
TOTAL		£345,000	£115,000	£95,000	£555,000

Proposed Budget Split (LCR / WBC)

*Excludes land investment, acquisition costs and documentation of relationship with WBC

		2021/22		2022/23		2023/24		Total	
		WBC	LCR	WBC	LCR	WBC	LCR	WBC	LCR
De-Risking									
	Legal (title issues/procurement)		£30,000		£20,000			£0	£50,000
Planning & Design								£0	£0
	Legal (Mosaic application/S106)		£10,000					£0	£10,000
	Architect	£50,000						£50,000	£0
	Planning Advisor		£15,000					£0	£15,000
	Technical Support (MD engineering)		£20,000					£0	£20,000
	Heritage/Townscape		£5,000					£0	£5,000
	Daylight/Sunlight/ROL		£25,000					£0	£25,000
	Highways		£20,000					£0	£20,000
	Pre-App Fee	£10,000						£10,000	£0
	Topo/ GPR/ Utilities		£30,000					£0	£30,000
	Cost advice		£15,000					£0	£15,000
	Design Review		£5,000					£0	£5,000
	Site and Ground Investigations		£35,000					£0	£35,000
	Strategic Commercial Advice (CBRE)	£40,000		£20,000					£60,000
Site Management								£0	£0
	Interim Income							£0	£0
	Security							£0	£0
	Maintenance							£0	£0
	PL Insurance							£0	£0
	Hoardings							£0	£0
Disposal								£0	£0
	Agent @ 1.0% (£9m), CBRE					£90,000		£0	£0
	Legal @ 0.5% (£9m)				£45,000		£5,000		£50,000
	Marketing material		£10,000		£5,000			£0	£15,000
								£0	£0
Contingency								£0	£0
	Contingency	£10,000	£15,000	£10,000	£15,000			£20,000	£30,000
Funding								£0	£0
	Council Cost of Borrowing							£0	£0
	LCR Cost of Borrowing							£0	£0
TOTAL		£110,000	£235,000	£30,000	£85,000	£90,000	£5,000	£230,000	£325,000

Programme



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