



ADUR & WORTHING  
COUNCILS

27 August 2021

<b>Joint Strategic Committee</b>	
<b>Date:</b>	<b>7 September 2021</b>
<b>Time:</b>	<b>6.30 pm</b>
<b>Venue:</b>	<b>Council Chamber, Worthing Town Hall</b>

**Committee Membership:**

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

**Worthing Borough Council:** Councillors; Daniel Humphreys (Worthing Chairman), Kevin Jenkins (Worthing Vice-Chairman), Edward Crouch, 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 13<sup>th</sup> July 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 3rd September 2021 to Democratic Services, [democratic.services@adur-worthing.gov.uk](mailto:democratic.services@adur-worthing.gov.uk)

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

**4. Items Raised under Urgency Provisions**

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

**5. 1st Quarter Revenue Monitoring Report 2021/22 (Pages 1 - 32)**

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

**6. 1st Quarter Capital Investment Programme & Projects Monitoring 2021/22 (Pages 33 - 58)**

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

**7. Annual Treasury Management Report 2020-21 for Adur District Council and Worthing Borough Council (Pages 59 - 80)**

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

**8. HealthyAW: Developing the new Health & Wellbeing Strategy (2021-2024) (Pages 81 - 120)**

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

**9. Recommissioning of advice provision (Pages 121 - 130)**

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

**10. Downview and Rowlands Road update (Pages 131 - 144)**

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

**11. Protecting our Coastline - Worthing Coastal Protection Scheme (Pages 145 - 154)**

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

## **Part B - Not for Publication – Exempt Information Reports**

None.

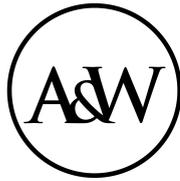
### **Recording of this meeting**

The Council will be voice recording the meeting, including public question time. The recording will be available on the Council's website as soon as practicable after the meeting. The Council will not be recording any discussions in Part B of the agenda (where the press and public have been excluded).

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

Joint Strategic Committee  
7 September 2021  
Agenda Item 5

Key Decision [Yes/No]

Ward(s) Affected:

## 1st Quarter Revenue Monitoring Report 2021/22

Report by the Director for Digital, Sustainability and Resources

### Executive Summary

#### 1. Purpose

- 1.1. This report updates the Joint Strategic Committee with the latest expenditure and income projections for each Council in the current financial year 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 June 2021, the forecast position will reflect the latest information available to ensure an up-to-date forecast is presented.

As at quarter 1, the current projection for the 2021/22 financial year are net operational budget overspends of £58,000 in Adur and £762,000 in Worthing. Government funding in the form of grants and the Income Guarantee Scheme will offset this and it is currently estimated that the outturn position will be net underspends of £101,000 in Adur and £7,000 in Worthing. A breakdown is set out in section 4.4 of the report.

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

- (i) **Appendix 1**
  - (a) Adur Summary
  - (b) Adur Use of Earmarked Reserves
- (ii) **Appendix 2**
  - (a) Worthing Summary
  - (b) Worthing Use of Earmarked Reserves

(iii) **Appendix 3** HRA Summary

(iv) **Appendix 4** (a) Table of Variations over £20,000  
(b) HRA Major Variances

## **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).

### **3.0 Context**

3.1 The Joint Strategic Committee considered the 5-year forecast for 2021/22 to 2025/26 on 1st December 2020.

3.2 The report outlined the financial context, and updated the outline 5 year forecast, the key budget pressures and the savings proposals for addressing the budget gap for Adur and Worthing Councils. The report built on the strategy first proposed in 2016/17 whose strategic aim was to ensure that the Councils would become community funded by 2020 reliant, by then, only on income from trading and commercial activities, council tax income and business rate income.

3.3 The successful delivery of the strategy is fundamentally changing how the Councils are funded. The Councils are moving increasingly away from ever reducing government funding towards funding from the local community via Council Tax and Business Rates, and will become increasingly reliant on income from commercial activities.

### **4.0 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 has been 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 (estimated)	56,390	209,640	266,030
<b>Total non specific funding</b>	<b>223,090</b>	<b>376,340</b>	<b>599,430</b>
Specific - Within Service:			
Cabinet Office - Elections Covid support	21,440	29,840	51,280
Test & Trace administration	34,530	15,841	50,371
<b>Total service specific funding</b>	<b>55,970</b>	<b>45,681</b>	<b>101,651</b>
<b>Total</b>	<b>279,060</b>	<b>422,021</b>	<b>701,081</b>

The amount that the Councils will receive from the income guarantee scheme is an estimate based on the assumed basis of this calculation for the 2021/22 which has yet to be confirmed. The invitation for submission is expected during August.

4.3 It is very early in the financial cycle and difficult to have certainty on the estimates and assumptions, the preliminary projections indicate forecast year end underspends against budgets, after general government

Covid-19 related funding, of £101,000 in Adur and £7,000 in Worthing. This includes meeting the challenges of the impact of the covid-19 pandemic on cost pressures and levels of income together with the significant savings requirements to balance the 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:

<b>2021/22 Forecast Outturn</b>	<b>Adur</b>	<b>Worthing</b>
	£000	£000
Over/(under)spend in operational services – including share from Joint Services	58	762
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)	(362)
Commercial property income shortfall and cost pressure	624	234
Property void allowance	(550)	(350)
Covid expenditure costs	52	86
<b>Net over/(under) spend before Government funding support</b>	<b>122</b>	<b>370</b>
Government Covid 19 Grant Funding	(167)	(167)
Sales, Fess and Charges Guarantee Scheme	(56)	(210)
<b>Forecast net over/(under) spend</b>	<b>(101)</b>	<b>(7)</b>

4.5 The key factors underpinning the current financial position include:

- The financial impact of the Coronavirus pandemic, both additional cost pressures and reduced income levels, net of financial support from the government.
- 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 £58,000 in Adur and £762,000 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 Q1 are as follows:

<b>Projected Outturn Summary</b>			
	<b>Joint</b>	<b>Adur</b>	<b>Worthing</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Current Budget 2021/22	23,609	9,581	14,448
Outturn	24,277	9,703	14,818
<b>Projected Forecast over/ (underspend) before Government support packages or any transfer to reserves</b>	<b>668</b>	<b>122</b>	<b>370</b>
MHCLG - Government Grant Funding		(167)	(167)
MHCLG - Income guarantee funding		(56)	(210)
<b>Projected Forecast over/ (underspend) after Government funding and proposed transfer to reserves</b>	<b>668</b>	<b>(101)</b>	<b>(7)</b>
Projected over/(underspend) percentage	2.83%	-1.06%	-0.05%

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

4.7 In the table below, projections have been separated between authority and by Income and Expenditure, to indicate the level of overall

under/overspend of costs and the over/under achievement of income targets.

	<b>Expenditure</b>	<b>Income</b>	<b>Net Total</b>
<b>Joint</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Budget	31,489	(6,590)	24,899
Forecast (after transfer to reserves)	32,282	(6,715)	25,567
Projected Forecast (Under)/ Overspend	793	(125)	668
Forecast variance % before Government funding	2.52%	1.90%	2.68%
<b>Adur</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Budget	35,693	(26,754)	8,940
Forecast (after transfer to reserves)	35,828	(27,034)	8,794
Authority Projected Forecast (Under)/ Overspend	135	(280)	(145)
Share of Joint (Under) / Overspend	317	(50)	267
Authority Projected Forecast (Under) / Overspend	452	(330)	122
Forecast variance % before Government funding	1.27%	1.23%	1.36%
<b>Worthing</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Budget	67,673	(51,494)	16,179
Forecast (after transfer to reserves)	68,061	(51,912)	16,148
Authority Projected Forecast (Under)/Overspend	387	(418)	(31)
Share of Joint (Under) / Overspend	476	(75)	401
Authority Projected Forecast (Under)/ Overspend	863	(493)	370
Forecast variance % before Government funding	1.28%	0.96%	2.29%

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

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

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

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

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

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

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

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

4.11.1 Car Parks

Car park income 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 in quarter 1 by 22% in Adur and 32% in Worthing. However within that there was a noticeable improvement in June and July with income levels increasing to 96% of budget in Adur and 85% in Worthing.

The current prediction is that there will be an ongoing increase in demand over the summer returning to budgeted levels by the end of the financial

year. The recovery in numbers is expected to be quicker in Adur and there is 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 shortfall in income for the year is £65,000 and £428,000 in Adur and Worthing respectively.

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%. However there will still be a loss of an estimated £310,000 to be managed within the Worthing budget and £37,500 in Adur.

#### 4.11.2 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 Downview and Rowlands Road due to become available for use in early Autumn.

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 be utilised to offset the current overspend. Both councils have also received Domestic Abuse Safe Accommodation grant allocations of £33,000.

Looking forward we expect increased pressure on housing as we see the impact of the end of furlough and the abolition of section 21 notices once the 4 month period expires in September. The current assumption is that the caseloads numbers in both councils will increase by 3 per month 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 Variances

	Adur £000	Worthing £000
Homelessness - Emergency and temporary accommodation costs - budget pressure/(underspend)	331	881
Local Housing Allowance Income - budget shortfall/(excess)	(120)	(501)
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	(33)	(33)
Rough Sleeping - additional grant	(25)	-
Net over/(under)spend forecast against budget	73	111

### 4.11.3 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 continues to be 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. A review of the budget will identify any adjustments needed for future years.

Commercial Waste income did see a drop in income due to the impact of Covid-19 on businesses and their demand for the service. With the lifting of restrictions business has picked up and early indications are that

income will be on budget. There has been a small £3,000 overspend against the expenditure budgets in Worthing associated with the food waste trial, due to launch September 2021.

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.

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

#### 4.11.4 Environment - Bereavement Services

The Bereavement Service is projecting a net overspend against the budget in 2021/22 of £253,000 in Worthing and £17,000 in Adur. This includes income shortfalls of £17,000 Adur and £169,000 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 it was 39.65% and in 21/22 it was 32.98%. 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, 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.

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 1140 cremations were carried out in the first four months of the year, in the same timeframe in 20/21 there were 1462 cremations. In 21/21 there have been 1077 cremations in the first four 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. 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.

#### 4.11.5 Planning & Development

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In Adur current projections are that the 2021/22 budgets will be achieved in the Planning and Development service areas.

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.

#### 4.11.6 Place and Economy

The Worthing Observation Wheel is now back and operational on Worthing seafront. The attraction's return was delayed due to the Coronavirus but it is now open for business and ready for customers during the summer period. However, the Council has had discussions with the operator and agreed a lower payment for 2021/22 to reflect the reduced period of operation. The income shortfall is expected to be £25,000, however concession and sponsorship income is expected to exceed budget and mitigate this shortfall.

In Adur, net income is currently projected to be £22,000 above budget. Market activity shortfall is offset by additional income from events and some expected savings against expenditure budgets.

#### 4.11.7 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.

Commercial property income has seen the impact of the Covid 19 pandemic with a forecast shortfall in income within Adur of £539,000 and Worthing £231,000. 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.

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 property in Uxbridge previously leased by TM Lewin.

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

#### 4.11.8 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 £55k due to 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. Adur has an overspend of £168k which reflects the delay in the sale of the Adur Civic Centre and the timing of the associated capital receipt.

Interest receivable from treasury investments will be below budget for both Councils due to the significantly lower than forecast rates available in the market. For Adur there is the additional loss due to the delayed capital receipt from the sale of the Civic Centre site in Shoreham.

However the interest payable on borrowing will also be reduced, again due to the reprofiling of capital budgets which will more than compensate for the income lost on the investments. There are forecast net underspends of £230k for Adur and £307k for Worthing.

<b>Treasury Management (Under) / Overspends</b>	<b>Adur (General Fund)</b>	<b>Worthing</b>
	£	£
Minimum Revenue Provision	168,300	(54,629)
Interest on Borrowing and TM costs	(238,201)	(267,748)
Interest from Investment Income	7,612	(39,115)
<b>Total</b>	<b>(62,289)</b>	<b>(361,492)</b>

#### 4.11.9 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 £134,000 and £350,000 respectively.

Overpayment income is also below budget in both councils with projected year end positions currently £300,000 in Adur and £218,000 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.

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 £196,000 Adur and £353,000 Worthing.

#### 4.11.12 Pay Award

\_\_\_\_\_ 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 be met. There are some overspends against department salaries budgets but these are being offset by savings in other departments or they are funded either through grants or reserves. This will be monitored closely as we progress through the year.

#### 4.13 Budget variations greater than £20,000

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

Maintenance costs are currently predicted to be on budget in Worthing, however the reactive nature of the non cyclical work can be hard to forecast. This is reviewed each month and the commitments updated so that the budget can be monitored. Due to the delay of some work during the period of the Covid emergency, members approved the transfer of monies from the underspend in Worthing in 2020/21 to a maintenance reserve, this will be utilised to manage additional pressures that result from the legacy demands.

In Adur there has been maintenance work identified as required on the leisure centres, including the re-tiling of the Wadars swimming pool. Overall there is a forecast overspend for 2021/22 of £98,000.

#### 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 first 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, in most cases to normal levels by March 2022, should there be any further periods of restriction or lockdown this will need to be factored into the assumptions and the forecasts re-modelled.

The budget includes a vacancy target of £685,340 and there is a risk that this will not be met. Recruitment continues to be tightly controlled with

director approval required for any new appointments, and although current projections are that the target will be met there are pressures particularly in Waste and Cleansing where agency staff continue to be required to fill resourcing gaps. The position will be monitored closely on a monthly basis.

#### 4.16 Housing Revenue Account

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

4.16.2 The HRA is forecast to overspend against the budget for 2021/22 by £282,595 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.

### **Engagement and Communication**

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

### **Financial Implications**

6.1 At this early stage at the end of the first quarter of the revenue budgetary cycle, we can already see the financial impact the Coronavirus pandemic continues to have on the Councils. This is a changing situation and the assumptions used to forecast a full year performance will need to adapt as the monitoring cycle continues throughout 2021/22. Currently, operational overspends are anticipated in Adur District Council £58,000, and Worthing Borough Council £762,000, included within these projections is a forecast overspend within the Joint Committee of £668,000. The Government has recognised the pressure on Councils and has committed grant funding to help support, additionally the Councils are expected to benefit from the income guarantee compensation scheme. Nevertheless there is still a budget pressure that needs to be managed. Overall the projected outturn positions net of funding and reserve transfers is an underspend in Adur of £101,000 and an underspend in Worthing of £7,000.

## Legal Implications

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

### Background Papers

Joint Overall Budget Estimates 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>

### Officer Contact Details:-

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- **Sustainability & Risk Assessment**



- 1. Economic**

Matter considered and no issues identified

- 2. Social**

- 2.1 Social Value**

Matter considered and no issues identified

- 2.2 Equality Issues**

Matter considered and no issues identified

- 2.3 Community Safety Issues (Section 17)**

Matter considered and no issues identified

- 2.4 Human Rights Issues**

Matter considered and no issues identified

- 3. Environmental**

Matter considered and no issues identified

- 4. Governance**

Matter considered and no issues identified

**SUMMARY - 1ST QUARTER PROJECTED OUTTURN 2021/22**
**APPENDIX 2a**

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	3,019,990	9,200
	CM for Health & Wellbeing	1,336,810	1,336,810	1,359,210	22,400
	CM for Customer Services Leader	1,459,500	1,459,500	1,730,900	271,400
	CM for Regeneration	1,054,770	1,054,770	671,290	(383,480)
	CM for Resources	1,630,360	1,630,360	1,673,760	43,400
	- Holding Accounts	192,080	192,080	183,080	(9,000)
		255,580	255,580	255,580	0
0	<b>Total Cabinet Member</b>	8,939,890	8,939,890	8,893,810	(46,080)
	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	9,703,220	121,920
0	<b>Government Grant funding</b>	0	0	(223,090)	(223,090)
	<b>Transfer to/from reserves</b>				
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	101,170	101,170
	Recommended For Transfer To/(From) Reserves				
0	<b>Total Budget requirement before External Support from Government</b>	<b>9,581,300</b>	<b>9,581,300</b>	<b>9,581,300</b>	-

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SUMMARY - 1ST 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	3,738,880	242,800
	CM for Health & Wellbeing	1,892,810	1,892,810	1,892,810	0
	CM for Customer Services Leader	5,634,900	5,634,900	6,071,700	436,800
	CM for Regeneration	1,526,670	1,526,670	1,007,270	(519,400)
	CM for Resources	2,650,210	2,650,210	3,161,410	511,200
	CM for Resources	618,890	618,890	371,890	(247,000)
	Holding Accounts	359,420	359,420	359,420	0
0	<b>Total Cabinet Member</b>	16,178,980	16,178,980	16,603,380	424,400
	Credit Back Depreciation	(3,804,240)	(3,804,240)	(3,804,240)	0
	Minimum Revenue Provision	1,986,790	1,986,790	1,931,790	(55,000)
	Non ring fenced grants	0	0	0	0
0		14,361,530	14,361,530	14,730,930	369,400
0	<b>Government Grant funding</b>	0	0	(376,340)	(376,340)
	<b>Transfer to/from reserves</b>				
0	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	6,940	6,940
	Recommended For Transfer To/(From) Reserves				
0	<b>Total Budget requirement before External Support from Government</b>	<b>14,447,780</b>	<b>14,447,780</b>	<b>14,447,780</b>	-

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 WORTHING BOROUGH COUNCIL  <b>EARMARKED REVENUE RESERVE ACCOUNTS</b>	<b>Opening Balance</b>  <b>2021/22</b>	<b>Estimated Transfers Out</b>  <b>2021/22</b>	<b>Estimated Transfers In</b>  <b>2021/22</b>	<b>Projected Closing Balance</b>  <b>2021/22</b>
	£	£	£	£
<b>Capacity Issues Reserve including approved Carry Forward budgets</b>  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)  <b>Worthing carry forwards</b> from 2020/21 underspends, agreed Worthing Council 20th July, 2021  Budgeted contribution (to)/from revenue  <b>Balance</b>	1,668,219	(100,000)  (59,500)  (246,000)  (242,000)	-	1,020,719
<b>Insurance Reserve</b>	206,088	(30,250)	26,250	202,088
<b>Joint Health Promotion Reserve</b>	1,485	(1,485)		0
<b>Leisure Lottery &amp; Other Partnerships - 01/02/18 JSC/092/17-18 for Museum Costume Research Centre</b>	27,766			27,766
<b>Museum reserve</b>	106,396			106,396
<b>Theatres Capital Maintenance Reserve</b>	57,855	TBC	TBC	57,855
<b>Special and Other Emergency Reserve</b>	3,053			3,053
<b>Business Rates Smoothing Reserve</b>	6,985,305	(6,499,550)		485,755
<b>Local Tax Income Guarantee</b>	703,354	(234,450)		468,904
<b>Property Investment Risk Reserve</b>	450,000			450,000
<b>Building Maintenance Reserve</b>	383,000	TBC	TBC	383,000
<b>Grants &amp; Contributions</b>	1,436,893	TBC	TBC	1,436,893
<b>Projected Underspend/ (Overspend) (Reserve to be identified at outturn).</b>			6,940	6,940
<b>General Fund Working Balance</b>	1,543,373			1,543,373
<b>TOTAL</b>	13,572,787	(7,413,235)	33,190	6,192,742

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## HOUSING REVENUE ACCOUNT SUMMARY

Appendix 3

	<b>ORIGINAL BUDGET</b>	<b>FORECAST ACTUAL</b>	<b>VARIANCE</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>EXPENDITURE</b>			
General Management	4,141,320	4,227,431	86,111
Special Services	748,410	768,043	19,633
Rent, Rates, Taxes & Other Charges	58,150	72,725	14,575
Repairs & Maintenance	2,711,470	2,569,473	(141,997)
Bad/Doubtful Debt	51,000	51,000	0
<b>Capital Financing Costs</b>			
Depreciation and Revenue Contribution to Capital	4,179,980	4,179,980	0
Interest charges	2,181,360	2,324,075	142,715
<b>TOTAL EXPENDITURE</b>	<b>14,071,690</b>	<b>14,192,727</b>	<b>121,037</b>
<b>INCOME</b>			
Dwelling Rents	(12,320,450)	(12,134,728)	185,722
Non-Dwelling Rents	(535,010)	(535,547)	(537)
Heating and Other Service Charges	(547,610)	(524,636)	22,974
Leaseholder's Service Charges	(260,620)	(300,221)	(39,601)
Interest Received	(28,000)	(35,000)	(7,000)
<b>TOTAL INCOME</b>	<b>(13,691,690)</b>	<b>(13,530,132)</b>	<b>161,558</b>
<b>NET (SURPLUS)/DEFICIT -TFR (TO)/FROM HRA GENERAL RESERVE</b>	<b>380,000</b>	<b>662,595</b>	<b>282,595</b>

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Service Area	Joint £000s (under)/ over spend	Adur £000s (under)/ over spend	Worthing £000s (under)/ over spend	Description of Significant Variations
<b>Chief Executive</b>				
<b>Leader</b>	(8)	(400)	(550)	Covid Contingency used to cover cost pressures in various services shown throughout these variances
	(8)	(400)	(550)	
<b>Director of Communities</b>				
<b>Env Health - Housing</b>	(15)	(4)	(37)	HIA fee income expected to exceed budget
<b>Housing Needs</b>	35	106	144	ADC & WBC: Forecast estimates that caseload will increase by +3 cases a month on average for both authorities, taking into account the potential impact of abolition of section 21 notices once the 4 month notice period expires 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
<b>Housing Needs Grant</b>	-	(33)	(33)	ADC & WBC: MHCLG Domestic abuse safe accommodation grant
<b>Parks &amp; Foreshore</b>	(16)	(29)	(19)	Net impact of Coast Protection service due to staff shortages with the skills required to provide this service and which will be externally let
<b>Environmental Services (Waste)</b>	222	16	24	Joint: mainly due to projected overspend on employee costs; Agency overspend including estimated £50k for COVID cover. Adur: £7.2k various supplies and services projected overspend. Adur and Worthing : £9k & £14.3k respectively 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 Worthing: £3k Food Waste equipment costs - Service due to launch late July 2021
<b>Bereavement Services (Cemeteries &amp; Crematorium)</b>	2	17	253	WBC: £167k 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. ADC £5.8k rental income shortfall due to sale of Mill Lane property and £11k customer receipts shortfall
	<b>228</b>	<b>73</b>	<b>332</b>	
<b>Director of Digital and Resources</b>				
<b>Elections</b>	(5)	22	38	ADUR & WORTHING overspends in relation to extra requirements for putting on elections due to COVID 19, funded by Covid contribution.
<b>Director For Digital, Sustainability &amp; Resources</b>	356	-	-	Open Community scheme spend funded by Grant in Reserves
<b>Customer Services</b>	(62)	-	-	Projected underspend in staff costs
<b>Parking Services</b>	-	12	440	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. Time is needed before a better forecast can be given but any further restrictions would cause a significant risk to parking income
<b>Digital &amp; ICT</b>	120	-	-	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.
<b>Revenues</b>	(85)	150	345	ADUR & WORTHING ; 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.
<b>Benefits</b>	81	46	8	ADUR & WORTHING under achievement of income for overpayments.

Service Area	Joint £000s (under)/ over spend	Adur £000s (under)/ over spend	Worthing £000s (under)/ over spend	Description of Significant Variations
Finance: Treasury Interest		(230)	(307)	There is a forecast underspend on interest payable on borrowing for both Adur and Worthing 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	(55)	There is an overspend on MRP for Adur, partly due to the delay in the sale of the Adur Civic Centre site. Worthing has an underspend due to the reprofiling of the capital programme.
	<b>405</b>	<b>168</b>	<b>469</b>	
<b>Director of the Economy</b>				
Leisure	-	(90)	(211)	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	7	63	(76)	ADUR: 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. WORTHING: Void Budget to transfer to Reserve offset by net income shortfall mainly from Montague Street & Canon House properties.
Place and Economy (Economic Development)	5	(22)	24	WBC Overspend relates to Town Centre Improvement Programme funded from the COVID Contingency budget and a reduction in Income from the Observation Wheel ADC: mainly relates to additional income from Markets.
Planning and Development (Planning Policy)	(6)	-	86	Local Plan examination. The spend is to be phased £16k in quarter 2 and £70k in quarter 4.
Emergency Planning	56	-	-	Cost of H&S system funded from the COVID contingency budget
	<b>62</b>	<b>(49)</b>	<b>(177)</b>	
<b>Cross Cutting services</b>				
Maintenance	17	98		Adur: Overspend anticipated due to works associated with the leisure centres (including the re-tiling of the Wadars swimming pool)
Other	(36)	(35)	(105)	
Income guarantee scheme		(56)	(210)	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.
	<b>(19)</b>	<b>(160)</b>	<b>(482)</b>	
Allocation of Joint Variance		267	401	Share of joint services allocated 40:60 to Councils
<b>Total Variance</b>	<b>668</b>	<b>(101)</b>	<b>(7)</b>	

	(Under)/ Over Spends £'000
<b><u>Variations in Income and Running Costs:</u></b>	
Rental & Service Charge void loss	209
Service charge income from leaseholders	(40)
Staff vacancies - Tenancy Services and Repairs & Maintenance	(16)
Repairs & Maintenance - responsive and void works	(143)
Repairs & Maintenance - planned maintenance contracts	30
Council Tax - extended void periods	12
Potential decant costs as a result of the Inner Rooms project	100
Other	(5)
<b>TOTAL VARIATION IN RUNNING COSTS:</b>	<b>147</b>
<b><u>Variations in Treasury Management and Capital Costs:</u></b>	
Interest payable - expected increase in borrowing levels to fund capital programme	143
Interest receivable	(7)
<b>TOTAL VARIATION IN TREASURY MANAGEMENT AND CAPITAL COSTS:</b>	<b>136</b>
<b>TOTAL VARIATION:</b>	<b>283</b>

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ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
7 September 2021  
[Item 6](#)

Key Decision : No

Ward(s) Affected: All

## 1st Quarter Capital Investment Programme & Projects Monitoring 2021/22 Report by the Director for Digital, Sustainability and Resources

### 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 note the addition of the Lancing Manor Bowling procurement of an irrigation system to the 2021/22 Capital Investment Programme as detailed in paragraph 7.2.3.

- iii) To note the S106 receipt of £17,450 for the improvement of the Southlands Hospital Play Area and the addition to the 2021/22 Capital Investment Programme of the improvement works as advised in paragraph 7.2.4.
- iv) To approve the replacement of the Transport Workshop HGV vehicle lift replacements funded from underspends in the Street Cleansing Vehicle Replacement Budget, and the addition of the scheme to the 2021/22 Capital Investment Programme as detailed in paragraph 7.1.1.
- v) To approve the replacement of the Transport Fleet Management System funded from the budget a replacement Bereavement Services Vehicle and the addition of the project to the 2021/22 Capital Investment Programme as detailed in paragraph 7.1.2.
- vi) To note the bringing forward of the budget for the Lancing Manor Leisure Centre Car Park access reconstruction and security improvements to 2021/22 as detailed in paragraph 7.4.1.
- vii) To note the revised decarbonisation programme and to approve the release of up to £118,050 funding from the Capacity Issues Reserve to address the financial pressures within the decarbonisation scheme as outlined in paragraph 4.2.1.
- viii) To approve the additional funding of £50,000 for the Southwick Football Club to be used as match funding for the demolition of the existing buildings to enable the new tenant to redevelop the site as outlined in paragraph 7.2.5.

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

- i) To note the reprofiling of the Worthing Borough Council capital schemes as advised in paragraphs 7.3.1 and Appendix 4.
- ii) To approve the replacement of Grafton MSCP essential payment equipment and entry / exit barriers funded from underspends in the High Street and Buckingham Road MSCP equipment replacements, and the addition of the project to the 2021/22 Capital Investment Programme as detailed in paragraph 7.3.2.
- iii) To approve the refurbishment of the Worthing Rotunda funded from the underspend in the Worthing Parades Improvements Budget and the addition of the project to the 2021/22 Capital Investment Programme as detailed in paragraph 7.3.3.
- iv) To note the addition of the Church House Grounds Bowling Green procurement of an irrigation system to the 2021/22 Capital Investment Programme as detailed in paragraph 7.3.4.

- v) To approve the replacement of the Worthing Leisure Centre Hammer / Throws Cage funded from the Play Area Equipment Budget, and the addition of scheme to the 2021/22 Capital Investment Programme as detailed in paragraph 7.3.5.
- vi) To approve the replacement of the Transport Workshop HGV vehicle lift replacements funded from underspends in the Street Cleansing Vehicle Replacement Budget, and the addition of the scheme to the 2021/22 Capital Investment Programme as detailed in paragraph 7.1.1.
- vii) To approve the replacement of the Transport Fleet Management System funded from the budget a replacement Bereavement Services Vehicle and the addition of the project to the 2021/22 Capital Investment Programme as detailed in paragraph 7.1.2.
- vi) To note the bringing forward of the budgets for the Broadwater Parish Rooms replacement electrics and heating system to 2021/22 as detailed in paragraph 7.4.2.

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

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

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

#### **4. SUCCESSES AND CHALLENGES IN THE 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.

The upgrade of the Community Alarm Systems in our sheltered housing schemes is now at the implementation stage and external works to Bushby Court and Beachcroft place is ongoing.

##### **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 consultation with residents is being undertaken regarding redevelopment rather than refurbishment. Officers are currently reviewing emergency works with the potential scope of extending usable life of properties before broader decisions are taken. Works might be undertaken in the wider Southwick area.
- The project to undertake external works to Bushby Close has been delayed due to outstanding loft insulation works and is now anticipated to complete August 2021.
- External works to Beachcroft Place are anticipated to complete December 2021.
- Decisions are in progress regarding additional works programmes for roofs and windows.

#### 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 one site and signed contracts and made a start on 3 new sites (76 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 house for temporary accommodation

Condition surveys have been undertaken along with asbestos removal. The build contract tender was issued in early February 2021 to undertake the conversion of 2 houses into 6 flats for temporary accommodation. Completion is anticipated in 2022/23.

##### Cecil Norris Development

The newly announced fire regulations have impacted on sign off / handover of the new building. Officers have undertaken a review with third party input and handover is now scheduled for September.

### Albion Street

Covid-19 has had a significant impact on the timescales for the contract award. However, works are now on time and delivery is anticipated December 2022.

### Small Sites (Hidden Homes)

Following approval of the small sites programme to deliver 56 new homes, planning applications are being submitted. 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 now due to complete in September 2021.

### Rowlands Road Site

Works on site to deliver a further 19 homes are progressing well, however some time and cost impact has been felt from the discovery of more asbestos than had been identified as part of the asbestos survey. Also additional works have been identified on the structure and drainage adding to both costs and delay. Due to the expanded scope of works and the impact of Covid 19 restrictions the completion date is currently forecasted for late September 2021. Overall the scheme is now expected to cost more than the original forecast but it is anticipated that the additional spend can be accommodated within the overall programme budget. A full update report on the scheme can be found elsewhere on the agenda.

- 4.2 The following schemes have provided challenges and have been identified as having financial issues:

#### 4.2.1 **Decarbonisation programme - Adur**

The Council has successfully bid for funding from the Public Sector Decarbonisation Scheme (PSDS) for £1.7m to be used to support a range of decarbonisation schemes across Adur. The original approved programme was:

Scheme	Cost £	Grant awarded £	Internal resources needed £
<b>Adur</b>			
General Fund			
Shoreham Centre - Air source heat pumps	415,000	325,020	89,980
Solar panels	51,000	39,950	11,050
<b>Total General Fund programme</b>	<b>466,000</b>	<b>364,970</b>	<b>101,030</b>
Housing Revenue Account			
Shadwells Court			
- Heat pumps	900,000	693,930	206,070
- Solar Panels	34,900	34,900	0
- Cavity Wall Insulation	42,500	42,500	0
Marsh House			
- Heat pumps	707,000	545,120	161,880
- Solar Panels	12,750	12,750	0
<b>Total HRA programme</b>	<b>1,697,150</b>	<b>1,329,200</b>	<b>367,950</b>
<b>Total investment in Adur assets</b>	<b>2,163,150</b>	<b>1,694,170</b>	<b>468,980</b>

Following some further design work on the proposals, it has been identified that for the projects to be successfully delivered, significant work on the local electricity substations with substantial additional associated costs is required at both Marsh House (£212k) and the Shoreham Centre (£180k).

Given the financial pressure that the Adur Homes capital investment programme is under, it is not possible to find additional match funding for the proposed scheme at Marsh House without significantly compromising other high priority schemes. Consequently, this scheme will be rebid for in the next round of PSDS along with a range of other heating improvements to benefit Adur tenants.

To facilitate the delivery of the Shoreham Centre scheme, underspend and residual contingency will be reallocated to the project of £20k.

In addition, the Solar PV scheme will be funded from the energy efficiency invest to save budget pending the submission of a report to the Executive Member of Resources for approval.

This will leave a shortfall of £118,050 for this scheme. If no further underspends are identified within the General Fund programme, it is proposed that the balance is funded from the Capacity Issues Reserve.

Consequently the new programme and associated funding is as follows:

Scheme	Revised Cost £	Grant awarded £	Internal resources needed £
<b>Adur</b>			
General Fund			
Shoreham Centre - Air source heat pumps	593,000	364,970	228,030
Solar panels - Invest to save scheme	62,000	0	62,000
Total General Fund programme	655,000	364,970	290,030
Housing Revenue Account			
Shadwells Court			
- Heat pumps	866,504	675,824	190,680
- Solar Panels	34,900	14,550	20,350
- Cavity Wall Insulation	11,556	11,556	0
Marsh House			
- Solar Panels	33,100	33,100	0
Total HRA programme	946,060	735,030	211,030
Total investment in Adur assets	1,601,060	1,100,000	501,060

#### 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.

Officers are currently undertaking an options appraisal to consider what 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 adjoining land.

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.

It is anticipated the redundant yacht club house will be demolished in Autumn 2021.

## **5. PROGRESS OF THE ADUR DISTRICT COUNCIL 2021/22 CAPITAL INVESTMENT PROGRAMME – AUGUST 2021**

5.1 There are 67 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	68.7
Schemes where progress is being closely monitored	20	29.9
Schemes with significant challenges	1	1.4

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 – AUGUST 2021**

6.1 There are 95 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	65	68.4
Schemes where progress is being closely monitored	30	31.6
Schemes with significant challenges	0	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 Transport Workshop - Replacement of HGV vehicle lifts**

When Adur and Worthing's Transport functions merged in 2004 two sets of different makes of single leg mobile lifts, which are not compatible with each other, were transferred to the new joint workshop.

The lifts transferred from Worthing Borough Council (Hetra Lifts) were procured in 1986 and the Adur District Council (Pro Lifts) were procured in 1998. The Hetra lifts are now becoming extremely unreliable and parts are very difficult to source and, when available, very expensive. Also if one leg is out of action waiting to be repaired, a whole set of 4 lifts are out of action and it can take several months to source parts and repair.

Replacing the current lifts would allow more flexibility on how the lifts can be deployed within the workshop while taking advantage of any advancements in technology and safety features.

A two phase replacement of one make of lift is requested with the Hetra lifts being replaced in the first phase in 2021/22 with the remaining Pro Lifts being replaced in 2022/23.

Phase 1: Set of 10 lifts 2021/22	£40,000
Phase 2: Set of 4 lifts 2022/23	£16,000
<b>Total Cost:</b>	<b>£56,000</b>

Proposed Funding:

Phase 1: Underspend on 2019/20 vehicle replacements following delivery of final vehicle:	£40,000
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Phase 2: New PID submitted for 2022/23	£16,000
<b>Total Funding:</b>	<b>£56,000</b>

### 7.1.2 Transport Fleet Management System - Replacement

The current fleet management system was procured in 2005. Due to the age of the system it is no longer supported by the provider Civica as the system has been superseded by numerous upgraded versions. The current system has developed many problems and is no longer functioning. Civica are unable to resolve these problems due to the systems age and because the software is not compatible with the Councils' current PCs.

There is a budget provision of £28,000 for the replacement of a vehicle used for Bereavement Services and it has been agreed that this budget will be used to fund the replacement of the Transport Fleet Management System to a cloud based system.

New systems are currently being reviewed and installation of a new system is anticipated September 2021.

The replacement needs to be added to the current Capital Investment Programme.

## **7.2 Adur District Council**

7.2.1 Budgets totalling £35,134,090 have been reprofiled to 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 Lancing Manor Bowling - Procurement of Irrigation System**

The 2021/22 Adur District Council Capital Investment Programme included a budget provision of £16,800 for a programme of improvements to Adur Allotments. No improvement works have been identified to date.

Outdoor bowling is popular in Adur and all bowling greens with the exception of Lancing Manor have automatic water irrigation. Lancing Manor Bowls Club who play at Lancing Manor have a vibrant and well supported club membership who play bowls regularly throughout the season.

A virement has been approved to transfer the Adur Allotment Improvements budget to fund the provision of an automatic water irrigation system with water harvesting from associated buildings at Lancing Manor Bowling Green. This will enable the bowling green to be maintained to a higher standard and quality, reduce labour costs, recycle water and reduce water wastage.

The new scheme needs to be added to the 2021/22 Capital Investment Programme.

### **7.2.4 Southlands Hospital Play Area - Upgrade**

Adur District Council has received a S106 receipt of £17,450 for the improvement of the Southlands Hospital Play Area which has been transferred to us under a planning agreement.

The upgrade of the play area needs to be added to the 2021/22 Adur District Council Capital Investment Programme funded from the S106 receipt.

### **7.2.5 Southwick Football Ground Buildings - Match funding for the tenant's funding bid for the 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 £50,000 has already been included in the 2021/22 Capital Investment Programme funded from S106 receipts.

Additional funding of £50,000 has also been requested to be used as match funding for external funding bids by the new tenants in 2021/22. The contribution is to be used as match funding for the demolition of the existing

buildings on site. It is proposed to fund the contribution from underspends in the 2021/22 Capital Investment Programmes follows:

Match funding requested: £50,000

Funding:

Eastbrook Community Centre Muga	£30,000
Public Conveniences Improvements	£20,000

A further contribution of £50,000 is requested in 2022/23 and a Capital Project Initiation Project has been submitted for consideration as part of this years Capital Bidding Process.

### **7.3 Worthing Borough Council**

7.3.1 Budgets totalling £34,455,030 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 Grafton MSCP - Replacement of payment equipment and entry / exit barriers**

Key items of the Grafton MSCP essential equipment; cameras and entry/exit barriers have reached the end of their useful life. The equipment needs to be replaced to maintain and possibly increase income levels, to fulfil the obligations of the off-street parking order, to maintain the Council's reputation, to reduce the number of faults with the equipment and the consequent payment equipment downtime and to offer more opportunities for payment options to customers.

The estimated cost of the replacement equipment is £19,800 and it is proposed to transfer underspend from the 2021/22 High Street and Buckingham Road MSCP equipment budget to fund this equipment. The underspend in the High Street and Buckingham Road Equipment Budget has arisen from only essential equipment being purchased in 2021/22 with a full replacement planned for 2023/24.

The replacement of the essential equipment at Grafton MSCP needs to be added to the 2021/22 Capital Investment Programme.

#### **7.3.3 Worthing Rotunda Refurbishment**

The 2021/22 Capital Investment Programme includes a budget of £100,000 for public space improvements within four of Worthing's outer parades. The works have progressed well and are nearing completion at an estimated cost of £60,000.

It is proposed to utilise the remaining budget of £40,000 on the refurbishment of the Worthing Rotunda. The scope of the project is still under discussion and will be detailed in the Project Initiation Document when submitted for

approval. The budget provision needs to be added to the 2021/22 Capital Investment Programme, pending submission of the PID.

#### **7.3.4. Church House Grounds Bowling Green - Procurement of Irrigation System**

The 2021/22 Worthing Borough Council Capital Investment Programme included a budget provision of £16,800 for a programme of improvements to Worthing Allotments. No improvement works have been identified to date.

Outdoor bowling is popular in Worthing and all bowling greens with the exception of Church House Grounds have automatic water irrigation. Tarring Priors Bowls Club, who play at Church House Grounds, have ambitions to extend and improve their bowling club house as the club is popular and well supported.

A virement has been approved to transfer the Worthing Allotment Improvements budget to fund the provision of an automatic water irrigation system with water harvesting from associated buildings at Church House Grounds Bowling Green. This will enable the bowling green to be maintained to a higher standard and quality, reduce labour costs, recycle water and reduce water wastage.

The new scheme needs to be added to the 2021/22 Capital Investment Programme.

#### **7.3.5 Worthing Leisure Centre - Replacement of Hammer Cage**

The Council is committed to work with South Downs Leisure and other partners on strategic plans to enhance the facilities at Worthing Leisure Centre.

The hammer / throws cage needs replacing to enable young athletes, schools and academies to train safely. The upgraded facility will be relocated to the centre of the running track, which will allow the current fenced off space in West Park to be used by dog walkers. South Downs Leisure, which owns the lease to the land, has given permission for the area to be opened and made available to dog walkers on most days but will still need access to the area for events.

The estimated cost of the replacement is £40,000 and it is proposed to fund the equipment from the 2021/22 Play Area Equipment Budget.

The purchase of the new hammer / throws cage needs to be added to the 2021/22 Capital Investment Programme.

- 7.4 Every year the Councils' prepare a 3 Year Capital Investment Programme which is approved by the Joint Strategic Committee in December. Officers are asked to submit Project Initiation Documents for schemes to be included in the Programme in the year in which the works are estimated to be required. However, there are occasions

when schemes have to be brought forward to the current year due to the works becoming urgent or a Council priority and retrospective approval is requested to bring forward budget from 2022/23 to 2021/22 for the following schemes which needed to be progressed.

**7.4.1 Adur District Council - Lancing Manor Leisure Centre Car Park access reconstruction and security improvements £39,200**

Following recent incursions on to the site the works are now required to be expedited to prevent further access breaches.

**7.4.2 Worthing Borough Council - Broadwater Parish Rooms replacement of electrics and heating system £42,600**

The electrical installation was non-compliant and required immediate replacement, and the heating system had reached the end of its serviceable life and required replacement prior to the winter.

## **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.

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

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Chief Financial Officer

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## **SUSTAINABILITY AND RISK ASSESSMENT**

### **1. ECONOMIC**

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

### **2. SOCIAL**

#### **2.1 Social Value**

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

#### **2.2 Equality Issues**

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

### **3. ENVIRONMENTAL**

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

### **4. GOVERNANCE**

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

**CAPITAL MONITORING SUMMARY 2021/22** **1st 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	96,060,460	5,746,450	30,141,390	4,215,290	(688,560)	(2,111,800)	31,556,320	2,008,684	6.37%
Environment	8,663,210	1,578,270	2,667,160	376,150	(218,060)	(20,000)	2,805,250	165,262	5.89%
Health and Wellbeing	1,019,310	25,050	412,050	23,160	-	-	435,210	280	0.06%
Regeneration	8,776,610	3,840,930	1,751,400	955,200	87,080	(75,000)	2,718,680	38,922	1.43%
Resources	176,696,600	83,171,200	45,958,230	686,860	(981,940)	(32,927,290)	12,735,860	145,985	1.15%
<b>TOTALS</b>	<b>291,216,190</b>	<b>94,361,900</b>	<b>80,930,230</b>	<b>6,256,660</b>	<b>(1,801,480)</b>	<b>(35,134,090)</b>	<b>50,251,320</b>	<b>2,359,133</b>	<b>4.69%</b>

**Financing of 2021/22 Programme:**

<b>Adur Homes Capital Programme:</b>	<b>£'000</b>
Capital Receipts:	500
Major Repairs Reserve:	3,900
Capital Grants:	3,144
Prudential Borrowing:	18,688
	<b>26,232</b>

<b>General Fund Capital Programme:</b>	<b>£'000</b>
Prudential Borrowing:	20,632
Capital Receipts:	1,019
Government Grants:	1,991
Revenue Reserves and Contributions	122
S106 Receipts	205
Other Contributions	50
	<b>24,019</b>

**Summary of Progress:**

Schemes with significant challenges:	1
Schemes where progress is being closely monitored:	20
Schemes progressing well or completed:	46
<b>Total Schemes:</b>	<b>67</b>

(1) <b>SCHEME</b> (Responsible Officer)	(2) <b>Total ADC Scheme Budget</b>	(3) <b>2021/22 Original Budget</b>	(4) <b>Budget Reprofiles to and from 2022/23 and Future Years</b>	(5) <b>2021/22 Current Budget</b>	(6) <b>2021/22 Spend to Date</b>	(7) <b>Anticipate d Completi on Date (C) / Approval Report(D)/ P.I.D.(P)</b>	(8) <b>2021/22 Anticipated (Underspend) /Overspend (Council Resources)</b>	(9) <b>COMMENTS AND PROGRESS</b>	(10) <b>Status</b>
<b>Public Sector Decarbonisation Scheme</b>  i) Shoreham Centre Installation of Air Source Heat Pump (Grant Funding £325,020)	452,850	-	-	452,850	2,097	Mar-22	180,000	<p>The Council has successfully bid for funding from the Public Sector Decarbonisation Scheme (PSDS) for £1.7m to be used for the following schemes:</p> <p>Following some further design work on the proposals, it has been identified for the Shoreham Centre air source pump to be successfully delivered, significant work on the local electricity substation with substantial additional associated costs is required, estimated at £180,000.</p> <p>It is proposed to allocate £20,000 from the Capital Investment Programme contingency, transfer the funding from the 2 solar PV array schemes below, and if no further underspends are identified from the CIP, the balance will be funded from the Capacity Issues Reserve.</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) 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 ● Progress Beyond Council's Control £ Schemes with financial issues ▲ Scheme Progress Improved ▼ Scheme Progress Deteriorated	(10) Status
ii) Eastbrook Manor - Installation of solar PV array	8,500	-	-	8,500	-	Mar-22	1,050	To facilitate the delivery of the Shoreham Centre air source heat pump, it is proposed to transfer this funding to the Shoreham Centre Scheme and fund the solar PV array from the Carbon Reduction Schemes Invest to Save Budget, pending the submission of a report to the Executive Member for Resources for approval.	£
iii) Commerce Way Depot - Installation of solar PV array	42,500	-	-	42,500	-	Mar-22	10,000	To facilitate the delivery of the Shoreham Centre air source heat pump, it is proposed to transfer this funding to the Shoreham Centre Scheme and fund the solar PV array from the Carbon Reduction Schemes Invest to Save Budget, pending the submission of a report to the Executive Member for Resources for approval.	£
iv) Adur Homes Capital Investment Programme - Shadwells Court heat pumps, solar panels and cavity wall insulations	977,400	-	-	977,400	50,377	Mar-22	-	Design work has resulted in an underspend in the overall scheme but will be mostly offset by a reduction in the grant received.	

(1) <b>SCHEME</b> (Responsible Officer)	(2) <b>Total ADC Scheme Budget</b>	(3) <b>2021/22 Original Budget</b>	(4) <b>Budget Reprofiles to and from 2022/23 and Future Years</b>	(5) <b>2021/22 Current Budget</b>	(6) <b>2021/22 Spend to Date</b>	(7) <b>Anticipated Completion Date (C) / Approval Report(D)/ P.I.D.(P)</b>	(8) <b>2021/22 Anticipated (Underspend) /Overspend (Council Resources)</b>	(9) <b>COMMENTS AND PROGRESS</b>	(10) <b>Status</b>
v) Adur Homes Capital Investment Programme - Marsh House heat pumps and solar panels.	719,750	-	-	719,750	3,868	Mar-22	212,000	<p>Following some further design work on the proposals, it has been identified that for the project to be successfully delivered significant work on the local electricity substation with substantial additional associated costs, estimated at £212,000 is required.</p> <p>Given the financial pressure that the Adur Homes Capital Investment Programme is under, it is not possible to find additional match funding for the proposed scheme without significantly compromising other high priority schemes. Consequently only the solar panels will be progressed at this stage and the remainder of the scheme will be rebid for in the next round of PSDS.</p>	
<b>TOTAL:</b>	<b>2,201,000</b>	<b>-</b>	<b>-</b>	<b>2,201,000</b>	<b>56,341.56</b>		<b>403,050</b>		

**RESPONSIBLE OFFICER:** Dan Goodchild Acting Strategic Sustainability Manager

**CAPITAL MONITORING SUMMARY 2021/22**

1st Quarter

Executive Portfolios	(1) Total WBC 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 Reprofiled to and (from) 2022/23  £	(7) 2021/22 Current Budget  £	(8) 2021/22 Spend to Date  £	(9) Spend % of Current Budget
Customer Services	25,916,880	6,493,260	7,054,830	187,470	(950,900)	(1,080,400)	5,211,000	2,215,506	42.52%
Digital and Environment Services	17,408,900	1,332,460	5,102,250	1,473,870	181,530	(49,630)	6,708,020	1,701,683	25.37%
Health and Wellbeing	457,070	-	140,000	10,070	-	-	150,070	56,633	37.74%
Regeneration	68,463,350	3,849,160	7,283,350	648,270	23,974,970	(248,000)	31,658,590	2,169,477	6.85%
Resources	181,531,230	82,518,660	50,952,390	(3,969,680)	(72,030)	(33,077,000)	13,833,680	4,781,292	34.56%
<b>TOTALS</b>	<b>293,777,430</b>	<b>94,193,540</b>	<b>70,532,820</b>	<b>(1,650,000)</b>	<b>23,133,570</b>	<b>(34,455,030)</b>	<b>57,561,360</b>	<b>10,924,591</b>	<b>18.98%</b>

**Financing of 2021/22 Programme:**

	<b>£'000</b>
Borrowing:	50256
Capital Receipts:	184
Revenue Contributions and Reserves:	413
Government Grants:	1593
S106 Receipts	761
Other Contributions:	4,354
	<u><b>57,561</b></u>

**Capital Monitoring - Summary of Progress:**

Schemes with significant challenges:	-
Schemes where progress is being closely monitored:	30
Schemes which are progressing satisfactorily or have completed:	65
<b>Total Schemes:</b>	<u><b>95</b></u>

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ADUR DISTRICT  
COUNCIL

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

Scheme	Reprofiled Budgets	Reason
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.
Foreshore Management - Kingston Beach Area Improvements	20,000	Environmental improvements in the Kingston Beach Area are to be undertaken following the completion of coast protection works in the area. Budget profiled in 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.
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
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.
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	32,590,950	Officers are actively looking for properties to purchase but there are few suitable properties available at the current time.
<b>Total Reprofiled Budgets:</b>	<b>35,134,090</b>	

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WORTHING BOROUGH  
COUNCIL

**WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS**

Scheme	Reprofiled Budgets	Reason
Affordable Housing (Partnership Schemes with Registered Social Landlords) Unallocated Budget	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.
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.
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.
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 works and additional budget to be found to undertake structural works.
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
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.
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 was been brought forward from 2022/23 to fund improvements in 2021/22.



WORTHING BOROUGH  
COUNCIL

**WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS**

Scheme	Reprofiled Budgets	Reason
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.
<b>Total Reprofiled Budgets:</b>	<b>34,455,030</b>	



ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
7 September 2021  
Agenda Item 7

Joint Governance Committee  
29 July 2021

Key Decision : No  
Ward(s) Affected: All

## Annual Treasury Management Report 2020-21 for Adur District Council and Worthing Borough Council

Report by the Director for Digital, Sustainability and Resources

### EXECUTIVE SUMMARY

#### 1. PURPOSE

- 1.1 This report asks Members to note the Treasury Management performance for Adur and Worthing Councils for 2020/21 as required by regulations issued under the Local Government Act 2003.

#### 2. RECOMMENDATIONS

##### 2.1 Recommendation One

The Joint Governance Committee is recommended to note the annual report and to refer any comments or suggestions to the next meeting of the Joint Strategic Committee on 7th September 2021.

##### 2.2 Recommendation Two

The Joint Strategic Committee is recommended to note the annual report.

#### 3. CONTEXT

- 3.1 Treasury Management is:

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

- 3.2 This report details the treasury management activities and portfolio positions for the 2020/21 financial year for Adur District Council and Worthing Borough Council. The Councils are required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2020/21. This report meets the requirements of both the CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).
- 3.3 This is the last of three treasury management reports that the Councils are required to consider during the financial year:
- Before the beginning of the financial year, the first report, the Treasury Management Strategy and Annual Investment Strategy, seeks approval for the Councils' approach to the management of investments and the borrowing of funds for the forthcoming year. This report details how the Councils will manage risk in their treasury activities and was approved by Worthing Council on the 18th February 2020 and by Adur Council on the 20th February 2020
  - This is followed by a mid year review of performance against the approved strategies (JGC 24th November 2020, JSC 1 December 2020).
  - At the year end, there is an annual report which confirms actual performance for the year (this report) to be submitted by the 30th September.
- 3.4 There is a clear regulatory environment governing the Council's investment and treasury activities. The Local Government Act 2003 requires that the Council complies with the Prudential Code for Capital Finance. This is a framework established to support local strategic planning, local asset management planning and proper option appraisal. The objectives of the Prudential Code are to ensure, within this clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. As part of the Prudential Code, indicators are established to ensure that the Council has approved limits on both capital expenditure plans and associated borrowing activity.
- 3.5 The 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 The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the outturn position for treasury management activities and highlights compliance with the Councils' policies previously approved by members.
- 4.2 The Annual Report also confirms that the Councils have complied with the requirement under the Code to give scrutiny to all of the above treasury

management reports by the Joint Governance Committee and the Joint Strategic Committee before they were reported to the full Councils.

- 4.3 Member training on treasury management issues was not possible during the year due to the Covid pandemic, but will be arranged during 2021/22 in order to support members' scrutiny role.

## 5. The Councils' Capital Expenditure and Financing

5.1 The Councils undertake capital expenditure on long-term assets (land, buildings, vehicles, software and equipment). These activities may either be:

- financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Councils' borrowing need; or
- if insufficient financing is available, or a decision is taken not to apply these resources, then capital expenditure will give rise to a borrowing need.

5.2 The actual capital expenditure forms one of the required prudential indicators, because the Councils must ensure that capital expenditure is affordable, approved and monitored. The tables below show the actual capital expenditure and how this was financed. The full explanation of the expenditure and the variances between the budgets and actual expenditure can be found in the Capital Monitoring Reports, but the most significant items are detailed below. There have been some delays in delivery of the capital programme due to the Covid 19 virus. The "current budget" includes subsequent approvals and reprofiled budgets approved during the year.

<b>Adur District Council Total</b>	2019/20 Actual	2020/21 Original Budget	2020/21 Current Budget	2020/21 Actual
<b>Capital expenditure £m</b>	<b>60.270</b>	<b>63.988</b>	<b>23.422</b>	<b>17.698</b>
Financed in year £m	<b>16.502</b>	<b>9.785</b>	<b>19.464</b>	<b>16.220</b>
<b>Borrowing for capital expenditure £m</b>	<b>43.768</b>	<b>54.203</b>	<b>3.958</b>	<b>1.478</b>

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

<b>Adur District Council General Fund</b>	2019/20 Actual	2020/21 Original Budget	2020/21 Current Budget	2020/21 Actual
<b>Capital expenditure £m</b>	<b>56.411</b>	<b>47.220</b>	<b>13.946</b>	<b>12.512</b>
Financed in year £m	<b>12.834</b>	<b>4.436</b>	<b>12.682</b>	<b>12.331</b>

<b>Borrowing for capital expenditure £m</b>	<b>43.577</b>	<b>42.784</b>	<b>1.264</b>	<b>0.181</b>
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The following table shows the HRA share of the figures in the table above

<b>Adur District Council HRA</b>	2019/20 Actual	2020/21 Original Budget	2020/21 Current Budget	2020/21 Actual
<b>Capital expenditure £m</b>	<b>3.859</b>	<b>16.768</b>	<b>9.476</b>	<b>5.186</b>
Financed in year £m	<b>3.668</b>	<b>5.349</b>	<b>6.782</b>	<b>3.889</b>
<b>Borrowing for capital expenditure £m</b>	<b>0.191</b>	<b>11.419</b>	<b>2.694</b>	<b>1.297</b>

For Adur, the original budget was revised due to subsequent approvals and re-profiling of budgets, most significantly the reprofiling of the Strategic Property Investment Fund and the impact of Covid 19 on the ability to deliver some projects.

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

- re-profiling of £3.543m of the 2020/21 budget into 2021/22
- a net underspend of £2.181m

<b>Worthing Borough Council</b>	2019/20 Actual	2020/21 Original Budget	2020/21 Current Budget	2020/21 Actual
<b>Capital expenditure £m</b>	<b>64.486</b>	<b>69.469</b>	<b>16.471</b>	<b>17.744</b>
Financed in year £m	<b>6.372</b>	<b>14.110</b>	<b>12.291</b>	<b>10.900</b>
<b>Borrowing for capital expenditure £m</b>	<b>58.114</b>	<b>55.359</b>	<b>4.180</b>	<b>6.844</b>

For Worthing, the original budget was revised due to subsequent approvals and re-profiling of budgets, most significantly the reprofiling of the Strategic Property Investment Fund and the impact of Covid 19 on the ability to deliver some projects.

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

- net budget brought forward from future years of £1.729m
- an underspend of £0.456m

## **6. THE COUNCILS' OVERALL BORROWING NEED**

- 6.1 Some of the Councils' capital expenditure is funded immediately by, for example, capital grants, capital receipts from the sale of assets, or from contributions from the revenue budget (capital funded by revenue as approved by statute). Capital

expenditure that is not funded by any of these means is described as “the underlying need to borrow” and is known as the Capital Financing Requirement (CFR). The Councils decide whether or not to borrow these amounts externally, or alternatively to use cash that would otherwise be invested (internal borrowing). The Councils make these decisions based on a number of factors, including the prevailing interest rates for borrowing compared to those for investing, the likelihood of a capital receipt in the near future or a forecast of additional capital grants.

**Gross borrowing and the CFR** - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Councils should ensure that their gross external borrowing does not, except in the short term, exceed the total of the Capital Financing Requirement in the preceding year (2020/21), plus the estimates of any additional capital financing requirement for the current (2021/22) and next two financial years. This essentially means that the Councils are not borrowing to support revenue expenditure. This indicator allows the Councils some flexibility to borrow in advance of immediate capital needs to take advantage of, say, low interest rates.

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

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

<b>Adur District Council Total</b>	31 March 2020 Actual	31 March 2021 Strategy	31 March 2021 Actual
CFR £m	<b>167.018</b>	<b>230.292</b>	<b>168.496</b>
Gross borrowing position £m	<b>161.802</b>	<b>221.709</b>	<b>158.936</b>
Under/(over)funding of CFR £m	<b>5.216</b>	<b>8.583</b>	<b>9.560</b>

<b>Adur District Council General Fund</b>	31 March 2020 Actual	31 March 2021 Strategy	31 March 2021 Actual
CFR General Fund £m	<b>106.724</b>	<b>158.443</b>	<b>106.905</b>
Gross borrowing position £m	<b>103.350</b>	<b>151.702</b>	<b>98.460</b>

Under/(over)funding of CFR £m	<b>3.374</b>	<b>6.741</b>	<b>8.445</b>
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<b>Adur District Council HRA</b>	31 March 2020 Actual	31 March 2021 Strategy	31 March 2021 Actual
CFR HRA £m	<b>60.294</b>	<b>71.849</b>	<b>61.591</b>
Gross borrowing position £m	<b>58.452</b>	<b>70.007</b>	<b>60.476</b>
Under/(over)funding of CFR £m	<b>1.842</b>	<b>1.842</b>	<b>1.115</b>

As at 31 March 2021, for Adur District Council, the HRA was under borrowed by £1.115m. The General Fund was under borrowed by £8.445m. Under borrowing results from the use of internal resources to fund capital expenditure, which reduces the amount of interest payable on external borrowing. Interest rates on investments are currently very low in comparison to the rates charged on borrowed sums, so this is a cost-effective strategy reducing the overall net cost of borrowing. The difference between the budgets and the actual CFR figures is due to re-profiling of the Capital budgets as detailed in section 5.2 above.

<b>Worthing Borough Council</b>	31 March 2020 Actual	31 March 2021 Strategy	31 March 2021 Actual
CFR General Fund £m	<b>129.140</b>	<b>188.892</b>	<b>135.632</b>
Gross borrowing position £m	<b>128.071</b>	<b>184.868</b>	<b>137.725</b>
Under/(over)funding of CFR £m	<b>1.069</b>	<b>4.024</b>	<b>(2.093)</b>

Worthing Borough Council was over borrowed by £2.093m at 31 March 2021, mainly due to grants relating to economic regeneration projects which were due to reimburse the Council, but were received after the year end.

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

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

**Actual financing costs as a proportion of net revenue stream** - this indicator identifies the trend in the cost of capital, (borrowing and other long term obligation

costs, net of investment income), against the net revenue stream. The costs incurred through capital expenditure are the interest payable on money borrowed and the Minimum Revenue Provision (see section 12), which is a statutory annual revenue charge to reduce the indebtedness of a Council, based on the amount of capital expenditure which has not been funded by capital receipts, grants etc.

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

<b>Adur District Council</b>	<b>2020/21</b>
Authorised limit	<b>£245.000m</b>
Maximum gross borrowing position during the year	<b>£165.980m</b>
Operational boundary	<b>£230.000m</b>
Average gross borrowing position	<b>£160.840m</b>
Commercial properties financing as a proportion of net revenue stream	<b>(9.93)%</b>
Other GF financing costs as a proportion of net revenue stream	<b>10.03%</b>
HRA Financing costs as a proportion of net revenue stream	<b>16.13%</b>

The figures for the financing as a proportion of net revenue stream differ from the original forecasts, partly due to the high level of grants received to support the Council through the pandemic, which increased the value of the net revenue stream. In addition:

- the forecast for Adur's commercial property financing costs as a proportion of net revenue stream was -19.43%, the negative figure meaning that the income would exceed the financing costs. However the planned additional commercial property purchases did not proceed, resulting in lower net income
- the Other General Fund financing cost proportion is lower than the forecast of 14.82%, due to re-profiling of the capital programme
- the HRA figure is lower than the forecast of 27.24%, due to the re-profiling of the capital programme.

<b>Worthing Borough Council</b>	<b>2020/21</b>
Authorised limit	<b>£200.000m</b>
Maximum gross borrowing position during the year	<b>£137.725m</b>
Operational boundary	<b>£195.000m</b>
Average gross borrowing position	<b>£131.016m</b>
Commercial properties financing as a proportion of net revenue stream	<b>(7.82)%</b>
Other GF financing costs as a proportion of net revenue stream	<b>4.95%</b>

As with Adur, the figures for the financing as a proportion of net revenue stream differ from the original forecasts, partly due to the high level of grants received to support the Council through the pandemic, which increased the value of the net revenue stream. In addition:

- the forecast for Worthing's commercial property financing costs as a proportion of net revenue stream was -19.09%, the negative figure meaning that the income would exceed the financing costs. However the planned additional commercial property purchases did not proceed, resulting in lower net income
- the Other General Fund financing cost proportion is higher than the forecast of 2.53% due to the reduction in returns on investments and the lower than forecast income from General Fund properties

## 7. TREASURY POSITION AS AT 31 MARCH 2021

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

	Principal at 31.03.21 £m	Average Rate of Return	Average Life in Years	Principal at 31.03.20 £m	Average Rate of Return	Average Life in Years
<b>Debt Portfolio</b>						
PWLB (Public Works Loan Board)	(136.052)	2.67%	17.56	(141.540)	2.65%	17.86
Other Borrowing	(22.884)	4.40%	36.23	(20.262)	4.62%	41.45
<b>Total Debt</b>	<b>(158.936)</b>			<b>(161.802)</b>		
<b>CFR</b>	<b>168.496</b>			<b>167.018</b>		
<b>(Over)/under borrowing</b>	<b>9.560</b>			<b>5.216</b>		
<b>Investments</b>						
Bonds	0.030	n/a	n/a	0.029	n/a	n/a
Property Fund	2.708	3.90%	n/a	2.728	4.05%	n/a
Long Term	0.000	n/a	n/a	0.000	n/a	n/a
Short Term	9.000	0.20%	< 1 year	10.665	0.85%	< 1 year
<b>TOTAL INVESTMENTS</b>	<b>11.738</b>			<b>13.422</b>		
<b>NET DEBT</b>	<b>(147.198)</b>			<b>(148.380)</b>		

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

Adur District Council Maturity Structure of Debt	31 March 2021 actual	2020/21 original limits	31 March 2020 actual
under 12 months	6%	20%	7%
12 months and within 24 months	7%	25%	5%
24 months and within 5 years	13%	40%	13%
5 years and within 10 years	24%	70%	24%
10 years and within 20 years	29%	80%	31%
20 years and within 30 years	1%	60%	2%

30 years and within 40 years	7%	60%	7%
Over 40 years	13%	45%	11%

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

	Principal at 31.03.21 £m	Average Rate of Return	Average Life in Years	Principal at 31.03.20 £m	Average Rate of Return	Average Life in Years
<b>Debt Portfolio</b>						
PWLB	(108.725)	1.96%	15.39	(111.071)	1.94%	14.68
Other Borrowing	(29.000)	1.13%	1.12	(17.000)	1.41%	1.34
<b>TOTAL BORROWING</b>	<b>(137.725)</b>			<b>(128.071)</b>		
<b>CFR</b>	<b>135.632</b>			<b>129.140</b>		
<b>(Over)/under borrowing</b>	<b>(2.093)</b>			<b>1.069</b>		
<b>Investments</b>						
Bonds	0.050	n/a	n/a	0.050	n/a	n/a
Property Fund	1.354	3.90%	n/a	1.364	4.05%	n/a
Long Term	2.500	1.00%	1.25	-	-	-
Short Term	6.010	0.03%	< 1 year	8.900	0.66%	< 1 year
<b>TOTAL INVESTMENTS</b>	<b>9.914</b>			<b>10.314</b>		
<b>NET DEBT</b>	<b>(127.811)</b>			<b>(117.757)</b>		

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

Worthing Borough Council Maturity Structure of Debt	31 March 2021 actual	2020/21 original limits	31 March 2020 actual
under 12 months	14%	35%	9%
12 months and within 24 months	16%	35%	15%
24 months and within 5 years	9%	75%	11%
5 years and within 10 years	33%	75%	33%
10 years and within 20 years	15%	75%	21%
20 years and within 30 years	0%	75%	0%
30 years and within 40 years	10%	75%	11%
Over 40 years	3%	75%	0%

### 7.3 Investments held by Adur District Council at 31 March 2021:

Counterparty	Issue Date	Maturity Date	Principal	Current Interest Rate	Long Term Rating
Lloyds Bank 95 day notice	22/07/2020	n/a	£1,000,000	0.05%	A+
Close Bros	10/08/2020	10/08/2021	£1,000,000	0.80%	A-
Close Bros	20/08/2020	06/09/2021	£1,000,000	0.80%	A-
Handelsbanken	16/07/2018	n/a	£3,000,000	0.02%	AA-
CCLA MMF	01/04/2020	n/a	£3,000,000	variable	AAA
CCLA Local Auth Property Fund	25/04/2017	n/a	£2,708,093	variable	n/a
Boom Credit Union & War Bond	06/03/2015	n/a	£29,630	n/a	n/a
<b>TOTAL</b>			<b>£11,737,723</b>		

#### Non-treasury investments

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

### 7.4 Investments held by Worthing Borough Council at 31 March 2021:

Counterparty	Issue Date	Maturity Date	Principal	Current Interest Rate	Long Term Rating
Lloyds Bank 95 day notice	01/03/2021	n/a	£10,000	0.05%	A+
Handelsbanken	01/04/2020	n/a	£3,000,000	0.02%	AA-
Adur District Council	30/06/2020	30/06/2022	£2,500,000	1.00%	n/a
CCLA MMF	01/04/2020	n/a	£3,000,000	variable	AAA
CCLA Local Auth Property Fund	25/04/2017	n/a	£1,354,048	variable	n/a
Boom Credit Union	06/03/2015	n/a	£50,000	n/a	n/a
<b>TOTAL</b>			<b>£9,914,048</b>		

#### Non-treasury investments

Worthing Borough Council has made two loans of £5m each for 10 years to Worthing Homes to support the building of homes. The Council receives £70k per annum net in interest over and above the cost to the Council of borrowing the £10m from the

Public Works Loan Board. The loans are fully secured on property.

A loan of £5m was made to GB Met College in January 2020 for 20 years to support local education. The Council received £103k in 2020/21 net in interest over and above the cost to the Council of borrowing the £5m from the Public Works Loan Board. This amount will reduce in future years because the loan is repayable by equal instalments of principal. The loan is fully secured on property.

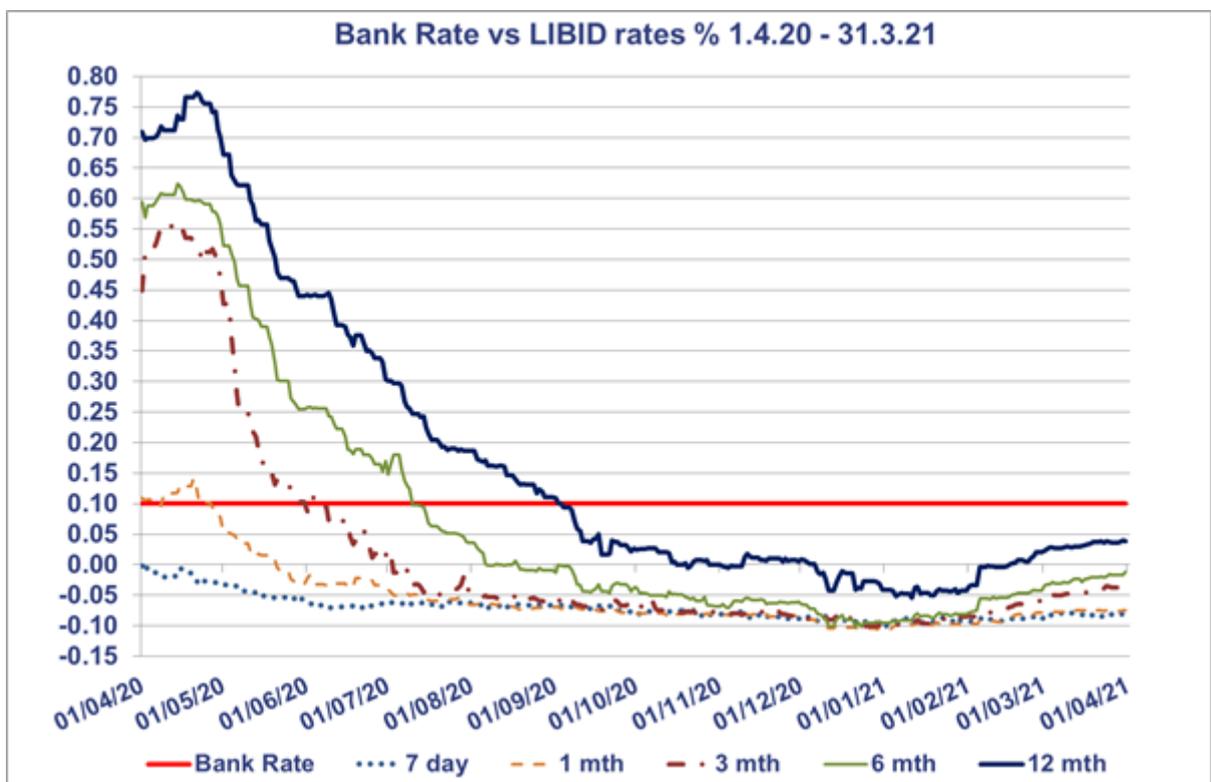
Worthing BC has approved a strategy to invest in properties and developments for economic regeneration purposes. Details can be found in the Capital Strategy and Commercial Property Investment Strategy. Worthing also holds shares in Boom Credit Union for policy purposes.

## 8. THE STRATEGY FOR 2020/21

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

### Investment strategy and control of interest rate risk

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



Investment returns which had been low during 2019/20, plunged during 2020/21 to near zero or even into negative territory. Most local authority lending managed to avoid negative rates and one feature of the year was the growth of inter local authority lending. The expectation for interest rates within the treasury management

strategy for 2020/21 was that Bank Rate would continue at the start of the year at 0.75 % before rising to end 2022/23 at 1.25%. This forecast was invalidated by the Covid-19 pandemic bursting onto the scene in March 2020 which caused the Monetary Policy Committee to cut Bank Rate in March, first to 0.25% and then to 0.10%, in order to counter the hugely negative impact of the national lockdown on large swathes of the economy. The Bank of England and the Government also introduced new programmes of supplying the banking system and the economy with massive amounts of cheap credit so that banks could help cash-starved businesses to survive the lockdown. The Government also supplied huge amounts of finance to local authorities to pass on to businesses. This meant that for most of the year there was much more liquidity in financial markets than there was demand to borrow, with the consequent effect that investment earnings rates plummeted.

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

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

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

9.1 During most of 2020/21, the Councils maintained an under-borrowed position. This meant that the capital borrowing requirements (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Councils' reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were very low in relation to the cost of borrowing and minimising counterparty risk on placing investments also needed to be considered.

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

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

9.2 Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Chief Financial Officer therefore monitored

interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks

- if it had been felt that there was a significant risk of a sharp FALL in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
- if it had been felt that there was a significant risk of a much sharper RISE in long and short term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

9.3 Interest rate forecasts expected only gradual rises in medium and longer term fixed borrowing rates during 2020/21 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.

Link Asset Services Interest Rate View														
	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.25
3 Month LIBID	0.70	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.30	1.30
6 Month LIBID	0.80	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40	1.50	1.50	1.50	1.50
12 Month LIBID	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60	1.70	1.70	1.70	1.70
5yr PWLB Rate	2.30	2.40	2.40	2.50	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.10	3.20	3.20
10yr PWLB Rate	2.60	2.70	2.70	2.70	2.80	2.90	3.00	3.10	3.20	3.20	3.30	3.30	3.40	3.50
25yr PWLB Rate	3.20	3.30	3.40	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00	4.10	4.10
50yr PWLB Rate	3.10	3.20	3.30	3.30	3.40	3.50	3.60	3.60	3.70	3.80	3.90	3.90	4.00	4.00

PWLB rates are based on, and are determined by, gilt (UK Government bonds) yields through H.M.Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation and the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. We have seen over the last two years, many bond yields up to 10 years in the Eurozone turn negative on expectations that the EU would struggle to get growth rates and inflation up from low levels. In addition, there has, at times, been an investigation of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession.

Gilt yields fell sharply from the start of 2020 and then spiked up during a financial markets melt down in March caused by the pandemic hitting western countries; this was rapidly countered by central banks flooding the markets with liquidity. While US treasury yields do exert influence on UK gilt yields so that the two often move in tandem, they have diverged during the first three quarters of 2020/21 but then converged in the final quarter. Expectations of economic recovery started earlier in the US than the UK but once the UK vaccination programme started making rapid progress in the new year of 2021, gilt yields and gilt yields and PWLB rates started rising sharply as confidence in economic recovery rebounded. Financial markets also expected Bank Rate to rise quicker than in the forecast tables in this report.

At the close of the day on 31 March 2021, all gilt yields from 1 to 5 years were between 0.19 – 0.58% while the 10-year and 25-year yields were at 1.11% and 1.59%.

HM Treasury imposed two changes of margins over gilt yields for PWLB rates in 2019/20 without any prior warning. The first took place on 9th October 2019, adding an additional 1% margin over gilts to all PWLB period rates. That increase was then, at least partially, reversed for some forms of borrowing on 11th March 2020, but not for mainstream non-HRA capital schemes. A consultation was then held with local authorities and on 25th November 2020, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates; the standard and certainty margins were reduced by 1% but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three year capital programme. The new margins over gilt yields are as follows: -.

- 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 80bps (G+80bps)
- Local Infrastructure Rate is gilt plus 60bps (G+60bps)

There is likely to be only a gentle rise in gilt yields and PWLB rates over the next three years as Bank Rate is not forecast to rise from 0.10% by March 2024 as the Bank of England has clearly stated that it will not raise rates until inflation is sustainably above its target of 2%; this sets a high bar for Bank Rate to start rising.

## **10. BORROWING OUTTURN**

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

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

**Adur District Council**

Lender	Principal	Purpose of Loan	Interest Rate	Maturity
PWLB	£2m	HRA refinancing	1.94%	25/03/2071
Rugby Council	£2m	HRA funding	1.70%	25/11/2022
Worthing Council	£2.5m	Capital expenditure & refinancing	1.00%	30/06/2022

**Worthing Borough Council**

Lender	Principal	Purpose of Loan	Interest Rate	Maturity
PWLB	£4m	Refinancing	1.94%	25/03/2071
Cornwall Council	£2m	Capital expenditure	0.60%	05/10/2022
East Sussex CC	£5m	Capital expenditure	0.65%	05/12/2022
Glos CC	£5m	Refinancing	1.00%	30/06/2022
Glos CC	£2m	Capital expenditure	0.80%	30/09/2022
Rugby CC	£2m	Refinancing	1.70%	25/11/2022

**10.3 Borrowing in advance of need**

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

**11. INVESTMENT OUTTURN**

**11.1 Investment Policy**

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

**11.2 Use of Chief Executive's Urgency Powers**

As approved by JSC on 9th June 2020, the Chief Executive used his urgency powers to amend the counterparty investment limits from 1 April 2020 to 30 June 2020 to

enable the Councils to manage the significant funding received from the Government to distribute as Business Grants. The duty to distribute the funds as quickly as possible necessitated that the funds were kept liquid and they could not be placed in fixed term investments. The limits were also breached on 1 July 2020 - this was reported to the JGC. The credit risk was mitigated by spreading the additional funds across counterparties with high credit ratings, using the usual criteria of “security, liquidity then yield” and no losses were incurred. The Treasury Management Strategy Statement counterparty limits applied after that period for the rest of 2020/21.

For Worthing Borough Council the investment limit was increased from £3m per counterparty to £6.5m per counterparty, with an overall total for money market funds of £26m. The limit for Lloyds Bank was increased to £7m.

For Adur District Council the investment limit was increased from £3m to £5m per counterparty with an overall total for money market funds of £20m. The limit for Lloyds Bank was increased to £6m.

### 11.3 Resources

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

#### Adur District Council

Balance Sheet Resources (£m)	31 March 2021	31 March 2020
General Fund Balances	(0.951)	(0.952)
HRA Balances	(7.816)	(6.362)
Earmarked reserves	(8.504)	(3.177)
Provisions	(0.862)	(0.600)
Usable capital receipts & grants	(6.339)	(5.567)
<b>Total</b>	<b>(24.472)</b>	<b>(16.658)</b>

#### Worthing Borough Council

Balance Sheet Resources (£m)	31 March 2021	31 March 2020
Balances	(1.543)	(1.543)
Earmarked reserves	(12.029)	(3.328)
Provisions	(0.516)	(0.185)

Usable capital receipts & grants	(6.360)	(5.432)
<b>Total</b>	<b>(20.448)</b>	<b>(10.488)</b>

#### 11.4 Investments held by the Councils

Both Councils recorded a shortfall on investment income against budget, partly due to the use of “internal borrowing” - instead of borrowing externally to fund the capital programme, funds that could otherwise have been invested externally were used for capital expenditure. This approach was used due to the higher rates payable on borrowing compared to investing and resulted in an underspend on interest payable. Due to the Covid 19 pandemic, investment rates achievable in the market during the year were also lower than the original forecast.

Details of the income earned are shown below. A comparable performance indicator is the average 6 month London Interbank Bid Rate (the rate bid by banks on deposits), which was 0.07%.

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

Adur District Council maintained an average balance of £19.509m of internally managed short term investments, which earned an average rate of return of 0.35%. This excludes the £3m investment in the Local Authorities’ Property Fund, which returned an average of 3.90%, amounting to income of £117k.

The treasury investment returns included in the reported income of Adur Council for 2020/21, excluding the Local Authorities’ Property Fund investment, amounted to £69k, which under-achieved the budget by £197k, due to the reasons explained above. This shortfall was offset by compensating savings on the Council’s interest payments on borrowing, which were also at lower rates, resulting in an underspend of £240k.

##### **Worthing Borough Council:**

Worthing Borough Council maintained an average balance of £16.709m of internally managed short term investments, which earned an average rate of return of 0.21% and a long term investment of £2.5m which earned 1%. Those figures exclude:

- the £10m loan to Worthing Homes, which earned 0.70% above the rate at which the funds were borrowed from the PWLB, amounting to £70k;
- the £5m loan to GB Met College, which earned 2.00% above the rate at which the funds were borrowed from the PWLB, amounting to £103k;
- the investment in the Local Authorities’ Property Fund, which earned an average of 3.90%, amounting to £58.5k.

The Treasury investment returns included in the reported income of the Council for 2020/21 amounted to £54k, excluding the investments specified above, £57k under budget, due to the reasons explained above. This shortfall was offset by

compensating savings on the Council's interest payments on borrowing, which were also at lower rates, resulting in an underspend of £352k.

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

- 12.1 The Councils, in accordance with legislation, make a provision from revenue to enable the repayment of borrowing that has been undertaken to fund the capital programme. This provision is known as the Minimum Revenue Provision (MRP) and is charged to the General Fund Revenue Account each year. The Councils are also permitted to make a Voluntary Revenue Provision (VRP) which is additional to the MRP and can be used to reduce the MRP in future years.
- 12.2 For 2020/21 an amount of £2.222m of MRP, after an offset of £10k of VRP, has been provided in the Adur District Council General Fund. The VRP total balance at 31 March 2021 was £40k. No voluntary amount has been set aside for the HRA.
- 12.3 For 2020/21 an amount of £2.070m of MRP and a net £140k of VRP has been provided in the Worthing Borough Council revenue accounts. The VRP total balance at 31 March 2021 was £630k.

## **13. CURRENT PERIOD TREASURY MATTERS**

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

The Councils have been very successful in distributing the funds to support local businesses, However it was not possible to accept the grant funding and also adhere to the counterparty investment limits whilst managing these short term funds. Consequently the Chief Executive used his urgency powers to approve changes to the investment limits for three months (April - June 2020), which was approved by JSC on the 9th June 2020. The approval ended on the 30th June 2020, but unfortunately the counterparty limits were still exceeded on the 1st July 2021. All counterparty limits were met on the 2nd July 2021 and subsequently and there was no loss to either Council.

- 13.2 Following the consultation undertaken by the Ministry of Housing, Communities and Local Government, (MHCLG), on IFRS9, the Government has introduced a mandatory statutory override for local authorities to reverse out all unrealised fair value movements resulting from pooled investment funds. This will be effective from 1 April 2018. The statutory override applies for five years from this date. Local authorities are required to disclose the net impact of the unrealised fair value movements in a separate unusable reserve throughout the duration of the override in order for the Government to keep the override under review and to maintain a form of transparency. This applies to Adur and Worthing Councils in respect of the

investments in the Local Authorities' Property Fund.

## **14. ENGAGEMENT AND COMMUNICATION**

- 14.1 The Adur and Worthing Councils' treasury management team provides treasury services to Mid Sussex District Council through a shared services arrangement (SSA). The SSA is provided under a Service Level Agreement that was renewed from 18th October 2019, and which defines the respective roles of the client and provider authorities for a period of three years. The shared service also took on Treasury work for Arun District Council on the 1st March 2021 under a three year service level agreement.
- 14.2 Information and advice is supplied throughout the year by Link Asset Services Ltd, the professional consultants for the Councils' shared treasury management service.

## **15. FINANCIAL IMPLICATIONS**

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

## **16. LEGAL IMPLICATIONS**

The presentation of the Annual Report is required by regulations issued under the Local Government Act 2003 to review the treasury management activities, the actual prudential indicators and the treasury related indicators for 2020/21.

### **Background Papers**

Joint Treasury Management Strategy Statement and Annual Investment Strategy Report 2020/21 to 2022/23 – Joint Governance Committee 28 January 2020, Joint Strategic Committee 11 February 2020, Worthing Council 18 February 2020, Adur Council 20 February 2020

Joint Half-Year In-House Treasury Management Operations Report 1 April – 30 September 2020 for Adur District Council and Worthing Borough Council – Joint Governance Committee, 24 November 2020 and Joint Strategic Committee, 1 December 2020

Link Asset Services Annual Report Template 2020/21

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

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

Pamela Coppelman

## **SUSTAINABILITY & RISK ASSESSMENT**

### **1. ECONOMIC**

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

### **2. SOCIAL**

#### **2.1 Social Value**

Matter considered and no issues identified.

#### **2.2 Equality Issues**

Matter considered and no issues identified.

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

Matter considered and no issues identified.

#### **2.4 Human Rights Issues**

Matter considered and no issues identified.

### **3. ENVIRONMENTAL**

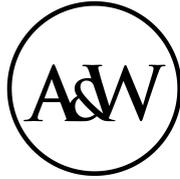
Matter considered and no issues identified.

### **4. GOVERNANCE**

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

4.2 The operation of the treasury management function is as approved by the Councils' Treasury Management Strategy and Annual Investment Strategy 2020/21 - 2022/23, submitted and approved before the commencement of the 2020/21 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.



ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
7 September 2021  
Agenda Item 8

Key Decision [Yes]

Ward(s) Affected: All

## HealthyAW: Developing the new Health & Wellbeing Strategy (2021-2024)

Report by the Interim Director for Communities

### Executive Summary

#### 1. Purpose

This report presents '*HealthyAW 2021-2024*', which sets our focus for health and wellbeing in Adur and Worthing and our Councils' ambition for thriving communities and places. This builds upon the previous [Public Health Strategy 2018 - 2021](#) and is set for two and a half years to be aligned to the overarching [West Sussex County Council's Health and Wellbeing Strategy](#).

Adur and Worthing Councils have played an important leadership role in health and wellbeing for many years, using our influence with our partners and our work with communities and businesses to affect change. It forms a key commitment to be creative and bold to create more thriving communities and places.

As District and Borough councils we hold key responsibilities and opportunities with regards to public health, with respect to provision of housing, public realm and green spaces and furthermore the work of both of our work on the Climate Emergency. Our Thrive platforms are a key element of our work on wellbeing. More generally our role as a leader of place means that we can and should be putting the wellbeing of our communities at the heart of what we do.

This strategy has been written to reflect some of the national and local

challenges we face, and builds on the learning from COVID-19. It is a post-pandemic strategy for health and wellbeing and aims to build greater fairness into our work, to double down on inequalities and ensure that whilst we are working with all of our communities we are working more with those that have been hardest hit. Importantly it builds on the community spirit and action that we have seen in communities and seeks to amplify this through more participatory approaches.

*HealthyAW* builds on and around the ambitions in Platforms for our Places, by creating the conditions for people to thrive. It has been shaped by national and local data around health, and the communities response to the COVID-19 pandemic.

This strategy sets out some key principles for how the Councils' want to do this work and proposes three high level ambitions for the broad direction of it, which have been shaped through engagement with our partners, staff and communities:

**1.1 To improve health and wellbeing for all, focusing mostly on our communities with the poorest health and wellbeing**

**1.2 To create places, spaces and environments that promote and enable good health and wellbeing**

**1.3 To promote stronger community resilience in our communities and our workforce**

The adoption of this strategy will provide the focus for our efforts for the next two and half years. The details for this work will be set out in a delivery plan to be shaped in the Autumn.

## **2. Recommendations**

2.1 Members of the JSC are asked to:

i) Consider and adopt *HealthyAW* as the Councils Health & Wellbeing Strategy 2021-2024; and

ii) Note the development of a delivery plan to be developed Autumn 2021

## **3. Context**

3.1 Good health and wellbeing really matters to our communities and places and is central to one of our Strategic Platforms; Thrive. It is the cornerstone to

people being able to live good lives, to having fully functioning neighbourhoods and places and creating a strong economy. Our Councils' have valued and prioritised work on health and wellbeing and have supported this work since the adoption of the Council's first Public Health Strategy in 2014.

- 3.2 As District and Borough Councils, we have an important leadership role to affect change with regard to health and wellbeing. The combination of our closeness to our communities to understand and interact with them, whilst being large enough with our services to effect change, means that we have the ability to understand and influence many of the factors that contribute to good (and bad) health. This includes access to good housing, access to green and blue spaces, access to benefits and the design of our public realm. The communities and environments that people grow up, live and work in are all referred to as the '[social determinants of health](#)' - and these are many of the factors that we either play a lead role in, or can influence.
- 3.3 Alongside our leadership role are the thousands of touch points every day that we have with residents and businesses and the opportunities we have to affect prevention and early intervention.
- 3.4 *HealthyAW* is Adur and Worthing Councils' third health and wellbeing strategy, building on our previous [Adur and Worthing Public Health Plan 2018-2021](#).<sup>1</sup> *HealthyAW* forms a two and a half year strategy for thriving communities (timed in order to get back into the right phase with the Joint WSCC Health and Wellbeing Strategy), which will require our Councils to continue the strong partnership working that has been formed with Public Health, our statutory (NHS and West Sussex County Council), voluntary sector, community partners and local businesses.
- 3.5 The proposed strategy builds on our work in this area which was outlined in the report to JSC in January of this year: [Overview of the Adur & Worthing Public Health Strategy](#)<sup>2</sup> and which also reflects the changes that we need to work with in the wider system as the new Integrated Care System comes into force and our new Director of Public Health starts to shape the WSCC post pandemic response.
- 3.6 Most importantly this strategy incorporates what we have learned from the experience of communities recovering from disasters (see the Kings Fund report<sup>3</sup>) and about what is needed to bring about positive change so that we can support the greatest possible improvements in health and wellbeing. We know that COVID-19 has disproportionately impacted parts of our communities more than others, many of whom were already struggling, but

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<sup>1</sup> [Public Health Strategy 2018 - 2021](#)

<sup>2</sup> [Overview of the Adur & Worthing Public Health Strategy: Item 8: JSC: January 2021](#)

<sup>3</sup> [Covid-19 Recovery and Resilience: what can health and care learn from other disasters?: Kings Fund; February 2021](#)

some who were managing well before. In these cases, COVID-19 has exacerbated the existing health inequalities for some groups more than others, including people living on a low income, in poorer housing conditions, minoritised ethnic communities, disabled groups and Carers etc, as outlined in Marmot's report of december 2020, Build Back Fairer<sup>4</sup>.

#### 4. Issues for consideration

4.1 The proposed Strategy sets out a number of broad principles around fairness (tackling health and social inequalities), ensuring good reach into communities with protected characteristics (including minoritised ethnic communities disabled groups and carers etc) and building prevention and early intervention into everything we do. It also sets out the following three domains, identified in the Community Wellbeing Index<sup>5</sup> for the way we want this strategy to be framed:

- **People:** Being person centred in our approach
- **Relationships:** Building trust and connection
- **Places:** Creating the right infrastructure for communities and places

The strategy has just three broad ambitions, which set a direction for the work:

- a) **To improve health and wellbeing for all, focusing most on our communities with the poorest health and wellbeing** - We will focus on the importance of addressing health inequalities and developing our community safety net through prevention and early intervention with our communities. Our recommissioning of advice provision in Adur and Worthing is part of this approach.
- b) **To create places, spaces and environments that promote and enable good health and wellbeing** - We will focus on the environment and infrastructure needed to support and enable strong health and wellbeing including the design of and access to healthier public spaces, activating our green and blue spaces to generate outdoor provision, improving public health across our environments, businesses and communities and building the social infrastructure needed to enable communities and groups to grow, connect and collaborate.
- c) **To promote stronger community resilience in our communities and our workforce** - We will focus on creating greater community resilience in our

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<sup>4</sup> [Build Back Fairer: The Covid-19 Marmot Review: Institute of Health Equity: Marmot; December 2020](#)

<sup>5</sup> [Being Well Together. The Young Foundation et al](#)

communities and workplaces, and placing good mental health and emotional wellbeing and social connection at the heart of what we do.

This strategy will form a golden thread that weaves health and wellbeing through everything the Councils do to create the change needed. It also requires the Councils to involve our communities and businesses more, through participatory approaches. The next steps for this strategy will be to shape a delivery plan, agree an evaluation framework and establish a working group to drive this work forward and ensure that this work is interconnected.

Members of the Joint Strategic Committee are asked to consider and approve this strategy.

## **5. Engagement and Communication**

5.1 *HealthyAW* has been developed through engagement with key partners including: Members, staff across the Councils, Senior Managers, Public Health West Sussex, residents and community groups.

5.2 A number of key questions were shared around health and wellbeing including:

- What does good health and wellbeing mean to you?
- What if anything has changed about your habits in relation to health and wellbeing in the last year (good and bad)?
- What do you need to support your health and wellbeing?
- What are your hopes for your own health and wellbeing for the future?

The responses to the above enquiry questions were summarised into themes which have been built into this draft strategy (see Appendix I for the Key themes developed in response to the enquiry questions).

5.3 In addition to the questions in 5.2, draft priorities were developed which were based on data, our learning from the pandemic and insight into how communities recover following a high impact event such as the Covid-19 pandemic. The draft priorities were shared with key stakeholders for their consideration and feedback.

5.4 The engagement work helped us to refine the priorities and really understand where we should focus our efforts over the next two and a half years.

## **6. Financial Implications**

- 6.1 The cost of producing the new strategy will be met from within existing resources, primarily through staff time.
- 6.2 The cost of the proposed programmes of work will be funded from either the Council's existing budgets or external funding.

## **7. Legal Implications**

- 7.1 Section 111 of the Local Government Act 1972 provides the Council with the power to do anything that is calculated to facilitate or which is conducive or incidental to the discharge of any of their functions.
- 7.2 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.

## **Background Papers**

[Adur and Worthing Council's Action on Public Health](#); Joint Strategic Committee 02 September 2014; Approval of the Council's first Public Health Plan July 2014

[Public Health, Getting Ahead of the Curve](#); Joint Strategic Committee 08 November 2016; Update Report on the Councils Public Health Plan

['Start Well, Live Well, Age Well' - Public Health at the local level - A refresh of our strategy to encourage the good health of all our citizens](#); report to Joint Strategic Committee; 10 April 2018

[Overview of the Adur & Worthing Public Health Strategy](#) - report to Joint Strategic Committee; 12 January 2021

[Health and Social Care Act 2012](#); Government Legislation policy

[Fair Society Healthy Lives](#); February 2010, A strategic review of health inequalities in England; Sir Michael Marmot

['The Marmot Review 10 Years on'](#); Institute of Health Equity; February 2020; Sir Michael Marmot

[Build back Fairer - the Covid 19 Review](#); Institute of Health Equity; December 2020; Sir Michael Marmot

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## **Appendix I: Key themes developed in response to enquiry questions**

### **Q1 What does good health and wellbeing mean to you?**

Key themes:

- Meeting basic needs (food, shelter, work)
- Healthy body and mind (including exercise, healthy diet)
- Having friends and the ability to get support
- Feeling happy and positive, less worry, better resilience and balance
- Being able to live life and do the things you want to do

Example responses: *“Feeling resilient and able to cope with day to day stresses”* and *“Means not having to worry about basic needs and how you will source them”*.

### **Q2 What, if anything, has changed about your habits related to health and wellbeing in the last year (good and bad)?**

Key themes:

- 50/50 split of negative and positive changes reported
- Negative - particularly being more sedentary, less exercise, more isolated / less social, and busier
- Positive - finding more time to exercise, focus on diet and self-care

Example responses: *“I am more sedentary - go out far less, work from home and have moved to online shopping. So I am literally not moving as much”* and *“More flexibility in working hours so have been able to plan in exercise more flexibly”*

### **Q3 What do you need to support your health and wellbeing?**

Key themes:

- Support for physical health - including diet, exercise and access to health care support
- More social connections and to get out more
- More space for self care and activities
- Building confidence and motivation
- Better employment and financial situation

Example responses: *“To build confidence again, lockdown to ease, more supportive employers”* and *“Reduce chocolate eating and increase exercise, which has begun”*

### **Q4 What are your hopes for your own health and wellbeing for the future?**

**Key themes:**

- Remaining fit, well and healthy
- More exercise, better diet
- More social connection, space for self-care and activities
- To get help when needed

Example responses: *“Do a bit more exercise, more culture especially music and more time with friends in social scenarios”* and *“To live a full, long life with not too many episodes of illness”*

## **Sustainability & Risk Assessment**

### **1. Economic**

This proposal impacts positively on the economic development of our places and the economic participation of our communities. People are key drivers of our economy; by improving the health and wellbeing of all and working to reduce health inequalities and level up health inequities, we will be supporting more people into paid employment and volunteering opportunities. Our asset based approach will also encourage and enable participation by our communities. Our support of the workforce will develop greater resilience for our local businesses and organisations.

### **2. Social**

#### **2.1 Social Value**

This proposal impacts positively on our communities and also with those specific groups of people more likely to experience health inequalities. The move toward a more place based approach working with the strengths and assets that are already working well in communities will enable us to co design and co create activities with communities to support good physical and mental wellbeing and use our natural environment to promote good health and wellbeing in our places.

#### **2.2 Equality Issues**

An [Equalities Impact Assessment](#) (EIA) was undertaken and the information gathered through this process was used in the development of the strategy. In undertaking this assessment we will be better able to adequately address areas of inequality and disadvantage in our communities.

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

People who are feeling healthy and well, who are actively engaged in their communities and who feel they have a positive purpose are less likely to engage in crime and disorder.

#### **2.4 Human Rights Issues**

Matter considered and no issues identified.

### **3. Environmental**

Yes, positively. Approaches to public health will include a focus on the environment and ensure that we can all access and make positive use of our open spaces.

### **4. Governance**

This proposal supports our ambitions to create thriving communities.



ADUR & WORTHING  
COUNCILS

# HealthyAW 2021 - 2024

A health and wellbeing strategy  
for  
Adur & Worthing Councils

## **Acknowledgements**

Thank you to the Members, staff of the Councils, to our partners and all the residents who helped to shape this strategy.

## Foreword

This document sets out Adur District and Worthing Borough Council's health and wellbeing strategy for a two and a half year period to bring our planning horizon in line with West Sussex County Council. The Covid-19 pandemic has had a significant and profound impact on all of us in our community, both on how we live and work, and we need to build back. If we do not, the long-term impact of the pandemic on the NHS and other services will be overwhelming.

Whilst we are still understanding the full effects of the pandemic, we are clear that some people in our community have experienced a far greater negative impact than others. The health inequalities in our community have been clearly demonstrated. At the same time, it has been a period that has really shown the value and importance of communities, with neighbours helping neighbours and groups forming hubs and other community facilities making a real difference to people's lives. We recognise the value and importance of local communities and have taken an asset based community development approach to developing this strategy.

For those now working from home, whilst significant time is being saved from not having to commute, home working conditions may not be ideal for many and can lack the camaraderie and support provided in an office or team environment. But working from home highlights the value and importance of our community and green spaces. Both councils continue to invest in innovative and exciting projects to improve our neighbourhoods, parks and urban spaces, including the acquisition of New Salts Farm and Pad Farm, and are promoting safe, active and sustainable travel. All of which helps the whole community's health and wellbeing and the environment we live in.

This strategy provides a framework for using the powers and influence the councils have, to bring about positive change and enable our communities to thrive and prosper, be healthier and more resilient. We want to see the golden thread of health and wellbeing running through all that we do and that we use this to influence our levers of change - in planning, in our green spaces and in our decisions. Adur & Worthing Councils have an important leadership role in supporting and enabling better health outcomes for people of all ages in our communities. We have potential to do this across all areas of the business, through a combination of statutory functions, support services, commissioned projects and collaborations. HealthyAW rightly focuses on those areas we know to have the strongest influences on people's health, which are the conditions in which people are born, grow, live, work and age, including: quality of housing, access to healthy food and open spaces, income and meaningful employment. We want to encourage people to be more active in their communities; we know that to do this people

need to feel safe - our strategy on dealing with crime and the fear of crime will be consistent with the aims of this strategy.

The strategy set out below recognises that both councils have limited resources and so we need to target those resources to those who are suffering the greatest inequality of health and wellbeing so they can bounce back quickly and not get left behind. It also builds on and recognises the extraordinary work of people helping their own community. We want to give people the health and wellbeing tools to help themselves and work with them to unlock the amazing potential of our community.

**Cllr Kevin Boram Adur District Council Executive Member for Health and Wellbeing *and* Cllr Sean McDonald Worthing Borough Council Executive Member for Health and Wellbeing**

## Introduction

Good health and wellbeing really matters, to our communities and our places. It is linked to every aspect of how people live their lives, how local neighbourhoods and places function and the strength of our local economy. Whilst health as a concept is well understood, wellbeing is much broader, usefully described as “...a collective feeling of leading a good life, shared and created by people and organisations...more than the sum of people’s individual wellbeing; it is the relationship between people and with place.”<sup>1</sup>

Our Councils’ value and prioritise good health and wellbeing. Indeed, as outlined in our platforms strategy<sup>2</sup>, we want our communities and places to be able to thrive, by which we mean that people are able to live their best lives, to have an abundance of resources in their communities and places (good work, good housing, access to green spaces, access to culture etc), to have strong connections with others and to have a sense of control over their lives. All of this really matters to our communities and it is essential for our places and economy; it is therefore a priority for our Councils.

HealthyAW is Adur and Worthing Councils’ third health and wellbeing strategy, building on our previous Adur and Worthing Public Health Plan 2018-2021.<sup>3</sup> HealthyAW is a two and a half year vision for how we want to create the conditions for thriving communities, working with our partners, communities and businesses, as part of our platforms strategy<sup>4</sup>. This strategy has been written in the context of the global pandemic and in a wider strategic context to connect with the West Sussex Health and Wellbeing Strategy<sup>5</sup> and the emerging work of the new Sussex Integrated Care System<sup>6</sup>. It sets the direction for our work over the next 2.5 years with an ambition to **enable all of our communities to thrive in Adur and Worthing.**

In writing this strategy we are very clearly signalling what we see as the Council’s key role in shaping the social determinants of health, described by Marmot as the ‘conditions in which people are born, grow, live, work and age, and which can lead to inequalities<sup>7</sup>’ and shows our commitment to using all of our opportunities to improve the wellbeing of our residents.

Informed by our learning from the previous strategy and the pandemic, this work reflects what we have learned from our communities and businesses, what we

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<sup>1</sup> [The Community Wellbeing Index](#)

<sup>2</sup> [Platforms for Our Places Going Further: 2020-2022; Adur & Worthing Councils](#)

<sup>3</sup> [Public Health Strategy 2018 - 2021](#)

<sup>4</sup> [Platforms for Our Places Going Further: 2020-2022; Adur & Worthing Councils](#)

<sup>5</sup> [West Sussex Joint Health and Wellbeing Strategy 2019 - 2024; West Sussex County Council](#)

<sup>6</sup> [Sussex Health and Care Partnership; Website August 2021](#)

<sup>7</sup> [Health Equity in England. the Marmot Review 10 years on; Sir Michael Marmot; Feb 2020](#)

have been told by our staff, elected members, and our partners from the public and voluntary sectors. It is driven by data and evidence about what impacts on people's health and wellbeing, and by what matters to local communities. As coastal communities, Adur and Worthing face health inequalities with a combination of an ageing population and deprivation issues<sup>8</sup>; Covid has exacerbated these challenges with a differential impact on our local places and people.

Like so many communities up and down the country, we know that not all of our communities are thriving. Indeed, many of our residents are only just surviving. They don't have enough money to live, or are able to feed themselves and their families, heat their homes, some have lost work and others have experienced homelessness. Drivers specific to coastal towns also add challenges: people are attracted to the area to retire who will inevitably have more and increasing health problems. Towns by the coast benefit from the sea however, this also creates a challenge with foreshortened transport links and job catchment areas made smaller<sup>9</sup>. The impact of COVID-19 on communities has exposed and deepened much of this, with Marmot's Build Back Fairer<sup>10</sup> report demonstrating the unequal impact of those that weren't thriving: people in poor quality work, those living in insecure housing, our minoritised ethnic communities, people with a disability, women and carers.

Over the last 18 months we have witnessed extraordinary efforts made by so many individuals, community groups, businesses and partner agencies to help people during this crisis. It has been truly heartening to see neighbours helping neighbours, businesses supporting local residents, residents stepping forward to volunteer and so many groups and organisations redoubling their efforts to support our communities. We want to build on and accelerate the work that has been done during this period.

Adur & Worthing Councils have an important role in driving and leading this work. Our scale means we are local enough to know our communities and places, but significant enough to leverage change and have influence as leaders of our places, galvanising others into shared action too; between other statutory partners, local business leaders, the community and voluntary sector and residents of our communities. We have some policy and practice levers that influence the role and impact of the social determinants of health to shape good health and wellbeing - access to good housing, parks and open spaces, benefits, advice provision, influencing planning policy and public realm to design better and more healthy places, and providing a multitude of touch points with residents every day to

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<sup>8</sup> [Local Authority Public Health Profiles: Public Health England: 2020](#)

<sup>9</sup> [Chief Medical Officers Annual Report 2021; Health in Coastal Communities](#)

<sup>10</sup> [Build Back Fairer: the Covid 19 Marmot Review: December 2020](#)

undertake prevention and early intervention work. We are also deeply committed to a more sustainable future and how this connects to health and wellbeing - and many of the changes we need to make to decarbonize and create more sustainable places are also what we need to create healthier and wealthier places.

Whilst this is a Councils' Strategy, the efforts here need to be a collective, between the Councils and its partners (WSCC, the NHS, voluntary and community sector partners and local businesses), and most importantly, the communities we serve. For this we need to grow our capabilities around participation and engage local people much better than we have done, to help co-create a future where all of our communities can thrive.

To make HealthyAW work, we will need to see this strategy as the golden connecting thread that weaves itself into everything we collectively do. It needs to form a call to action which highlights the different ways in which people can be part of shaping Adur and Worthing as places that can thrive.

#### **National Policy Context:**

The *Health and Social Care Act (2012)*<sup>11</sup> brought back the Public Health role to local Councils. At its heart is the recognition of the unique place of local government to effectively tackle the wider social issues that affect the health of our populations including: education, work, income, housing, green and blue spaces and community cohesion. As District and Borough councils we have key roles in delivering across housing and community cohesion, but can also influence and shape what happens locally with respect to education, work and income levels.

We know there are differences in life expectancy and healthy life expectancy not just between different geographical areas, but between different groups of people. The *Public Health Outcomes Framework: Healthy lives, healthy people: Improving outcomes and supporting transparency*<sup>12</sup> sets out a vision for these two high-level outcomes which reflect a focus not only on how long people live, but on how well they live at all stages of life. The Public Health Outcomes Framework is refreshed every three years, most recently in 2019<sup>13</sup>. The *Chief Medical Officer's Annual Report 2021, Health in Coastal Communities*<sup>14</sup> forms an important framework for this strategy. The report demonstrates that many coastal communities have poor health and wellbeing outcomes (disease prevalence and life expectancy) across a range of physical and mental health conditions compared to other communities. This is partly driven by age structure and partly by concentration of deprivation, however, even after accounting for these and other

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<sup>11</sup> [Health & Social care Act \(2012\)](#)

<sup>12</sup> [Healthy lives, healthy people: Improving outcomes and supporting transparency](#)

<sup>13</sup> [Public Health Outcomes Framework: Indicator Changes 2019-2022](#)

<sup>14</sup> [The Chief Medical Officer's Annual Report 2021. Health in Coastal Communities](#)

factors, there remains a ‘coastal excess’ of disease. *Health in All Policies (HiAP)*<sup>15</sup>; led by Public Health England, is a collaborative approach, to improving people’s health through incorporating health considerations into decision making across sectors, policy and service areas and addressing the wider determinants of health.

### **Local Policy Context:**

We have strong ambitions for the health and wellbeing of our communities as set out in the Councils strategic documents: Platforms for our Places (2017-2019)<sup>16</sup>, Platforms for Our Places Going Further (2020-2022)<sup>17</sup> and our vision for bouncing back post pandemic, And Then... Bouncing back in post pandemic Adur and Worthing (2020)<sup>18</sup>. This approach recognises the interwoven nature of health and wellbeing across our platform priorities and has focused us even more in our post pandemic work.

Some of this is strategic; the adopted Adur Local Plan (2017)<sup>19</sup> and the Submission Draft Worthing Local Plan (2021)<sup>20</sup> which propose ways to make our infrastructure more resilient to change, for example the changes in seasonality of weather and flooding. These proposals link our wellbeing and sustainability agendas together and make sure, as we discussed at the Climate Assembly, that we create the link between people and the planet thriving together. The Local Plans identify opportunities for the provision of open space and green infrastructure, provision of active travel and energy efficient housing, all of which impact on public health and quality of life in place.

This of course sits in the context of West Sussex County Council and the West Sussex Joint Health and Wellbeing Strategy (2019-2024)<sup>21</sup>, which this work will connect to. The timing of HealthyAW will enable us to fall in step with the development of the next overarching county wide strategy for health and wellbeing.

The resources and service reach of Adur and Worthing as second tier authorities is limited. In light of the impact of the pandemic on key groups, including early years, children and young people, the disabled and older people, we will need to actively consider the role of systems leadership in helping to address these issues, including how partnerships can be strengthened with the third, public and private

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<sup>15</sup> [Health in All Policies](#)

<sup>16</sup> [Platforms for Our Places 2017-2019; Adur & Worthing Councils; 2019](#)

<sup>17</sup> [Platforms for Our Places Going Further: 2020-2022; Adur & Worthing Councils](#)

<sup>18</sup> [And Then... Bouncing back in post pandemic Adur and Worthing; Adur & Worthing Councils; 2020](#)

<sup>19</sup> [Emerging Local Plan for Adur; Progress on Adur & Worthing Councils Website; July 2021](#)

<sup>20</sup> [Development of a new Worthing Local Plan; Adur & Worthing Councils Website July 2021](#)

<sup>21</sup> [West Sussex Joint Health and Wellbeing Strategy: Start Well, Live Well, Age Well 2019-2024](#)

sector, including the: Local Community Network (LCN)<sup>22</sup> rebooted and refreshed in 2021, the Economic Forum, the Safer Communities Partnership and the emerging Food Partnership.

What we do bring is our role in shaping our places. Be this the custodianship of our green and blue spaces, our commitment to delivering affordable homes for our communities, our work on local economic development or our role in shaping the public realm - in all of these things we can put health and wellbeing at the heart of what we do.

### **Connections with other Adur & Worthing Council Strategies**

We have a number of strategies in place or in progress to support our Thrive ambitions to create healthier more resilient communities. HealthyAW is the golden thread which runs through and connects across other Councils Strategies.

We know that our open spaces have a multitude of benefits locked within them - Adur and Worthing Councils manage 91 parks, and more than 11 miles of coastline which can help support the health and wellbeing of our communities. Our open spaces need to be safe and accessible - community safety is more than reducing crime and disorder, it's about working hand in hand with communities to create the conditions where people can thrive.

Adur and Worthing have two of the most beautiful natural assets in England with the South Downs National Park to the north, and the coast to the south.

Connecting to nature has many health benefits that include Increasing levels of physical activity which in turn reduces stress and anxiety, increases social connections and increases a sense of purpose and belonging to a place.

Adur and Worthing Councils Open Space, Sports and Recreation Study (2019) found that 38% of the population either never visit or visit the beach less than once a month and 13% of the population have never been to the beach. Likewise to the north of the area many people stated that reduced visits to the National Park are put down to lack of Public Rights Of Way, cycle paths, poor signage and inadequate footpaths and bridleways.

In acknowledgment of the fact that the pandemic is likely to have fundamentally changed the way we live and work the Councils have included within the affordable housing *Delivering Pathways Strategy*, an ambition to undertake a

<sup>22</sup> An LCN is best described as a network of health, council, voluntary sector leaders, working with local communities to create a shared ambition and more integrated approach to organising and improving the health and wellbeing of their whole local population.

more detailed community mapping exercise to better understand our communities future needs in terms of the spaces where they live and work. The outcome of which will inform the design of new homes, amenities and spaces that are fit for the future.

At the heart of our ‘*Good Work*’ programme is a focus on jobs that promote wellbeing, that grow and develop skills and capabilities and provide financial security - it’s a conceptual framework that bridges employment and skills and wellbeing. Having a secure and safe home, not just a place to sleep, is one of the most important factors in enabling our communities to thrive.

### **The Local picture - What we know about the Health & Wellbeing of people in Adur and Worthing**

The Councils are committed to better serving the varied and diverse communities of Adur and Worthing. Key to progressing this commitment is the use of both data and community engagement to inform and guide evidence based public service provision. Our Proactive project is an example of this approach, where we are using data and customer interactions to reduce the number of people becoming vulnerable, to better assist those in crisis and to effectively strengthen routes out of vulnerability.

We know that poor employment prospects underpin many drivers of poor health outcomes, and good quality, stable jobs are vital in ensuring positive health outcomes. The *The Chief Medical Officer’s Annual Report 2021, Health in Coastal Communities*<sup>23</sup> warns that whilst the effects of COVID-19 will fade, coastal communities experiencing poor employment opportunities are likely to be slower in recovery and are more vulnerable to economic and socio economic shocks going forward. Drawing on this evidence, the report makes a clear call for the levelling up of public health outcomes through actions to address ongoing structural weaknesses in coastal economies. This Strategy for Adur and Worthing therefore seeks to make the necessary links to actions being undertaken by the Councils and other partners to build back better and strengthen the economies of Adur and Worthing; to address immediate employment and skills gaps and seek to establish good quality and stable employment opportunities for its communities going forward.

This Health and Wellbeing Strategy is data and community insight informed and we have, as part of this approach, undertaken an Equality Impact Assessment to ensure our health and wellbeing work effectively responds to the needs of all our communities. The process of being data informed is an ongoing development and

<sup>23</sup> [The Chief Medical Officer’s Annual Report 2021. Health in Coastal Communities](#)

we will need to test and adjust our plans as new information becomes available, for example: on the impact of the pandemic on particular communities, the new demographic information that will be provided by the 2021 Census data and the resulting updated Index of Multiple Deprivation.

## Demographics

**Adur's population** is approximately 64,300 with 24% of its residents being over 65, 58% are of working age and 18% are under 16. The last reported census of 2011 described ethnicity as being 93% White British, 4.1% Non White, 1.7 % Asian and 0.5% Black. We are expecting the next Census to report an increase in the percentage of Black, Asian and non-white residents.<sup>24</sup>

With regard to economic vulnerabilities, the number of people claiming out of work benefits at the time of writing this report is 5% which is lower than the UK picture (5.6%) but higher than the South East figure of 4.5%. The number of young people (18-24) claiming out of work benefits is higher however in Adur at 10% compared to the South East at 6.4% and Great Britain at 7%.<sup>25</sup> With regard to disability the total number of residents claiming ESA and incapacity benefits is 2160 or 5.8% of people, which is inline with the national picture of 6.1%.<sup>26</sup> There are approximately 2,240 Children in low income families in Adur which at 15.7% is higher than the West Sussex average of 13.5%<sup>27</sup>

**Worthing's population** is approximately 110,600 with 23% of its residents being over 65, 60% are of working age and 18% are under 16. The last reported census of 2011 described ethnicity as being 90% White British, 6% Non White, 3%, Asian and 1% Black. We are expecting the next Census to report an increase in the percentage of Black, Asian and non-white residents.<sup>28</sup>

With regard to economic vulnerabilities, the number of people claiming out of work benefits at the time of writing this report is 5% which is lower than the UK picture (5.6%) but higher than the South East figure of 4.5%. The number of young people (18 - 24) claiming out of work benefits is higher however in Worthing at 9.4% compared to the South East at 6.4%% and Great Britain at 7%.<sup>29</sup> With regard to disability the total number of residents claiming ESA and incapacity benefits is 3,920 or 6% of people, which is inline with the national picture of 6.1%.<sup>30</sup> There

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<sup>24</sup> Local Insight profiles for Adur and Worthing areas; census 2011; Accessed online 2021

<sup>25</sup> [Nomis Official Labour Market Statistics](#)

<sup>26</sup> [Nomis Official Labour Market Statistics](#)

<sup>27</sup> Local Insight profiles for Adur and Worthing areas; Accessed online 2021

<sup>28</sup> Local Insight profiles for Adur and Worthing areas; census 2011; Accessed online 2021

<sup>29</sup> [Nomis Official Labour Market Statistics](#)

<sup>30</sup> [Nomis Official Labour Market Statistics](#)

are approximately 3470 Children in low income families in Worthing which at 14.5% is higher than the West Sussex average of 13.5%.<sup>31</sup>

### ***Life expectancy and healthy life expectancy***

There are two overarching measures for health and wellbeing - life expectancy (the length of life lived) and healthy life expectancy (the years lived in good health, with the absence of poor health).

In Adur and Worthing, like the rest of West Sussex, the majority of people enjoy a longer life expectancy than the England average. Adur and Worthing life expectancy is:

- 79 and 80 years for men, respectively (against a West Sussex average of 80 years and a national average of 80 years)
- 83 years for women for both areas, against a West Sussex average of 80 years and a national average of 79 years<sup>32</sup>

In West Sussex, *healthy life expectancy* for women has fallen (with women spending on average 23% of their lives in poor health) and for men it has stalled (with men spending on average 18% of their lives in poor health)<sup>33</sup> This measure is crucial because it stores up problems and impacts on health and wellbeing for people and communities into midlife and creates additional pressure on local systems.

The causes of this are driven by societal factors (the social, or wider determinants of health - the conditions in which you grow, live, work and play), by individual behaviours and by socio-economic factors (deprivation and poverty).

### ***Excess deaths***

When we consider the impact of COVID-19, excess deaths (number of deaths over what would have been normally anticipated) is a key measure across Adur and Worthing. Emerging data seems to show that some of our Worthing wards in particular have been hit harder, including Heene, but also South Lancing and Northbrook.<sup>34</sup> We will seek to understand the impact of the pandemic on excess deaths across our wards in the coming 12 months and we will use this information, in partnership with other agencies, to address vulnerabilities and increase resilience.

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<sup>31</sup> Local Insight profiles for Adur and Worthing areas; Accessed online 2021

<sup>32</sup> [West Sussex JSNA Website](#)

<sup>33</sup> Life Expectancy, Healthy Life Expectancy and Inequalities, West Sussex Summary July 2021

<sup>34</sup> [Office of National Statistics: Excess Deaths in neighbourhoods.](#)

### **Key health issues**

With regard to general health issues both Adur and Worthing fare well with regard to the numbers of people living in health deprivation and the prevalence of diseases and ill health compared to national averages:

- **Adur** reports a low number of people (2.2 %) living in health deprivation hotspots compared to the national average of 19.6%.<sup>35</sup> Attendance Allowance is payable to people over the age of 65 who are so severely disabled, physically or mentally, that they need a great deal of help with personal care or supervision. There are 1891 people receiving this benefit in Adur which is 12.5% of all people, slightly higher than the West Sussex average of 11.8%.<sup>36</sup> There are 11,600 inactive adults in Adur<sup>37</sup> - moving these inactive adults into activity for more than 30 minutes a week adds the greatest benefits to mental and physical health. In general terms, key health issues across the entire population are broadly similar to national averages, with some exceptions including levels of healthy eating and higher levels of disease prevalence around depression, diabetes, obesity and high blood pressure.<sup>38</sup>
- **Worthing** reports a lower number of people (7.4 %) living in health deprivation hotspots compared to the national average of 19.6%.<sup>39</sup> There are 3263 people receiving Attendance Allowance in Worthing which is 13.1% of all people, higher than the West Sussex average of 11.8%.<sup>40</sup> There are 18,200<sup>41</sup> inactive adults in Worthing, and as with those in Adur, moving these inactive adults into activity adds the greatest benefits to mental and physical health. Key health issues across the entire population are broadly similar to national averages, with some exceptions including slightly higher levels of disease prevalence around diabetes, depression and high blood pressure.<sup>42</sup>

### **Social economic factors**

However the average masks inequality, and differences between areas and between different groups within the population. We know that people from lower income groups are more likely to be in poorer health and more likely to have a

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<sup>35</sup> Local Insight, Indices of Deprivation 2015

<sup>36</sup> [Department for Work and Pensions \(Jan-21\)](#)

<sup>37</sup> [Active Lives Survey \(up to May 2020\)](#)

<sup>38</sup> Local Insight, House of Commons Library (2019)

<sup>39</sup> Local Insight, Indices of Deprivation 2015

<sup>40</sup> [Department for Work and Pensions \(Jan-21\)](#)

<sup>41</sup> [Active Lives Survey \(up to May 2020\)](#)

<sup>42</sup> Local Insight, House of Commons Library (2019)

limiting long term illness and lower life expectancy. (see Appendix 1 for a summary).

### ***Deprivation***

The 2019 Index of Multiple Deprivation (IMD) examines 7 domains of possible deprivation within local communities.

The Index identifies Adur as having generally lower levels of deprivation but there are exceptions at very local level (Lower Super Output Areas or LSOA) and three Wards have been identified as having particular challenges and these include Churchill, Pervale and Eastbrook. These three wards have deprivation measures around health, employment and education for example that are in the 10% or 20% most deprived in the nation

The Index identifies Worthing as also having general lower levels of deprivation but also identifies five wards as having particular challenges and these include: Central, Heene, Broadwater, Castle and Northbrook. These five wards have deprivation measures around health, employment, education, children's wellbeing and the environment that are in the 10% or 20% most deprived in the nation.<sup>43</sup>

### **The impact of Covid:**

In addition to excess deaths identified above, data and insight from both national (including the Covid 19 Marmot Review<sup>44</sup> and the Equalities Commission<sup>45</sup>) and local sources (including recent data analysis by Policy in Practice<sup>46</sup>) tell us:

### ***Key themes***

- **A new health crisis** is at risk of emerging created by a number of factors including the outcomes from postponed or delayed health care, long covid, increasing alcohol consumption, increased inequalities around smoking and obesity and declines in mental health.
- **Emotional wellbeing and social isolation** is a key issue for many in our communities and this is restricting people's ability and confidence to access support and re engage well in communities;
- **The resilience of our workforce is challenging**, especially for many with insecure work, or who are losing work, working on the frontline and working long hours;

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<sup>43</sup> [West Sussex Joint Strategic Needs Assessment Briefing, 2019](#)

<sup>44</sup> [Build Back Fairer: The COVID-19 Marmot Review](#)

<sup>45</sup> [How the Coronavirus has affected equality and human rights: The Human Rights Commission; October 2020](#)

<sup>46</sup> [Covid Benefit Measures impact on Vulnerable Residents: JSC Report, February 2021](#)

- **Financial resilience** in some deprived households has been reduced by the pandemic, leading to increases in debt, rent arrears and homelessness. Households that may have been disproportionately affected include single parent homes, older people, people with disabilities and those with lifelong health conditions.
- **Food insecurity** has increased as financial resilience has decreased with many households struggling to access good, healthy and affordable food.
- **Inequalities of coastal communities** driven by the challenges of population demographics and geography need to be taken into consideration

### ***Key Groups***

- **Physical and mental wellbeing of older people and informal carers** (often women) have been disproportionately affected by the pandemic, with many experiencing loneliness, loss and bereavement.
- **Disability and Life Long Illness** are major factors that lead to inequality and the pandemic seems to have increased the likelihood of this community experiencing disadvantages including: unemployment, poverty and debt.
- **Younger People** are being disproportionately affected in a number of ways because of the pandemic, perhaps most significantly through unemployment but also with regard to social and emotional development. The impact of isolation, anxiety and other factors have led to increased levels of self harm, anxiety and food disorders.
- **Minoritised ethnic communities** have also been disproportionately affected by the pandemic and data indicates they are at greater risk of future unemployment and financial hardships than other groups. National research indicates these disparities are linked with systemic inequalities and structural racism (Marmot).<sup>47</sup>

### ***Local engagement data***

As part of the development of this strategy, we asked partners and communities broad enquiry questions about their health and wellbeing and tested these against five themes which were considered to be the main drivers for good health and wellbeing (See Appendix II for the enquiry questions and initial themes).

We wanted to know more about what good health and wellbeing means to people, and any habits that may have formed over the last year that impact on their health and wellbeing - both good and bad. We asked how the place where people live

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<sup>47</sup> We also know that people don't fit into single categories, and can experience multiple disadvantages. For example, you can be a woman with a disability who is from an ethnic minority. This 'intersectionality' matters and we need to acknowledge and consider everything that can marginalise someone.

impacts on their health and wellbeing, and what they might need in order to improve it.

Many responses to the enquiry questions focussed on what people can do to improve their own wellbeing: manage a healthy weight and exercise more were common responses, others talked about having a good job, friends and the ability to get support - being able to live life and do the things they wanted to do.

The responses enabled us to refine the initial themes into three priority areas for action, as detailed later in this strategy document.

## Our Approach and principles for Action

This strategy will focus on priorities where we can change or influence areas of work to ensure we use our time and energy in the best way. Our unique role is around influencing and changing some of the key drivers for health and wellbeing - the **wider determinants of health** - including access to good housing, ‘Good Work’, access to and involvement in green spaces, healthy environments, the future shaping of our towns and places and community involvement and connection. We also aim to support both physical and mental health, acknowledging the strong link between them.

For this Strategy to be effective, it is essential that we are intentional about how we want to do this work. For this reason we are are focusing on a number of principles:

1. The first is to focus on ‘building back with fairness’,<sup>48</sup> focusing on the **health and social inequalities** that have been exposed and deepened by the pandemic. Our approach will use ‘proportionate universalism’<sup>49</sup> in our action, which means we will work with all of our communities (universally) but that we will target action proportionate to the level of disadvantage.
2. The second is to ensure we use our **data** well to target and adapt our approach, ensuring we meet the needs of our communities in need, including those with protected characteristics identified under the Equality Act 2010. We have undertaken an Equality Impact Assessment to embed this approach in both the development and delivery of the strategy. We will continue to use data and community insight going forward to ensure our health and wellbeing work effectively responds to the needs of all our communities.

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<sup>48</sup> [Build Back Fairer: The COVID-19 Marmot Review](#)

<sup>49</sup> [Fair society, healthy lives: Health equity in England ten years on](#)

3. The third is to ensure we place **prevention and early intervention** at the heart of everything we do to help create the conditions to prevent poor health and wellbeing from becoming an issue and to act early where people need help to help and to strengthen the routes out of vulnerability.

Our approach will centre around three core domains identified in the Community Wellbeing Index<sup>50</sup>:

- **People:** Being person centred in our approach
- **Relationships:** Building trust and connection
- **Places:** Creating the right infrastructure for communities and places

We will be building on the work that has already been done and infrastructure that is already in place - this strategy is an opportunity to accelerate progress not stop and rebuild from the ground up.

### **People**

We want to ensure everything we do is person centred - designed around people and how they live their whole lives - and ensure that we adapt ourselves and services accordingly. We will use our data and insights to get a fuller picture of what it means for people to thrive and use this.

We will develop a more participatory approach that finds ways to involve people and work with communities, to use their strengths (their skills, passions and time) to influence and shape health and wellbeing locally for all of our communities, for example local walking groups can not only develop greater community cohesion, reduce social isolation and increase physical activity, the increased surveillance can help to reduce anti-social behaviour and create a better connection to place.

We will reflect this in the way we work internally, ensuring that we are constantly striving to work in a more person centred way, which is embedded in the work we are doing around our Proactive project<sup>51</sup>.

### **Relationships - trust and connection**

We want to focus our efforts on growing relationships and building trust through a more participatory approach to health and wellbeing, to enable communities to grow their own capacity and capability to solve their own and their community problems. There is an abundance of community assets in our places, like 'neighbours helping neighbours' in Fishersgate, and we want to help find and

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<sup>50</sup> [Being Well Together. The Young Foundation et al](#)

<sup>51</sup> [Proactive interventions to support low income residents: JSC Report: July 2021](#)

utilise community strengths (time, passions and skills), with services being there to support where needed.

We will reflect this in the way we embed relationship building and a culture of collaboration in everything we do, including our developing asset based community development<sup>52</sup> approach, in how we want to develop our social prescribing work in our communities and how we are deepening relationships with other important strategic partners to plan together in a way that improves population health and reduces inequalities between different groups and play our part within the incoming ICS (Integrated Care Systems<sup>53</sup>) model of health.

### **Prosperous Places**

We want to ensure our places have the right infrastructure to enable communities to thrive. This relates on the one hand to the physical (hardware) infrastructure that we can influence and shape including making sure everyone has a good home to live in and access to green spaces and shops, access to culture, good meaningful jobs and healthier workplaces.

This also includes social infrastructure, which is about creating and providing spaces, support and opportunities for communities, businesses and partners to form and strengthen, to come together and share resources, be creative, connect and collaborate on issues to solve problems and reimagine future places, including for example shared community spaces and providing resources and time to help groups.

Providing a range of housing options to meet the needs of our communities through our Pathways to Affordable Homes is critical to realising our aims so that everyone in our community has the opportunity to thrive. Pathways to Affordable Homes work will increase the range of options and opportunities for those with a housing need and Housing First is a priority in this work, it relies not only on the provision of ‘a roof’ and support but also social infrastructure to enable people to connect to their communities and build a home, not just a place to live.

### **Priorities for Action**

We are setting out three broad priorities for our action for this strategy.

**Priority 1 - To improve health and wellbeing for all, focusing most on our communities with the poorest health and wellbeing.**

**What do we mean by this?** We want all of our communities to have the opportunity to thrive, but we know that some of our residents are only just

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<sup>52</sup> [Asset Based Community Development for Local Authorities NESTA](#)

<sup>53</sup> [What are Integrated care Systems?: NHS England](#)

surviving. We will work with all of our communities but will focus harder on those that experience poor health and wellbeing, especially those that have been hit hardest by the pandemic and those that have protected characteristics under the Equalities duty.

**Why is it important?** Health inequalities are preventable; they create unfairness and limit people's opportunity to live longer, healthier lives and to thrive. We know some of our communities have been impacted more by the pandemic and that the full extent of the social and economic impact is yet to be borne out. Tackling health inequalities is also vital for our economy and places.

**How will we do this?** We want to focus on:

- using our data and insights to ensure our interventions are targeted well and reflect the work we need to do around social inequalities;
- developing our social prescribing model to involve and enable our communities to participate in health and wellbeing and community based solutions;
- increasing the reach of Adur & Worthing Wellbeing to focus on those individuals we know are less well represented;
- developing longer term ambitions to the drivers of food poverty and work with local partners to help all of our communities have access to affordable and healthy food;
- continuing to develop and deliver our community safety net of interventions through our Wellbeing Programme, Social Prescribing and One Junction interventions;
- developing our work around financial exclusion for those at risk of debt and financial difficulties, through the Proactive work and a variety of support interventions, including Money Mentors and the recommissioning of advice provision for our communities; and
- developing programmes like Good Work which links together interventions around health and wellbeing to help people back into work and shapes good existing work.

## **Priority 2 - To create places, spaces, and environments that promote and enable good health and wellbeing**

**What do we mean by this?** We want to ensure our places have the right physical and community infrastructure in place to promote and encourage opportunities and behaviours for greater wellbeing and physical activity. This means ensuring that everyone has a good home to live in and access to green spaces, good meaningful work opportunities, where people are active and where active travel such as walking and cycling is the norm; where everyone can enjoy cleaner air and feel safe. We also use this to mean social infrastructure, which refers to the support needed to enable community and social activity to take place, strengthen and grow, including providing spaces for communities to come together to work on shared problems, providing support for groups to learn, connect, grow and

strengthen and share resources and providing access for communities (community transport).

**Why is it important?** The physical, economic and social characteristics of places and communities have an important influence over people's physical and mental health and wellbeing. Community infrastructure is important because it helps communities and social groups to grow and thrive, to work on shared problems and approaches, to be resourceful and be involved in activities and decisions. It also enables communities to have a voice and be involved in the shaping of our local places.

**How will we do this?** We want to focus on:

- leveraging our impact as a place shaper to ensure that wellbeing is considered as we develop our public realm, to design healthier places for our communities;
- continuing to use all of our enforcement powers wisely and in accordance with our enforcement policies, to improve environmental public health for our local residents, businesses and communities, including air and water quality;
- maximising the use of our green and blue spaces to support wellbeing, encourage and nudge people towards increased physical activity, involve local communities and for local food growing;
- enabling and encouraging people to be more physically active; increasing walking and cycling, encouraging people to explore the open spaces including our parks and coastal area and the South Downs for example, making areas feel safe and accessible to everyone;
- developing and implementing our Fabric Adur and Fabric Worthing projects, to create a shared social space for communities and entrepreneurs to collaborate, share learning and resources and participate in creating a shared vision of our future places;
- continuing our commitment around a Housing First approach, recognising the role that safe and stable housing has for people's health and our responsibility as a Landlord of Adur Homes tenants; and
- enabling events and activities that promote greater levels of activity in our communities that improve health and wellbeing.

### **Priority 3 - To promote stronger community resilience in our communities and our workforce**

**What do we mean by this?** Community resilience is about the sustained ability to respond, react and bounce back from adverse situations. We extend this definition to be about the capacity to not just respond but adapt, manage uncertainty and the capacity to really manage difficulties with a sense of control.

We know that mental health issues are worsening for our communities, especially young people and that key services are stretched, leading to greater wait times and more people left without help. People's capacity to cope has reduced and we are sensing this with our partners through a general sense of rising complaints and dissatisfaction in our communities.

**Why is it important?** It is important to take a preventative approach; in the long term, if left unaddressed, anxieties can escalate into more serious situations requiring specialist support and significantly increase demand for mental health services. As services become stretched and people present themselves for help with increasingly complex situations, it's important to have community based approaches to help to keep people well. Thriving people and communities are those which are: engaged and connected, where people feel safe and well, resilient and independent, where people feel aspirational and hopeful and can provide support for those requiring it.

**How will we do this?** We want to focus on:

- identifying ways that we can understand community resilience and create opportunities to influence this with our partners and communities;
- working with Community Works<sup>54</sup> to develop and strengthen our community groups and organisations to better serve our communities and to create greater community resilience;
- developing greater community resilience by working with our community partnership, including the Adur and Worthing Local Community Network<sup>55</sup>, to ensure services are working together effectively and are signposting and referring the people who need support to the right service at the right time; and
- developing greater resilience in our own workforce;
- growing the Adur & Worthing Wellbeing workplace health offer to support our local partners and businesses to develop opportunities to build greater wellbeing and resilience in our local workforce, and
- encouraging increased activity in our local workplaces. With the new pattern of working following Covid-19, working from home needs to inspire a greater amount of discipline to be active, since the simple actions of daily commute and the lunchtime walk may reduce the amount of activity significantly. There needs to be a creative, inclusive and exciting offer that engages all staff as part (rather than in addition to) their work. The culture must start at the top with senior management that makes this a priority for all staff. The benefits for the company are a healthier, more productive workforce and less absenteeism.

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<sup>54</sup> Community Works is a charity which helps to connect charities, volunteers and businesses in Adur & Worthing, Brighton and Hove.

<sup>55</sup> An LCN is best described as a network of health, council, voluntary sector leaders, working with local communities to create a shared ambition and more integrated approach to organising and improving the health and wellbeing of their whole local population.

## Moving to delivery

In all our delivery work we are trying to strike the right balance between proactive / preventative work and making sure we have a safety net and interventions in place for when people need help. We will need a collective effort to be effective; we will work alongside and collaboratively with partners to make sure our interventions and actions are joined up and targeted where they are needed most.

Our three priorities are connected and so in order to ensure some momentum with delivery we are building them into main delivery projects that can iterate and develop their work as well as ensuring links with frontline teams who are already supporting this work:

- **Social prescribing;** The Going Local programme is a network of Social Prescribers, working closely with our local GP surgeries to connect people into a range of community resources - helping people to address a variety of issues by focusing on what matters most to them. Both the referral network and the portfolio of opportunities that the Social Prescribers and others can draw from will be expanded as part of our HealthyAW strategy. Please see the Going Local website<sup>56</sup> for information on the service;
- **Adur & Worthing Wellbeing;** reaching underrepresented and disadvantaged groups that experience greater health inequalities and supporting them to adopt healthier behaviours. Our programme is part of West Sussex Wellbeing and provides services including free and low cost support to people wanting to manage a healthy weight, give up smoking, increase physical activity and reduce alcohol. The programme also provides support to employers through workplace wellbeing advice. Please see the Adur & Worthing Wellbeing website for details of these and other services as part of the local programme to support people with healthier behaviours<sup>57</sup>;
- **Food partnership;** Covering both the access to healthy food for all but also food growing and community participation in our food system our food partnership is a central part of our HealthyAW work
- **SustainableAW;** This programme aims to address some of the most pressing environmental challenges facing all of us, including climate change, the loss of natural habitats, unnecessary waste and poor air quality. Many of the actions put forward to address climate change, such as promoting and enabling active travel, healthy sustainable diets, affordable warmth and clean energy and transport, also bring benefits to health.
- **Good work;** This programme is focused on some of the wider determinants of health; productive and rewarding work. Its both about connecting people to work but also helping to develop the steps we need to take to help people be ready to thrive in work

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<sup>56</sup> [Adur & Worthing Councils website/Community-wellbeing/Going Local](#)

<sup>57</sup> [Adur & Worthing Wellbeing Website](#)

- **Community spaces;** This workstream is about making sure that we have provided spaces for our community groups to host and develop their own projects and programmes to support HealthyAW and link back to our social prescribing work as well as programmes like the Great Outdoors (our series of events and activities that invite people into our green spaces)

These priority projects are supported by work that is being delivered in other programmes or teams for example:

- **Proactive;** helping identify people who risk shifting from coping financially to not coping and addressing their wellbeing needs as well as their financial challenges. The team provides practical support around debt and budgeting, getting online and learning digital skills, and building confidence in applying for jobs and preparing for interviews. It also advises people on which benefits they may be eligible for, and where needed, provides practical support on how to apply. It can refer people for help with loneliness and social isolation e.g. to befriending services or to the social prescribing team and it focuses on building an ongoing dialogue/relationship rather than a “once and done” approach.
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- **Delivery pathways to affordable homes;** making sure that people have access to safe, affordable housing which promotes good health and wellbeing outcomes for its residents. A home is more than simply a secure and well designed accommodation, it's a fundamental human need and something that underpins not only the wellbeing of residents and their families but also the communities that they are part of, where people can access day-to-day needs such as food, education and outdoor space, within a short walk from their home.
- **Developing the ‘15 minute city’<sup>58</sup> or ‘20 minute suburb’** concept locally. The 15 minute city is based on the premise that quality of life can be improved by creating areas where everything a resident needs can be reached within 15 minutes either by foot or bike. The concept requires minimal travel among housing, offices, restaurants, parks, hospitals and cultural venues providing a ‘hyper local’ approach to place making. The ability to be close to and part of thriving neighbourhoods is key to continuing to lead a healthy and active life. This kind of thinking demands close links with partners, such as WSCC who are responsible for some of the infrastructure needed here but also to our own active travel ambitions where we can use walking paths or local cycling routes.
- **Fabric;** looking at how we bring health and wellbeing into our conversations and plans for town centres.
- **Local Plans;** making sure that we design in health and physical activity as well as safety to our future public realm and housing design.

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<sup>58</sup> The 15 Minute City (C.Moreno, 2019)

- **Shaping our high streets and town centres;** health and healthy activities are an important aspect when activating our public spaces in our town centres and seafront. When issuing concession licences the team considers a blend of factors, including how health plays into that business or what that business generates for the location. Equally, our public spaces have a real opportunity to act as central health zones by providing more formalised activity, such as marked out ParkRun sites (e.g. Worthing Promenade), walking trails and more 'sporty' activities such as watersports, in addition to the day to day activities such as walking and cycling.
- **Green and Blue space;** making sure that we are making our spaces accessible and inclusive and that they are designed not just to support healthy and active living, but where increased activity is enabled and encouraged.

We will be reporting back on the delivery projects as well as tracking progress in the supportive programmes.

## Appendix I Key Data Adur & Worthing

### Key Statistics Adur



**Population:** the population of Adur is 64,300 equivalent to 7% of the population of West Sussex. Residents over the age of 65 account for 24% of the population, 58% are of working age and 18% are under the age of 16.<sup>59</sup>



**Housing:** Home ownership is relatively high, private rentals and social housing is lower than the national average but the housing affordability gap is high at £123,000 compared to the national average of £42,000.<sup>60</sup> The number of pensioner households (27%) is higher than the national average whilst single parent households (23%) is in line with the UK average of 25%. Housing overcrowding is low at 5.6% compared with the national average of 8.7%.<sup>61</sup>



**Health & Wellbeing:** Life expectancy is broadly in line with the national average at 80 years for males and 84 years for females. With regard to disability the total number of residents claiming ESA and incapacity benefits is 2160 or 5.8% of people, which is in line with the national picture of 6.1%. Attendance Allowance is payable to people over the age of 65 who are so severely disabled, physically or mentally, that they need a great deal of help with personal care or supervision. There are 1891 people receiving this benefit in Adur which is 12.5% of all people, slightly higher than the West Sussex average of 11.8%.<sup>62</sup> Children living in poverty in Adur is at 14% compared with 17% across England.<sup>63</sup>

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<sup>59</sup> Local Insight, 2011 Census Data

<sup>60</sup> Local Insight, Office for National Statistics 2017/18.

<sup>61</sup> Local Insight, 2011 Census

<sup>62</sup> [Department for Work and Pensions \(Jan-21\)](#)

<sup>63</sup> Local Insight, Children in low-income families, Department for Work and Pensions



**Education & skills:** 26% of people have no qualifications compared to the UK average of 22%. Children are in line with the UK Key stage 1 & 2 levels of attainment but fall below the Sussex and national average by Key Stage 4. 22% of residents have level 4 qualifications compared to the national average of 27%. Adur's largest employment sector was retail, followed by health and social work and construction. The number of residents in managerial or professional occupations is lower than the national average at 38%.<sup>64</sup>



**Crime and Safety:** Levels are generally at or below the national average in all the major domains.<sup>65</sup> Overall crime (5267 recorded incidents) is however slightly lower than in West Sussex average with Adur recording 81.9 incidents per 1,000 population and the West Sussex average at 85.7. Types of crime in Adur that are more prevalent than West Sussex average are related to criminal damage. Types of crime in Adur that are less prevalent than in West Sussex average include the following areas: antisocial behaviour, burglaries, robberies and vehicle crime. Violent crime has a similar prevalence in Adur as the West Sussex average.<sup>66</sup> With regard to hate crimes in Sussex and Adur and Worthing, data from the Sussex Police indicate a small overall increase in the numbers recorded. Areas of significant increase are crimes related to 'race' and sexual orientation.<sup>67</sup> It is unclear if this represents an increase in reporting, incidence or a combination of the two



**Work & Economic Vulnerability:** Annual household incomes are approximately £41,200 and are slightly lower than the national average (£44,000). The annual household income of approximately £28,400, after housing costs, is similar to the

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<sup>64</sup> Local Insight, 2011 Census

<sup>65</sup> <https://data.police.uk/>

<sup>66</sup> <https://data.police.uk/>

<sup>67</sup> Alan Lowe, Sussex Police, December 2020.

national average (£28,248).<sup>68</sup> The number of people claiming out of work benefits at the time of writing this report is 5% which is lower than the UK picture (5.6%) but higher than the South East figure of 4.5%. The number of young people (18-24) claiming out of work benefits is higher however in Adur at 10% compared to the South East at 6.4% and Great Britain at 7%.<sup>69</sup>



**Ethnicity:** The last reported census of 2011 described the ethnic make up of Adur to be : 93% White British, 4.1% non-white, 1.7% Asian and 0.5% black. 91% of the population were born in England. In Adur, 285 households have no members with English as a main language. Arabic is the second most common language. 59% of residents describe themselves as Christian, 25% have no religion and the next largest faith group is muslim at 1%.<sup>70</sup>

## Key Statistics Worthing



**Population:** the population of Worthing is 110,600 equivalent to 13% of the population of West Sussex. Residents over the age of 65 account for 23% of the population, 60% are of working age and 18% are under the age of 16.<sup>71</sup>



**Housing:** Home ownership is relatively high at 70%, private rentals are higher than the national average. Social housing is in line with the national average. The housing affordability gap is high- £96,100 compared to the national average of £42,000. The number of pensioner households (25%) is higher than the national average whilst single parent households ( 23%) is in line with UK averages.<sup>72</sup>

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<sup>68</sup> Local Insight, Office for National Statistics 2017/18.

<sup>69</sup> [Nomis Official Labour Market Statistics](#)

<sup>70</sup> Local Insight, 2011 Census

<sup>71</sup> Local Insight, 2011 Census

<sup>72</sup> Local Insight, 2011 Census



**Health & Wellbeing:** Life expectancy is broadly in line with the national average at 79 years for males and 83 years for females. With regard to disability the total number of residents claiming ESA and incapacity benefits is 3,920 or 6% of people, which is inline with the national picture of 6.1%. There are 3263 people receiving Attendance Allowance in Worthing which is 13.1% of all people, higher than the West Sussex average of 11.8%.<sup>73</sup> Children living in poverty in Worthing is at 12% compared with 17% across England.<sup>74</sup>



**Education & skills:** 21% of people have no qualifications which is in line with the UK average. Children are in line with the UK Key stage 1, 2 & 4 levels of attainment. 26% of residents have level 4 qualifications compared to the national average of 27%. Worthing's largest employment sector was Health and Social Work, followed by retail and manufacturing. 41% of residents work in managerial or professional occupations which is in line with the national average.<sup>75</sup>



**Crime and Safety:** Levels are generally at or below the national average in all the major domains. Overall crime (10,628 recorded incidents) is however slightly higher than the West Sussex average with Worthing recording 96.1 incidents per 1,000 population and the West Sussex average at 85.7. Types of crime in Worthing that are more prevalent than in West Sussex average include the following areas: vehicle crimes, violent crime, robberies and criminal damage. Types of crime in Worthing that are less prevalent than in West Sussex average include the following areas: antisocial behaviour and burglaries.<sup>76</sup> With regard to hate crimes in Sussex and Adur and Worthing, data from the Sussex Police indicate a small overall increase in the numbers recorded. Areas of significant increase are crimes related

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<sup>73</sup> Department for Work and Pensions (Jan-21)

<sup>74</sup> Local Insight, Children in low-income families, Department for Work and Pensions

<sup>75</sup> Local Insight, Census 2011

<sup>76</sup> <https://data.police.uk/>

to 'race' and sexual orientation. <sup>77</sup> It is unclear if this represents an increase in reporting, incidence or a combination of the two.



**Work & Economic Vulnerability:** Annual household incomes are approximately £44,000 and the same as the national average (£44,000). The annual household income of approximately £29,734, after housing costs, is similar to the national average (£28,248). <sup>78 79</sup> The number of people claiming out of work benefits at the time of writing this report is 5% which is lower than the UK picture (5.6%) but higher than the South East figure of 4.5%. The number of young people (18 - 24) claiming out of work benefits is higher however in Worthing at 9.4% compared to the South East at 6.4%% and Great Britain at 7%. In Worthing 8% of households are experiencing fuel poverty and 4% of households are without central heating. <sup>80</sup> 13% of children live in poverty compared to 17% in England. <sup>81</sup>



**Ethnicity and faith:** Worthing's population is approximately 111,000 with 23% (19%) of its residents being over 65, 60% (63%) are of working age and 18% (19%) are under 16. <sup>82</sup> The last reported census of 2011 described ethnicity as being 90% (80%) White British, 6% (15%) Non White, 3% (8%) Asian and 1% (4%) Black. With regard to nationality, 88% (91%) were recorded as being born in England. <sup>83</sup> In Worthing there are 1210 households with no members who speak English as a main language. Polish is the most common non English language followed by Bengali, Tagalog, Lithuanian, Romanian and Italian

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<sup>77</sup> Sussex Police, December 2020.

<sup>78</sup> Local Insight, Office for National Statistics 2017/18.

<sup>79</sup> Local Insight, Valuation Office Agency 2019

<sup>80</sup> [Nomis Official Labour Market Statistics](#)

<sup>81</sup> Local Insight, Children in low-income families, Department for Work and Pensions

<sup>82</sup> Local Insight, 2011 Census Data

<sup>83</sup> Local Insight, 2011 Census Data

## Appendix II Local Engagement

- a) Draft priorities were developed which were based on data, our learning from the pandemic and insight into how communities recover following a high impact event such as the Covid-19 pandemic. The following draft priorities were shared with key stakeholders for their consideration and feedback:
1. Emotional wellbeing and mental health
  2. Social connectedness
  3. The wider determinants of health - work, housing, finance etc
  4. Healthy environment: air quality, noise, access to green spaces, planning
  5. Physical activity and healthy lifestyles
- b) A number of key questions were shared with residents and community groups around health and wellbeing and the responses summarised into themes which have been built into this draft strategy. Key themes were developed in response to enquiry questions, as follows:

### Q1 What does good health and wellbeing mean to you?

Key themes:

- Meeting basic needs (food, shelter, work)
- Healthy body and mind (including exercise, healthy diet)
- Having friends and the ability to get support
- Feeling happy and positive, less worry, better resilience and balance
- Being able to live life and do the things you want to do

Example responses: *“Feeling resilient and able to cope with day to day stresses”* and *“Means not having to worry about basic needs and how you will source them”*.

### Q2 What, if anything, has changed about your habits related to health and wellbeing in the last year (good and bad)?

Key themes:

- 50/50 split of negative and positive changes reported
- Negative - particularly being more sedentary, less exercise, more isolated / less social, and busier
- Positive - finding more time to exercise, focus on diet and self-care

Example responses: *“I am more sedentary - go out far less, work from home and have moved to online shopping. So I am literally not moving as much”*

and *“More flexibility in working hours so have been able to plan in exercise more flexibly”*

### **Q3 What do you need to support your health and wellbeing?**

Key themes:

- Support for physical health - including diet, exercise and access to health care support
- More social connections and to get out more
- More space for self care and activities
- Building confidence and motivation
- Better employment and financial situation

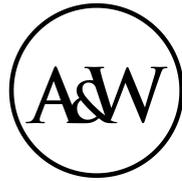
Example responses: *“To build confidence again, lockdown to ease, more supportive employers”* and *“Reduce chocolate eating and increase exercise, which has begun”*

### **Q4 What are your hopes for your own health and wellbeing for the future?**

Key themes:

- Remaining fit, well and healthy
- More exercise, better diet
- More social connection, space for self-care and activities
- To get help when needed

Example responses: *“Do a bit more exercise, more culture especially music and more time with friends in social scenarios”* and *“To live a full, long life with not too many episodes of illness”*



ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
7 September 2021  
Agenda Item 9

Key Decision [Yes/No]

Ward(s) All

## Recommissioning of advice provision

### Report by the Interim Director for Communities

#### Executive Summary

##### 1. Purpose

Generalist advice is an important service that is provided across West Sussex. The current contract for this work is held and delivered by Citizens Advice and includes work around optimising benefit claims for our communities and a free drop in advice service for our communities in locations in Adur and Worthing.

This service has provided a vital response to the ongoing impacts of the COVID pandemic, where increasing numbers of local residents are facing challenges in relation to insecure housing, financial sustainability and accessing appropriate support. All of which makes the work of an advice service even more necessary for the next contracting period. During the current contract, Citizens Advice have also secured additional funding sources for specific projects to bolster their core programme, including work around housing support and Covid related champions.

This work forms an important part of AWC's 'Platforms', and to our pandemic response and recovery plans to support our most vulnerable communities in relation to advice, and financial capability work as evidenced in the JSC report 'Proactive interventions to support local income residents' (July 2021).

This report includes key data from the service to demonstrate their reach and impact. In addition, work is also being carried out across our departments to ensure this service is aligned to the changing needs of our communities now and into the future as a result of the pandemic, ensuring a good reach across all our communities and especially to those experiencing poverty and hardship, and inequality.

The current contract for this service will expire in April 2022, after a period of three years. Discussions are being held with WSCC about the reprocurement of this work. Members of the Joint Strategic Committee are asked to consider and approve arrangements for West Sussex County Council to procure a generalist community advice and support service on behalf of the County Council and all other District and Borough Councils in West Sussex from April 2022.

The current funding for this service is addressed in the report :

- Adur District Council - £83,824
- Worthing Borough Council - £79,829

Members are being asked to enter into a procurement process for a new contract with WSCC and the other D&Bs for a period of seven years, through contract periods of three years, plus three years, plus one year (3+3+1), for a core 'generalist community advice and support service'. At the end of each contract period there will be an opportunity to review and amend it.

Any additional activity would need to be separately funded through commissioning or grant funding processes.

## **2. Recommendations**

2.1 Endorse a new contract for Citizens Advice on the basis of a 3+3+1 year agreement

2.2 Support the proposed allocation of funds of ADC £83,824 and WBC £79,829 per annum for the contract period 2021-2028.

### **3. Context**

3.1 Adur and Worthing Councils' are signatories to a procured contract for advice services co-ordinated on behalf of all Districts and Boroughs by West Sussex County Council. The current contract for this is with Citizens Advice and is due to end in April 2022.

3.2 The provision of advice to residents is recognised as a core service enabling citizens to exercise their civic rights and access support and help across West Sussex. The core part of the contract is offering a free advice service that informs people about their rights and responsibilities in areas such as Universal Credit, Blue Badges, benefits and taxes, and housing and debt.

3.3 Citizens Advice has been delivering advice for over 80 years with services in three locations in Adur and Worthing - the Shoreham Centre, Lancing Town Hall and Worthing Town Hall. Services from Lancing Town Hall were suspended as a result of the Covid-19 pandemic although Citizens Advice is seeking to reopen as soon as possible.

3.4 Citizens Advice is a recognised large national non government agency with a known and trusted brand and a track record of providing people seeking advice with reputable information. Citizens Advice also consistently engages large numbers of local residents and volunteers to support the service and to reflect the local communities they work in.

3.5 In the last year (2020 to 2021) for Adur and Worthing, Citizens Advice received 11,542 calls for advice. Of these the greatest number of issues being inquired about were benefits, universal credit, consumer rights, debt, financial services, employment and housing rights. This is a significant enquiry caseload which is focused on important issues for Adur and Worthing. The service has resulted in significant additional funds coming into West Sussex due to optimising residents' benefits and entitlements.

3.6 Data for use of the service has been changing in response to the Covid-19 pandemic. The lack of face to face advice has changed how people are accessing advice and advice from the service suggests that this particularly affected residents in Worthing. Anecdotally face to face work is starting to grow in demand again.

3.7 For the first quarter of the 2021-2022 funding year, Citizens Advice provided advice to 3,804 clients in Adur and Worthing, addressing 9,125 issues. Of these, 3,246 cases related to benefit issues and the recorded financial gain for residents in Adur and Worthing was £379,698 for that quarter alone. In relation to ethnicity, 85%

of all people in receipt of advice identified as white, 6% as black and 5% as Asian. 60% of those receiving advice were female, and 45% reported having a long term health issue or a disability.

3.8 During the last contract period, Citizens Advice also secured funding for locally specific projects in Adur and Worthing. This includes the WHAT project designed to provide impartial housing advice to those with a housing issue or threatened with homelessness, which Adur and Worthing Councils provided funding for of £30,000. This provides a dedicated Citizens Advice staff member working alongside the Councils' Housing Needs team to ensure that they are integrated as part of a wider service offer.

3.9 In this role Citizens Advice provide advice and support to clients to help maintain their tenancies and to support them to prevent homelessness. The tenure of those accessing the service ranges from rough sleeping to people living in social housing and support is provided on a wide range of issues - domestic abuse, anti-social behaviour, debt and arrears, mental health, and disrepair. The service provides an access point for those who may not approach the council until it's too late and cases are referred into the Housing Needs team if a tenancy continues to be at risk and a collaborative approach is needed.

3.10 In addition the Councils' also commissioned Citizens Advice to provide budgeting advice in the early stages of the roll out of Universal Credit in response to changes in benefit arrangements.

3.11 Whilst the lead role for this commission sits with the Wellbeing Team, the work of Citizens Advice also connects to several areas of Councils' work, including Revenues and Benefits, Housing, our Good Work programme around access to employment and employment issues, and more recently in relation to the Proactive project, which has been reported to this [Committee in July 2021](#), focusing on identifying and targeting people who are experiencing financial hardship and to support them from falling into greater debt. This contract will form part of our strategic landscape of support and advocacy for our residents in relation to finance and debt and will link to and support the Health and Wellbeing Strategy for Adur and Worthing Councils' currently under development.

#### **4. Issues for consideration**

4.1 This contract comes to an end in March 2022 and work is being carried out between Officers of Adur and Worthing Councils, WSCC and the other District and Boroughs to develop a procurement process for a new contract

4.2 Moving forward with any recommissioning, one of the key factors for consideration being discussed between Officers is to provide a contract with enough longevity to enable good planning and sustainability for the service provider. For this reason, Officers are recommending that the Councils' support a contract for a period of seven years, structured as contract periods of three years, plus three years, plus one year (3+3+1). After each time period, the contract will be reviewed and where necessary amended to reflect changing priorities.

4.3 In addition, this approach will enable frequent review and better flexibility to respond to changing local needs and respond to the ongoing impacts of the pandemic. It will also mean that the three year contract periods align with Council and District budget cycles.

4.4 The tender process is due to commence in September/October for the new contract to be in place from 1 April 2021, and WSCC has advised that this process is on schedule. It is not clear at this stage whether this will be an open tender or single tender process, and this will be clarified by WSCC shortly.

4.5 Whilst the core contract is for a 'generalist' Community Advice and Support Service (essentially a free advice service offered to all residents with case work follow up if necessary), the new contract will allow for more tailored responses in relation to District and Borough needs. The revised specification will include more emphasis on local service delivery and the capacity to review local service delivery. Advice work in each Borough and District will be guided by a Local Delivery Plan which will include service locations and service outreach. This will provide greater opportunity for Adur and Worthing to work with the provider to adapt the service accordingly for our residents.

4.6 It is intended that the revised specification will also include capacity limits based on the level of funding provided by each District and Borough. This is to try to ensure that service demand can be better matched to the funding provided. The specification for these limits is currently under development by WSCC and the District and Borough working group and should be finalised by November 2021.

4.7 In addition, if Boroughs and Districts want specific services to be delivered in their local areas this will need to be separately funded through commissioning or grant funding processes.

4.8 Adur and Worthing Councils' have been represented in developing this new approach and the move towards a more tailored response to the issues impacting on local residents is supported. Increased funding and contract certainty will also

support the organisation to engage in long term initiatives that will deliver more systemic outcomes.

4.9 It is expected that the funding required from Adur and Worthing Councils over the course of the contract will be based on the contribution levels set out below of:

Adur District Council - £83,824

Worthing Borough Council - £79,829

**Total Contribution - £163,653 per annum**

4.10 It is important to note that the level of investment by Adur District Council is higher than for Worthing Borough Council. The difference in investment levels between the two councils is a historical legacy and the Local Delivery Plan for Adur and Worthing with the contracted service provider will reflect these differences.

4.11 There is also a significant in kind contribution made directly by the Councils' through the charging of peppercorn rent for office space in the Shoreham Centre and Worthing Town Hall. This in kind contribution is evenly spread for Adur and Worthing and amounts to over £19,000 for each venue.

4.12 WSCC will also continue to fund countywide outcomes that are delivered locally. The amount they will contribute for the new contract is yet to be confirmed, but for the last one it was a total of £350,000 for the County, distributed as £50,000 per Borough and District.

## **5. Engagement and Communication**

5.1 To inform Councils' input into the development of a new contract specification, work was carried out in April and May 2020 with key departments to identify areas where the Advice Service and the contract might be improved.

5.2 Staff identified a number of areas that needed further work, including:

- How the service can be better promoted and taken up across different key parts of Councils' including Housing and Revenues and Benefits, and how it can better connect to the Proactive Project;
- Developing a 'pathways' approach to support more vulnerable clients;
- Clearer information about cases and trends (e.g. what is changing in service usage, are requests for advice increasing in some areas, do some types of clients use the service more than others, what are the cases by location)
- Strengthening the feedback mechanisms for referring agencies in relation to outcomes to support learning

5.3 In response to this some key areas for inclusion for the new contract will be requested, including reporting requirements that give more granular information about service usage and outcomes for Adur and Worthing.

5.4 The new contract lists service priorities that are particularly highlighted for the service provider to work with. This includes people who are socially excluded, who have health inequalities or mental health needs and those with complex sets of issues. It does not include older people because it should be noted that WSCC does fund AGE UK and Guildcare to provide advice services for older people. Officers will also work with WSCC to ensure that black and minoritised communities are also included as a service priority in the new contract.

5.5 There has been a significant amount of work done to develop the next contracting cycle in collaboration with all of the Districts and Boroughs in West Sussex.

## **6. Financial Implications**

6.1 The Councils have the following budgets available to fund the proposed new contracts:

Adur - £86,790

Worthing - £83,690

## **7. Legal Implications**

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

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

7.3 s1 Local Government (Contracts) Act 1997 confers power on the local authority to enter into a contract for the provision of making available assets or services for the purposes of, or in connection with, the discharge of the function by the local authority.

7.4 Under the Public Contract Regulations 2015 where a Public Authority is to enter into a contract for the supply of goods & services, and the value of those goods and services exceeds a financial limit of £189,330 (or for Schedule 3 Social and Other Specific Service procurement a sum of £589,148) then any procurement exercise to contract for those goods and services must be conducted in accordance with the Regulations. Prior to contract, Adur and Worthing Councils must be satisfied that the procurement carried out by WSCC is in accordance with those Regulations.

### **Background Papers**

A previous report to the JSC outlining progress with contract recommissioning for 2019 to 2022 is attached [here](#).

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## Sustainability & Risk Assessment

### 1. Economic

Funding a 'citizens advice' service has a positive impact on the economic development of Adur and Worthing by ensuring that incomes for our poorest community members are optimised and thereby reinvested in the local economy. It also helps build people's personal capacity so they are enabled to participate in economic activity.

### 2. Social

#### 2.1 Social Value

This service has a significant positive impact for Adur and Worthing Councils' most vulnerable communities, including older people, people from minoritised communities, those with disabilities, and those living in areas of disadvantage. The service is currently accessible in two key locations across the Councils, and offers an extensive range of advice.

#### 2.2 Equality Issues

The Councils' will be looking to add additional groups to the list that the advice service must particularly engage with, including people from minoritised ethnic communities and older people. This will help to address some of the key themes identified in the Thrive Board Equality Summary and Approach including:

- Removing or minimizing disadvantages suffered by equality groups
- Taking steps to meet the needs of equality groups

Due to extensive research into the effects of the COVID 19 pandemic outlined in the Marmot Review, it is known that it has had a greater adverse impact on minoritised ethnic communities, young people, and those with disabilities.

This is supported by the experience of Adur and Worthing and improving the access of members of Councils' priority community groups to the provision of advice services is an important measure to address such inequalities.

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

Matter considered and no issues identified.

#### 2.4 Human Rights Issues

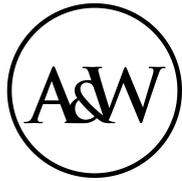
This measure is completely consistent with the Human Rights Act. Funding advice services that are accessible and non-discriminatory is a core component of the UKs approach in upholding human rights values in the context of private citizens and their individual rights.

**3. Environmental**

Matter considered and no issues identified.

**4. Governance**

This proposal is in line with Council's Platforms and And Then.... aspirations. It has been developed through constructive collaborative work with all other Boroughs and Districts and West Sussex County Council. There are no implications for risk management, health and safety and governance of the Councils.



ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
7 September 2021  
Agenda Item 10

Key Decision: Yes

Ward(s) Affected: Heene

## Downview and Rowlands Road update

### Report by the Director for the Economy

#### Executive Summary

#### 1. Purpose

- 1.1. To provide an update to members on the development of Rowlands Road and Downview Road and the expected savings to the Council.
- 1.2. To seek approval for the release of a further sum of £378,000 from the unallocated temporary accommodation capital budget for Rowlands Road to meet affordable housing needs.
- 1.3. To propose that Worthing Borough Council become a Registered Social Landlord for the purpose of attracting Homes England/Ministry of Housing, Communities and Local Government funding towards the provision of new temporary and emergency accommodation noting that there is no intention or need to have a separate accounting system or Housing Revenue Account.

#### 2. Recommendations

- 2.1 To note the contents of this report.
- 2.2 To release further net budget for Rowlands Road of £387,826 to fund the increased costs associated with the refurbishment contract from the unallocated temporary accommodation budget.

- 2.3 To authorise the registration of Worthing Borough Council as a Registered Social Landlord and to recommend to Worthing Full Council that it approves the Registration of Worthing Borough Council as a Registered Social Landlord.
- 2.4 To authorise the Monitoring Officer to make consequential amendments to the Constitution arising from the registration at 2.3.

### **3. Context**

- 3.1. Worthing Borough Council (the Council) is currently delivering schemes at Rowlands Road and Downview Road which will provide the Council with 36 units for temporary and emergency accommodation.
- 3.2. The Council's aspiration to improve levels of affordable housing (including temporary accommodation) are set out in section 2.2.5 of Adur & Worthing's Platforms for Our Places - Going Further 2020-2022, within the Thriving People and Communities platform.
- 3.3. In addition, Priority 3 of Adur and Worthing Council's Housing Strategy 2020-2023 outlines the Councils' commitment to improving the levels of affordable housing supply and recognises the high demand for emergency and temporary accommodation in Worthing.
- 3.4. Adur and Worthing's Homelessness Strategy is being updated however the Councils' Temporary Accommodation - Placement and Procurement Policy' demonstrates how demand for Emergency and Temporary Accommodation in Worthing increased by 25% over a 14 month period.
- 3.5. Delivery of 36 units of emergency and temporary accommodation in Worthing supports Council policies on housing and homelessness and delivers real savings to the Council from a reduction in expenditure on private accommodation to host those in need.
- 3.6. Government funding opportunities have recently arisen for temporary/emergency housing and supported housing. The Rough Sleeping Accommodation Programme (2021-2024) and the Affordable Homes Programme (2021-2026) provide access to capital funding to deliver housing. To access this funding a Local authority is required to be a Registered Social Landlord.

- 3.7. Accessing the above funding will enable the Council to deliver more homes for Temporary Accommodation/ Supported Housing and to become less reliant on private accommodation (e.g. bed and breakfasts).
- 3.8. Under section 114A of the Housing and Regeneration Act 2008, local authorities who begin to provide social housing are subject to compulsory registration and should notify the Regulator of Social Housing (RSH) to be registered.
- 3.9. Downview Road**
- 3.9.1. In June 2020, work completed on phase 1 of the development to provide 9 homes for emergency and temporary accommodation owned by Worthing Council, and a commercial unit at ground floor.
- 3.9.2. In September 2020, work started on phase 2 to build a new block of flats in the car park adjacent to the refurbished public house. This will provide a further 8 one- and two-bedroom flats for emergency and temporary accommodation. The contracted completion date was 21st May 2021.
- 3.9.3. Construction began and continued through the coronavirus pandemic which has subsequently had a significant impact on delivery of the scheme with many operatives having to isolate and lead in times for key materials significantly increased.
- 3.9.4. As a result, the anticipated completion date for the scheme is now 6th September 2021, putting the project in delay by approximately 15 weeks. Covid-19 has been the predominant reason for the delay, however other reasons exist and as a result the Council is reviewing it's commercial position in this respect.
- 3.9.5. Notwithstanding the challenges of building during the pandemic, the Downview scheme is anticipated to come in under budget on completion of the second phase. The approved budget to purchase the site and deliver the 17 units was £4.4m; projected expenditure totals £4.3m, providing an underspend of approximately £100,000.

**3.10 Development of 151 Rowlands Road, Worthing**

- 3.10.1 In February 2019 the Council acquired the former, vacated care home in Rowlands Road, Worthing in order to convert the existing building on the site into 19 self-contained flats for use as Temporary Accommodation.
- 3.10.2 Following a redesign and planning approval for change of use the Council carried out a competitive tendering process for a Traditional form of JCT construction contract, which was won by Cheesmur with a contract completion date of 29th March 2021 being agreed.
- 3.10.3 The works consist of a major conversion, refurbishment and extension of an historic building. This type of property redevelopment comes with a high level of complexity. The main part of the building dates from the Edwardian era, while other parts are more modern, having been constructed around the 1970s but are of a poor quality of construction. Unlike a Design & Build Contract, often entered into for new-build projects, the Traditional form of contract that is required for conversion and refurbishment schemes, places design and construction risk with the client.
- In order to bring the property up to modern standards, and meet with Building Regulations, extensive works both internally and externally have been required.
- 3.10.4 Since starting on site, there have been a significant number of variations required due to the discovery of issues such as additional asbestos and drainage difficulties, which could not have been known until Cheesmur took possession of the site, and stripped back walls and floors in preparation for remodelling, together with trenching below-ground externally. Opening up of the building has also exposed further structural problems, with poor quality construction and deterioration requiring repair and replacement, which had not originally been anticipated.
- 3.10.5 In addition to the repair and replacement of various materials, and to the fabric of the building, a number of design changes have taken place following the commencement of the works. The most significant changes have been in the structural and drainage solutions.

A requirement of Planning was to apply a Sustainable Urban Drainage Strategy (SUDS) to the scheme which would upgrade the system and provide improved surface water run-off from the site. The structural engineer was briefed to design the most efficient solution possible, in order to minimise costs, but testing of the existing infrastructure has led to several design revisions, resulting in cost increases against a straight-forward sewer connection, which was the original design intention.

3.10.6 In light of the significant cost uplifts necessary for the works to complete, the design team, contractor and consultants have all worked to continually identify potential savings to the project without compromising on quality.

Several savings have been achieved by changing suppliers, omitting elements of the design no longer required, and altering the materials used. This has gone some way to off-set the escalating costs but has not mitigated them entirely. The estimated total sum for savings found is £64,500.

3.10.7 The additional works and redesigns that have emerged over the lifetime of the project have, in turn, led to delays to the programme. As seen in other development projects and across the industry, the effects of the pandemic and periods of inclement weather have also affected progress.

3.10.8 A current forecast completion date of the end of September 2021 has been issued by the contractor and an application for an Extension of Time is expected imminently.

3.10.9 The result of the additional works and delays to the programme have resulted in a final contract sum currently forecast at £2,200,000. The total additional costs relating to design and consultancy fees is £135,000.

3.10.10 Examples of some of the issues that have resulted in increased works and delays are set out in the table below:

	Additional cost (c)
Additional asbestos found in fabric of the building and below ground	£46,000
Drainage & SUDs Solution	£35,000

Structural and design changes following opening up	£106,000
Removal of chimneys, additional roof works, external wall and damage repairs	£60,000
Contractor's loss and expense claim due to delays up to six months	£64,000
Increased consultancy fees due to design changes and extended programme	£135,000

#### 4. Issues for consideration

4.1. Each contract was signed during the height of the Coronavirus (Covid-19) pandemic with considerable uncertainty around how the virus would affect delivery of the project (and the construction industry in general). As a result, it was agreed between the parties that in the event that it could be demonstrated that Coronavirus was interrupting delivery of Rowlands Road or Downview Phase 2, no fault would be attributed to either party and impacts to each would be absorbed.

#### 4.2. Downview Road

4.2.1. Delays caused by the pandemic have caused elongation of the programme during Phase 2 which have led to an increase in professional fees such as contract administration, Clerk of Works and M&E advice, totalling approximately £12,750. This extra cost has been offset by savings in non-essential monitoring equipment.

4.2.2. Notwithstanding these delays and additional costs, the scheme at Downview Road is within budget and coming to completion. Worthing Borough Council's Housing Solutions Team and their managing agents are prepared to receive the properties and get tenants moved in quickly after.

4.2.3. Once both phases are complete, the Downview scheme will provide 17 flats for temporary accommodation, providing an annual saving to Worthing Borough Council of £104,000 in the first year and a projected average annual saving of £245,000 across the life of the scheme, through reduced expenditure on housing residents in private accommodation and hotels.

4.2.4. In addition, the power supply provided to the commercial unit delivered as part of Phase 1 will be upgraded to be able to

accommodate a variety of commercial uses with a view to taking to market (or used by the Council) later in the year. This unit is currently being used as the site office for Phase 2.

#### **4.3. Rowlands Road**

- 4.3.1. Given the high level of additional work required, consider increasing the budget to £4,276,580.
- 4.3.2. Once complete in late September, Rowlands Road will provide 19 flats for temporary accommodation, providing an annual saving Worthing Borough Council of £58,000 through reduced expenditure on temporary and emergency accommodation.

#### **4.4. Registration as a Registered Social Landlord**

- 4.4.1. Local authorities who own and manage social housing are required to notify the Regulator of Social Housing (RSH) for automatic and compulsory registration as a Registered Social Landlord (RSL).
- 4.4.2. Becoming an RSL would mean Worthing Borough Council would be eligible to receive funding from Homes England and/or the department of Homes, Communities and Local Government to support the development of social housing, including temporary and emergency accommodation. The reason for becoming an RSL would purely be to access this funding, there is no intention or need to have a separate accounting system or Housing Revenue Account.
- 4.4.3. The Regulator of Social Housing has confirmed that no fees are required to become a RSL. Corporate overheads relating to this change are also expected to be minimal.
- 4.4.4. The RSH requires all local authority registered providers to submit the Local Authority Data Return (LADR) regarding stock and rents, in addition to their Local Authority Housing Statistics submission made to MHCLG directly.
- 4.4.5. To maintain registration, local authorities must demonstrate compliance with the Rent Standard through the LADR. The Rent Standard requires all rents to be charged in accordance with the Government's Policy Statement on Rents for Social Housing 2018. Following a review of WBC's current forecasted rents for

Downview/Rowlands it is envisaged that these schemes will meet the Rent Standard.

## 5. Engagement and Communication

- 5.1. Both schemes undertook consultation prior to planning and have provided letter drops to residents during the build process.
- 5.2. At Downview Phase 2, relations with neighbours are good. Contractors are generally parking considerately and the team have received no complaints about noise or nuisance.
- 5.3. Where possible the development team have looked to work with Councillors and local businesses to find solutions to concerns raised. A recent example was the team making an application to the highways authority to paint a white line on the dropped kerb outside the new block to prohibit parking and enable delivery lorries to access Bradfield Walk to aid deliveries for local businesses.
- 5.4. The most recent engagement with neighbours has been regarding repair of the boundary wall to the south of Phase 2. Residents of Orchard Court that responded to the letter drop were happy for the work to progress and allowed access to the driveway for the work to be completed.
- 5.5. A similar approach has been taken at Rowlands Road where an adjoining neighbour raised concerns regarding overlooking from a window in the flank wall. This has been addressed to the neighbour's satisfaction by introducing obscured glass.

## 6. Financial Implications

- 6.1. The current approved budget for temporary and emergency accommodation can be broken down as follows:

Current approved budgets:

	Spend to 31/3/2021 £	2021/22 Budget £	2022/23 Budget £	Total £
Downview	3,520,010	879,990		4,400,000
Rowlands Road	2,925,210	874,670		3,799,880
Unallocated budget		1,540,000	1,000,000	2,540,000

Total budgets	6,445,220	3,294,660	1,000,000	10,739,880
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There is sufficient unallocated budget remaining to fund the cost pressures identified within the report.

- 6.2. The latest forecast of the costs indicates that Rowlands Road will exceed it's budget by £476,700. However this will be partially offset by the expected underspend on the Downview Road as follows:

	Current budget £	Expected outturn £	Over / (under) spend £
Downview Road	4,400,000	4,301,800	-98,200
Rowlands Road	3,799,880	4,276,580	476,700
	8,199,880	8,578,380	378,500

- 6.3. The Council has unallocated budget provision available to address the budget pressures provided that the programme delivers a reduction in the overall cost of temporary accommodation.
- 6.4. Based on the latest assessment of the cost of both Downview and Rowlands Road projects, these investments should reduce the cost of temporary accommodation as follows:

Annual costs	Rowlands Road		Downview Road	
	Purchase £	Bed and Breakfast £	Purchase £	Bed and Breakfast £
<b>Debt charges</b>				
Interest	85,530	0	85,020	
Principal repayment	70,800		51,880	
<b>Total borrowing cost</b>	156,330	0	136,900	0
Maintenance	38,000	0	34,680	0
Cyclical Maintenance	0		6,940	0
Annual buildings insurance	9,500	0	0	

Lease costs	0	11,270		
Staff	25,300	1,270		
Bed and Breakfast charges		294,210		299,680
<b>Total costs</b>	229,130	294,210	191,060	299,680
Less: Potential rental income	-107,160	-114,210	-102,820	-108,230
Net annual income	121,970	180,000	88,240	191,450
Annual saving		58,030		103,210
<b>Total annual saving</b>				<b>161,240</b>

Over the next 40 - 50 years both projects will provide considerable financial benefit to the Councils as follows:

	Rowlands Road			Downview Road		
	Net annual cost	Net cost / income(-) over 40 years	NPV over 40 Years	Net annual cost	Net cost / income(-) over 50 years	NPV over 50 years
Purchase for Temp Accommodation	121,970	5,037,510	17,238	88,230	3,639,000	1,603,000
Current B&B arrangements	180,000	10,871,620	6,283,997	191,450	15,876,500	8,665,000
Average annual saving	58,030	145,850		103,220	244,800	
Saving over life of the investment		5,834,100			12,237,500	

6.5. There is an opportunity to secure funding from Homes England towards the provision of temporary and emergency accommodation of £40,000 per unit. Homes England will consider funding both the new build units at Downview and a contribution towards the refurbishment costs at Rowlands Road. If successful then the new financial benefit of the two schemes will improve as follows:

	Rowlands Road	Downview Road	Total
	£	£	£
Annual saving with no grant funding	58,030	103,210	161,240
Annual saving with grant funding	85,810	113,400	199,210
Increase in saving generated	27,780	10,190	37,970

- 6.6. However, to bid both for this funding and for other types of capital support towards our temporary and emergency accommodation programme, the Council will need to become a Registered Social Landlord.

## **7. Legal Implications**

- 7.1. For WBC to be a Registered Social Provider it needs to provide or intend to provide social housing that meets the definition of social housing within sections 68 – 71 of the Housing and Regeneration Act 2008 (low cost rental and/or low cost home ownership accommodation). Where a local authority does provide housing as defined by these sections, registration is automatic on application by the Council.
- 7.2. In making the application to be registered as a Social Housing Provider, the Director for Communities is to consult with the Council's Monitoring Officer to ensure that any consequential amendments to the Council's constitution are updated.
- 7.3. Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 7.4. Under Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 7.5. 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
- 7.6. Section 1 of The Local Government (Contracts) Act 1997 confers power on the local authority to enter into a contract for the provision of making available assets or services for the purposes of, or in connection with, the discharge of the function by the local authority.

- 7.7. Any further funding approved by this Report should be contracted for in accordance with the Council's Contract Standing Orders found at Part 4 of the Constitution.

### **Background Papers**

- Platform for our Places: Going Further (2020:2022)  
<https://www.adur-worthing.gov.uk/media/Media.156442.smxx.pdf>
- JSC approval of Delivering Pathways to Affordable Homes report 30<sup>th</sup> March 2021  
<https://democracy.adur-worthing.gov.uk/documents/g1493/Printed%20minutes%2030th-Mar-2021%2018.30%20Joint%20Strategic%20Committee.pdf?T=1>
- JSC approval to delegate to the Director of Communities the authority to award the construction contract for Downview in consultation with the Executive Member for Customer Services  
<https://democracy.adur-worthing.gov.uk/Data/Joint%20Strategic%20Committee/201812041830/Agenda/media.151644.en.pdf>

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## **Sustainability & Risk Assessment**

### **1. Economic**

This proposal assists the council in meeting its stated strategic goal of increasing the supply of temporary housing to meet the needs of homeless households in the District.

### **2. Social**

#### **2.1 Social Value**

This proposal will provide decent and affordable accommodation for those presenting as homeless and identified as in priority need. This will have a positive impact on those individuals housed pending transfer to permanent accommodation.

#### **2.2 Equality Issues**

This proposal does not have a specific effect on any specific group with protected characteristics

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

There are no specific impacts on crime and disorder.

#### **2.4 Human Rights Issues**

This proposal assists with the right to respect for a home life by providing a disadvantaged group of people (i.e. homeless households) with a decent affordable home.

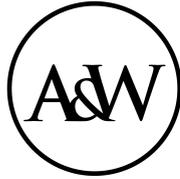
### **3. Environmental**

The buildings will be developed to achieve modern standards under the building regulations will also reduce fuel poverty for residents

### **4. Governance**

The proposals in this report are fully in line with the Councils' Housing Strategy and with its Platform for our Places strategic document.

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ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
7th September 2021  
Agenda Item 11

Key Decision: No

Ward(s) Affected: All Coastal Wards

## Protecting our Coastline - Worthing Coastal Protection Scheme

### Report by the Director for the Economy

#### Executive Summary

##### 1. Purpose

- 1.1 This report provides an update to members on the revised approach to the Worthing Coastal Protection Scheme following the Environment Agency (EA) peer review of the submitted Outline Business Case (OBC) and subsequent consultation with Senior WBC Officers.
- 1.2 The revised approach will amend the implementation of a large scale coast protection scheme for the Worthing frontage in favour of a two phased approach; a more immediate capital maintenance project (Phase 1) to repair and extend the life of existing groyne as well as shingle beach nourishment in the Town Centre area, followed by revisiting the Strategic Outline Case (SOC) for a larger scale groyne replacement scheme (Phase2) within ten years time.

##### 2. Recommendations

- 2.1 The Joint Strategic Committee is asked to:
  - Note the progress and revised approach for delivery of the Worthing Coastal Protection Scheme;

- Recommend to the Council to amend the 2021/22 Capital Investment Programme to include the revised Phase 1 capital project for structural works to the groynes and shingle nourishment work.
- Approve the delegation to the Head of Facilities & Technical Services in consultation with the Executive Member for Regeneration to enter a Memorandum of Understanding (MoU) with the Environment Agency, following Phase 1, to commence works on revisiting the Strategic Outline Case (SOC) for the Phase 2 larger scale groyne replacement scheme.

### **3. Background**

- 3.1 Worthing Borough Council (WBC) is the Coast Protection Authority (CPA) for the Worthing frontage between Ferring to the west and Lancing to the east. Leading on coastal erosion risk management activities and carrying out coast protection work (including constructing and maintaining defences), shared responsibility for developing Shoreline Management Plans (SMPs) with neighbouring coastal authorities, which provide a long term holistic framework for managing the risk of coastal change.
- 3.2 The Beachy Head to Selsey Bill SMP identifies that the frontage at Worthing consists of a wide sandy lower beach and a narrow shingle upper beach. The coast is protected by a groyne field, mostly constructed of timber, but with some more recently constructed in rock. There are also concrete splash walls and rock revetments along the frontage; however the shingle beach is the principal coastal defence.
- 3.3 The River Arun to Adur Flood and Erosion Management Strategy was completed and approved by the Environment Agency's Large Project Review Group (LPRG) in 2011. It categorises the frontage under the 'Hold the Line - Sustain' policy, meaning that the current defences need to be strengthened to keep the levels of flood and erosion risk the same as it is now. It states that the approximate number of properties at risk from flooding and erosion if defences are not maintained in 100 years' time would total 2030 within Worthing.
- 3.4 In 2016 WBC commissioned expert Consultants Mott MacDonald (MM) to assist them with the preparation of an initial Outline Business Case (OBC) for the beach frontage between the Ferring Rife in Arun District and Navarino Road in Worthing to reconstruct failed and 'at end of life'

groynes across the frontage. Subsequent reviews incorporated Navarino Road to Brooklands and removed the Arun District section.

- 3.5 An OBC provides the rationalisation behind the Technical, Strategic, Financial, Commercial, environmental and economic impacts of the proposals identifying outcome measures in accordance with the current Environment Agency Flood and Coastal Erosion Risk Management (FCERM) appraisal guidance and Grant in Aid (GiA) criteria. GiA is the amount of Partnership funding the Government through the Environment Agency (EA) contributes to the project; any shortfall in funding will have to be met by external contributions.
- 3.6 The OBC for the proposed Worthing Coastal Protection Scheme was submitted to the EA for peer review in October 2019. The feedback received in December 2019 from the review was substantial and a number of large issues would need to be resolved before the OBC could be submitted to the EA's Large Project Review Group (LPRG).
- 3.7 The review raised concern from the EA that the project in terms of economical viability did not present a sound business case which under increased scrutiny, due to its size, would not gain approval.
- 3.8 In subsequent meetings with the EA, Senior WBC Officers agreed to the formation of a joint EA/WBC Officer technical group to collaborate and share the expertise available. Technical Officers from the Council will work jointly with EA Officers, as part of the Project Team, to arrive at a suitable business case that would protect our coastal frontage and assets whilst maximising any grant funding.
- 3.9 As part of this new approach, in the Summer of 2020 WBC Technical Services Engineering officers, as part of the project team with the EA, undertook condition surveys of every groyne across the Worthing frontage including beach volume assessments. This data has been used in arriving at the options presented.
- 3.10 During the same period, the EA undertook a high level economic appraisal for a Coastal Protection Scheme for the Worthing frontage which resulted in the EA promoting a change of approach to a two phased scheme.

Phase 1 - Focusing on improving the protection of the Town Centre frontage, in the short to medium term, to protect homes, the commercial town center and the A259 for the next ten years.

The project of around £2 million would entail smaller scale capital maintenance works to the existing wooden groynes and shingle recycling/replenishment.

The high level review undertaken by the EA of the economics indicated that sufficient Flood and Coastal Erosion Risk Management (FCERM) Grant in Aid (GiA) funding would be available to meet scheme costs.

Phase 2 - Longer term, ten years, where the larger £40-£50 million originally proposed Worthing Coastal Protection Scheme is taken back to Strategic Outline Case (SOC) stage to address the longer term erosion risk, in a time scale when the increased risk would mean that the required benefits would make the scheme more economically viable.

The approach will be an 'Engagement and Consultation' led scheme recognising the wider importance of the frontage to WBC and the community. Revisiting the 'Options appraisals' for consultation with the general public, business owners, councillors and other interested stakeholders, ensuring that a robust and publicly accepted scheme could be taken forward to the Outline Business Case (OBC) stage. As well as a focus on identifying and generating other funding sources for the project.

- 3.11 Further discussions with the EA on a number of occasions regarding the phased approach and funding culminated in Senior WBC Officers agreeing to the revised approach in December 2020, based on the EA's confirmation that the Phase 1 works are economically viable and would attract up to circa £1.9m of FCERM GiA funding.
- 3.12 The EA requested that WBC provide a 10% contribution to the project to provide financial reassurance to the EA Projects Approval Board. The majority of FCERM GiA funded projects do not gain 100% funding and require external funding from Authorities and landowners and therefore Senior WBC Officers agreed to the 10% contribution with the proviso of a cap at £200k, in case the project exceeds the high level economic appraisals prediction.
- 3.13 Both phases will be led by the EA in Partnership with WBC, and delivered through the EA's Collaborative Delivery Framework (CDF). Officers from

the EA and WBC will form part of the integrated Project Team covered by a Memorandum of Understanding (MoU) for each phase.

#### 4. Current Situation

- 4.1 The EA have commenced early engagement with their consultants and are planning to procure the first stage of the works to undertake Strategic Outline Business Case (SOC) demonstrating the economic viability of the maintenance works in mid August 2021. This will confirm the extent of the works and if the EA's high level economic appraisal is a viable option.
- 4.2 The consultants will then produce a Outline Business Case (OBC) demonstrating the economic viability of the project from the initial assessment, to submit to the National Project Assurance Service (NPAS) and Large Projects Review Group (LPRG) for sequential reviews prior to formation of a Full Business Case (FBC) for FCERM GiA funding application.
- 4.3 The earliest aim is to have construction complete on site by March 2024 to minimise risk to properties, but relies on all the FCERM GiA processes to advance in reasonable time.

#### 4.4 Indicative Programme

Milestones	Date	Comments
Strategic Outline (Business) Case submitted	May 2022	<ul style="list-style-type: none"> <li>○ Seeking approval to proceed and confirmation of viability.</li> </ul>
Outline Business Case submitted	Dec 2022	<ul style="list-style-type: none"> <li>○ Seeking approval to proceed and confirmation of viability.</li> <li>○ Outline design completed.</li> </ul>
Full Business Case submitted	Jul 2023	<ul style="list-style-type: none"> <li>○ Seeking approval to proceed and confirmation of viability.</li> <li>○ Detailed design completed.</li> <li>○ Contractor price agreed.</li> </ul>
Construction start	Sep 2023	<ul style="list-style-type: none"> <li>○ Works commence following summer period.</li> </ul>
Construction finish	Mar 2024	<ul style="list-style-type: none"> <li>○ Construction duration estimated at six months, subject to works</li> </ul>

		scope and contractors programme.
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## 5. Engagement and Communication

- 5.1 All stakeholders involved in the foreshore adjacent to the proposed Phase 1 groyne maintenance and shingle nourishment works shall be consulted, prior to the work progression, to ensure the least amount of disruption possible.
- 5.2 Consultation for the larger Phase 2 Worthing Coastal Protection Scheme will be included as part of the Strategic Outline Case (SOC) on the 'Options appraisal' with all interested stakeholders, ensuring a robust and publicly accepted scheme is taken forward. This will include a wide range of options and assessment of suitable and sustainable materials with public and community consultation on the proposed scheme.
- 5.3 Both phases of work will be undertaken in full consultation with the developing Sussex Bay initiative and kelp restoration project to ensure alignment. A coastal local authorities forum is being established to include West Sussex County Council, Arun, Chichester, Adur and Worthing Councils and Brighton & Hove. This will enable discussion and coordination between the several connected workstreams of coastal defence work, kelp restoration, beach management, and the development of the wider opportunities of Sussex Bay.

## 6. Procurement

- 6.1 The procurement of the works will be undertaken to comply with Worthing Borough Councils Contract Standing Orders.
- 6.2 The consultants and construction works will be procured through the EA's Collaborative Delivery Framework (CDF) used for delivering FCERM projects.

## 7. Financial Implications

- 7.1 The Joint Strategic Committee at its meeting on the 7th November 2019 approved recommendation to Council for including funding of £500k for the modelling and initial design stage of the preferred option for the

Worthing Coastal Protection Scheme, which has not progressed. The Council's contribution towards the cost of the scheme was £300k.

- 7.2 The revised phased approach for the Worthing Coastal Protection Scheme following the EA's peer review terminates the requirement for undertaking the modeling works at this time.
- 7.3 The proposed Phase 1 capital groyne maintenance works will be jointly funded between the EA and WBC with the majority funding through the EA's FCERM GiA funding and a 10% contribution (capped at £200k) from the Council. The EA current high level economic appraisal for the works being circa £1.9m. The total cost of Phase 1 is now:

Phase 1 Total Estimated Cost:	£1,900,000
Funding:	
Environment Agency:	£1,700,000
WBC Ring-Fenced Capital Receipts:	£88,800
WBC Approved Prudential Borrowing:	£111,200
Total Funding:	£1,900,000

- 7.4 The EA will be leading on the project and the WBC capped contribution of £200,000 needs to be added to the 2023/24 Capital Investment Programme.
- 7.5 Following completion of the Phase 1 capital groyne works all assets will remain the ownership of the Council who is responsible for their ongoing maintenance and repair from existing maintenance budgets.

## Legal Implications

- 8.1 WBC is a Coast Protection Authority (CPA) under Section 1 of the Coast Protection Act 1949. By Section 2A of that Act a Coast Protection Authority is also a Coastal Erosion Risk Management Authority.
- 8.2 By Section 4 of the Coast Protection Act 1949, the Council as a CPA shall have the power to carry out such coast protection work whether within or outside of its area, as may appear to the CPA necessary or expedient for the protection of any land in its area providing that; (a) the work is desirable having regard to the national flood and coastal erosion risk management strategies; and (b) the purpose of the work is to manage

coastal erosion risk within the meaning of Part 1 of the Flood and Water Management Act 2010.

- 8.3 Section 111 of the Local Government Act 1972, provide the power to the Council to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 8.4 S1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation.
- 8.5 Section 1 of The Local Government (Contracts) Act 1997 provides that every statutory provision conferring or imposing a function on a local authority confers the powers on the local authority to enter into a contract with another person for the provision or making available of assets or services, or both (whether or not together with goods) for the purposes of, or in connection with, the discharge of the function by the local authority.
- 8.6 Where the Council obtains grant funding for any of its coast protection works, the Council must ensure that the funding is spent in accordance with the grant funding terms and conditions.

## **Background Papers**

- JSC 07/11/2019 Worthing Coastal Protection Scheme
- Regional Beach Management Plan 2017 : Littlehampton to Brighton Marina.
- River Arun to Adur Flood and Coastal Erosion Risk Management Strategy (2010)
- The Beachy Head to Selsey Bill Shoreline Management Plan (SMP) 2006.
- Rivers Arun to Adur Coast Defence Strategy 2000

## **Glossary:**

WBC - Worthing Borough Council  
CPA - Coast Protection Authority  
EA - Environment Agency

NPAS - National Project Assurance Service (EA)  
LPRG - Large Project Review Group (EA)  
SOC - Strategic Outline Case  
OBC - Outline Business Case  
FBC - Full Business Case  
FCERM - Flood and Coastal Erosion Risk Management  
GiA - Grant in Aid  
CDF - Collaborative Delivery Framework

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## **Sustainability & Risk Assessment**

Sustainability is considered as part of the development of the higher level foreshore strategies and Shoreline Management Plans. The FCERM process includes sustainability of specific projects within the Options Appraisals undertaken for the Business Cases. The proper management of the coastline is essential and the programme of works for the 100 year period of the study will maintain the standard of defence keeping pace with current climate change predictions.

### **1. Economic**

The effective maintenance and design of coastal defences along the frontage prevents the negative impact of coastal erosion and flooding on the economic development of our places and the economic participation of our communities.

### **2. Social**

#### **2.1 Social Value**

Maintenance and replacement works to coastal defences will impact on all beach users during the construction period and community and business engagement will be included as part of the design and implementation works.

#### **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**

Failure to protect property from coastal flooding could be construed as interfering with the right to quiet enjoyment of property and possessions.

### **3. Environmental**

The Project Steering Group work in partnership to guide the development of technically, economically and environmentally sustainable coastal flood and erosion risk defences along the coastline from Sea Lane Ferring to the Brooklands.

### **4. Governance**

The proposal supports a number of Council priorities across the Platforms by ensuring effective management of the existing coastal defences in a serviceable condition, preventing erosion and flooding.

The Council in their capacity as Risk Management Authority under the Coast Protection Act 1949 and 1991 Land Drainage acts will form part of the Project Steering Group working in Partnership with the Environment Agency who will lead the project.