



ADUR & WORTHING  
C O U N C I L S

30 May 2022

<b>Joint Strategic Committee</b>	
<b>Date:</b>	<b>7 June 2022</b>
<b>Time:</b>	<b>6.30 pm</b>
<b>Venue:</b>	<b>Worthing Town Hall</b>

**Committee Membership:**

**Adur District Council:** Councillors; Neil Parkin (Adur Leader), Angus Dunn (Adur Deputy Leader), Carson Albury, Kevin Boram, Emma Evans and Steve Neocleous.

**Worthing Borough Council:** Councillors; Dr Beccy Cooper (Worthing Leader), Cathy Glynn-Davies, Martin McCabe, Helen Silman, Emma Taylor, John Turley, Carl Walker (Worthing Deputy Leader), Vicki Wells and Rosey Whorlow

**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 16 March 2022, 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 Wednesday 1<sup>st</sup> June 2022 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. Chief Executive's use of urgency powers to settle the waste dispute (Pages 5 - 12)**

To consider a report from the Chief Executive, a copy is attached as Item 5.

## **6. Improving our Democracy and Governance Practices (Pages 13 - 22)**

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

## **7. Delivery of Housing for Emergency & Temporary Accommodation - South Street, Lancing (Pages 23 - 34)**

To consider a report from the Director for the Economy, a copy is attached as item 7.

## **8. Delivery of Housing for Emergency & Temporary Accommodation - Victoria Rd, Worthing (Pages 35 - 46)**

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

## **Part B - Not for Publication – Exempt Information Reports**

None.

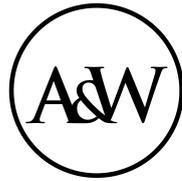
### **Recording of this meeting**

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

For Democratic Services enquiries relating to this meeting please contact:	For Legal Services enquiries relating to this meeting please contact:
Neil Terry Democratic Services Lead 01903 221073 neil.terry@adur-worthing.gov.uk	Andrew Mathias Senior Solicitor 01903 221032 andrew.mathias@adur-worthing.gov.uk

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

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ADUR & WORTHING  
C O U N C I L S

Joint Strategic Committee  
7 June 2022

Key Decision [Yes]

Ward(s) Affected: All

## Chief Executive's use of urgency powers to settle the waste dispute

### Report by the Chief Executive

#### Officer Contact Details

Sarah Gobey, Chief Financial Officer

Tel: 01273 221221

E-mail: sarah.gobey@adur-worthing.gov.uk

### Executive Summary

#### 1. Purpose

- 1.1. A significant proportion of staff in the Waste and Cleansing team started industrial action on the 14th March 2022. Following negotiation with both the GMB and Unison, both sides reached agreement on the 8th April 2022 allowing the strike to come to an end.
- 1.2. The resulting settlement has significant unbudgeted cost implications for the Councils. Under the Council's financial regulations, officers are not allowed to enter into agreements with unbudgeted financial consequences, consequently the Chief Executive approved the use of the Council's reserves to fund the costs associated with the strike and associated new pay arrangements using urgency powers as set out in the constitution.

#### 2. Recommendations

- 2.1 The Joint Strategic Committee is recommended to note the content of the report and endorse the urgent decision made by the Chief Executive to settle the industrial action.

### **3. Context**

- 3.1. Towards the end of 2021 the national shortage of HGV drivers led to concerns about recruitment and retention of these roles in the waste service. It became clear that our salaries were falling behind the local market and to support the recruitment of HGV drivers a market supplement payment of £2,000 per qualified driver was introduced in October 2022.
- 3.2. It also became clear that other frontline roles in the service needed to be reviewed as a result of which a formal review process was initiated with the Unison as the recognised trade union. The scope of the review included pay as well as initiating meaningful engagement with the workforce. Provision for both the market supplements and the likely outcome of the regradings as part of the review were built into the 2022/23 budget.
- 3.3. Despite these measures the GMB balloted for industrial action amongst its members in February 2022, with industrial action starting on 14th March 2022.

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

- 4.1. As a result of the industrial action, the Council decided to mitigate the impact to the local community and reduce fire risks by arranging for private sector providers to undertake some collections from bin stores; arranging for the extended opening of local tips run by West Sussex County Council providing greater opportunity for residents to dispose of their own waste; and arranging a very limited commercial waste service.
- 4.2. Following extensive negotiation with the GMB and Unison, there is now a joint recognition agreement in place for the Waste & Cleansing service only, with UNISON retaining a sole agreement for the organisation as a whole. A new salary package has been agreed for the majority of waste and cleansing staff. However there are still some posts to be reviewed.
- 4.3. A programme of engagement with Unison has been started to identify other areas of the council where a review of job descriptions and associated terms and conditions is warranted. This may have further unbudgeted cost implications which the Councils will need to address.

## **5. Engagement and Communication**

- 5.1. In the run up to the strike and during the industrial actions, staff meetings were held to enable staff to be briefed on the progress in addressing the concerns raised.
- 5.2. The negotiations involved members of both Unions, Unison and GMB.
- 5.3. Executive Members were briefed throughout the dispute on progress in addressing the concerns raised.

## **6. Financial Implications**

- 6.1. The estimated impact from the waste dispute can be broken down into four categories:
  - i) Net cost of the strike action;
  - ii) One-off costs associated with the post strike clean-up;
  - iii) The impact of the settlement of the industrial dispute which comprises three elements: settlement payments for the three workers affected by a previous restructure; back pay for 3 months into 2021/22; and the ongoing impact of the new salary increases.
  - iv) Income losses from the cancellation of commercial accounts
- 6.2. Taking these one-by one:
  1. Overall the net impact of the strike is estimated to cost in excess of £170,000:

Cost of alternative provision of services	Total	2021/22	2022/23
	£	£	£
Skimming of bins stores	68,950	28,300	40,650
Extended opening of the tip	15,730	10,110	5,620
Commercial waste skimming	17,040	10,310	6,730
Alternative provision of waste service	101,720	48,720	53,000
Legal advice during dispute	6,380	6,380	
Net income lost as a result of the strike			
Refund / compensation for commercial waste customers	140,000	95,200	44,800
Refund for green waste customers	204,090	75,420	128,670
Total income lost	344,090	170,620	173,470
Total financial losses	452,190	225,720	226,470
Less: Estimate of salary savings	211,210	143,620	67,590
Tipping charges	70,000	47,600	22,400
Net cost / (saving) of strike	170,980	34,500	136,480
Adur	61,550	12,420	49,130
Worthing	109,430	22,080	87,350

- As part of the settlement of the dispute, the Council agreed to pay a one-off payment of clean up costs of £900.00 per person to the waste and cleansing crews for additional work required to deal with the collection backlog. With the addition of on-costs (national insurance and pension payments), this will total £142,560.
- The overall cost pressure associated with the new salary package when compared to the salaries paid earlier in the year is £609,000.

However the Councils allowed for an additional skills supplement of £2,000 per HGV driver as part of the development of the 2022/23 revenue budget and had a salary contingency budget of £250,000.

4. The council has lost nearly £140,000 of commercial waste accounts. The net ongoing impact of this is a loss to the Council is likely to be in the region of £65,000 though this number will need to be monitored over time.

6.3. Taking this all into account, the Council will have to fund the following costs over the two years with an on-going strain to our revenue budgets.

	2021/22	2022/23	2023/24 and beyond
	£	£	£
Cost of dispute	34,500	136,480	0
Cost of clean up operation	0	142,560	0
Settlement of strike			
One off compensation payment for previous restructure	30,000		
Back pay for new salary package	113,620		
Ongoing impact of new salary package		608,750	620,930
Net value of lost commercial accounts		65,320	66,630
<b>Total cost</b>	<b>178,120</b>	<b>953,110</b>	<b>687,560</b>
Less:			
Provision for market pay already included in the budget		-122,500	-124,950
Contingency budget for salary increases		-250,000	-250,000
<b>Net cost of dispute</b>	<b>178,120</b>	<b>580,610</b>	<b>312,610</b>
Split as follows:			
Adur	64,120	209,020	112,540
Worthing	114,000	371,590	200,070

- 6.4. To support the revenue budget in 2022/23, the Chief Executive approved the release of the capacity issues reserves to fund the known cost pressures (Adur £209,020, Worthing £371,590).
- 6.5. However, the Councils will have to address the ongoing pressures in 2023/24 as part of the development of the budget.

Finance Officer: Sarah Gobey

Date: 13th May 2022

## **7. Legal Implications**

- 7.1. Paragraph 2.1.2 of the Scheme of Delegations authorises the Chief Executive Officer to take urgent action on behalf of the Council in consultation with the relevant Leaders of Adur and Worthing Councils. The delegation requires a report on the use of this urgency power to be taken to the next JSC meeting and in so far as may be applicable any urgent decisions/actions taken shall only take effect on a temporary basis until a JSC decision has been made.
- 7.2. Urgent is defined as a matter of pressing importance requiring swift action given the gravity of the situation, to prevent damage (or further damage) to life, limb, infrastructure or the financial integrity of the Councils. The Council's s151 Officer was satisfied that the financial integrity of the Councils was being damaged by the continuing industrial action.
- 7.3. In addition to this JSC Report, paragraph 15 of the Access to Information Rules found in the Constitution requires the Leader to report to the next Full Council on any urgent decision taken and authorised by the Executive.
- 7.4. 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
- 7.5. 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.

Legal Officer: Joanne Lee

Date: 26/05/2022

## **Background Papers**

None.

## **Sustainability & Risk Assessment**

### **1. Economic**

The settlement of the industrial action means that the Council can resume its waste management services without the requirement to procure further services from third party providers.

### **2. Social**

#### **2.1 Social Value**

The settlement benefits the social economic and environmental welfare of our residents by clearing a backlog of waste capable of causing environmental and health and safety issues.

#### **2.2 Equality Issues**

Equality issues were considered when settling the industrial action.

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

Matter considered and no issues identified.

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

Equalities issues were considered and taken into account in reaching settlement of the industrial action.

### **3. Environmental**

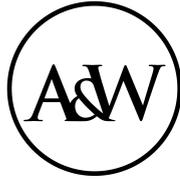
As part of the settlement of the industrial action measures were agreed to clear up the backlog of refuse and recycling.

### **4. Governance**

The ongoing dispute was causing reputational damage to the Councils and creating difficulties for the community. Despite best efforts, sourcing alternatives for waste collection was not practical or possible given the scale of our operations.

Implications relating to resourcing the waste collection service; managing the reputational risk of the Council and Social Value were considered in settling the industrial action.

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ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
7 June 2022

Key Decision: No

Ward(s) Affected: None

## Improving our Democracy and Governance Practices

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

#### Officer Contact Details

Paul Brewer, Director for Digital, Sustainability & Resources  
paul.brewer@adur-worthing.gov.uk

#### Executive Summary

##### 1. Purpose

- 1.1. Over the last two years, both Adur and Worthing Councils have developed plans and established new resources to enable the increased participation of residents and communities in policy development and decision making.
- 1.2. New posts have been established including a Participation Lead and a Data Lead to improve our ability to understand and engage with our communities.
- 1.3. In support of the aim of continuing to improve participation and transparency in decision-making, an internal review by the councils' Monitoring Officer has identified opportunities for modernising both Council's constitutions, and this is about to enter the member consultation stage over summer 2022, via a Working Group to be set up by the Joint Governance Committee at its meeting on 31 May 2022. This work will be carried out independently but with parallel timetables where possible for each Council.
- 1.4. Further, the change of Administration and party at Worthing Borough Council creates a need to consider how decisions are best made in both the joint and individual authority arenas.
- 1.5. The report proposes the creation of sub-committees of the Joint Strategic Committee - Worthing Executive and Adur Executive - to

which would be delegated in full any decisions solely affecting the relevant Council. The intention is that it will improve the ability for our communities to understand how and where key “place based” decisions are taken, and how they are able to more fully participate.

- 1.6. The new arrangements would be piloted over a period of 6-12 months during which they will be reviewed to assess the impact on communities, decision-making and resources.
- 1.7. Options are also being developed for holding meetings away from the usual council buildings, enabling the Executives (subject to budget availability) to take decision making even closer to the communities they serve, if they choose.
- 1.8. Both Councils continue to highly value the joint arrangements in place, and all decisions in the joint arena will continue to be made at the Joint Strategic Committee as part of these proposals.
- 1.9. Similar proposals are being developed for the greater utilisation of the separate Worthing and Adur Overview and Scrutiny Committees and/or the establishment of sub-committees of JOSC for individual-authority matters, while JOSC would remain the forum for all joint matters. This will be considered as part of the constitution Working Group, and may require amendments to be made to the Joint Services Agreement, which will be brought to the Joint Strategic Committee as well as the Joint Governance Committee for consideration in due course, before being ratified by both Full Councils.
- 1.10. Subject to approval by the Joint Strategic Committee, the first sub-committee meetings would start in July and take place monthly, subject to requirements. To ensure efficient use of officer and member time and costs, meetings will only take place if there are sufficient agenda items, or subject to urgency.
- 1.11. It is anticipated that the Joint Strategic Committee may be able to meet less frequently under the new arrangements, although this is subject to trial and review during the pilot period.
- 1.12. Given the disparity in the sizes of each Council’s Executives, agreement would need to be reached on the principle that the same number of Executive Members from each council would be present at each JSC meeting to ensure equality of voting.
- 1.13. For information, it is expected that the reviews to the constitutions will be presented to the Joint Governance Committee on 27 September 2022 for consideration and onward recommendation to Full Councils for approval in October 2022.

## **2. Recommendations**

- 2.1. To approve the establishment of a Worthing Executive Sub-Committee and an Adur Executive Sub-Committee, with the terms of reference as set out in paragraph 3.11, below.
- 2.2. To note the process for reviewing the constitutions and the proposed changes to scrutiny arrangements.

## **3. Context**

3.1. Under the Adur/Worthing Joint Committees Agreement (JCA), all services of each Council are regarded as Joint Services, other than those listed below.

- the Local Plans
- the annual budget process
- rent, fees and charges, connected to the provision and maintenance of Adur Council housing stock, garages and leasehold property

This means that all reports on Executive matters, other than those listed above (even if they only affect one authority), are required to be submitted to the Joint Strategic Committee (JSC).

3.2. The only other exceptions are:

- decisions relevant only to a single authority where the majority of those present at JSC does not include the majority of the relevant Council, in which case it is referred to the relevant Executive (clause 6); and
- decisions assigned to sub-committees established by the JSC consisting of the Members of one Council to consider matters solely relating to that Council (clause 4.1(l)).

3.3. There are also the options of making greater use of:

- Officer decisions taken under delegated authority
- Individual Executive Member decisions (subject to the relevant individual Executive members from each council reaching agreement on a joint decision - clause 4.2)

3.4. Under the JCA (clause 4.1(f)), the JSC is required to meet on at least four occasions in any municipal year. According to clause 4.1(g), the venues for JSC meetings are as follows:

*The JSC shall meet during May to October of each municipal year at Worthing Town Hall and in November to April of each municipal year at the Shoreham Centre, or such other location [...] as the Chairman of the Committee shall agree.*

- 3.5. So, for example, it is open for the Worthing Leader (during their six-months in the Chair) to decide that JSC meetings should take place at Worthing venues other than the Town Hall. The same applies to Adur during its six-months in the Chair.
- 3.6. There has historically been a split in the JSC agenda, whereby joint matters are considered first by all Members, followed by single-authority matters where only the Members of the authority concerned remain in the room (plus one Member from the other authority, as required by the JCA).
- 3.7. This has had the benefit of allowing all business to be conducted on one occasion, saving both time and money in terms of officer resources and Member presence. However, there is now a desire on the part of the new Worthing and Adur Administrations to devolve those JSC decisions affecting just one council to a decision-making forum comprising only those Executive members of the authority concerned, and to be capable of holding such meetings in their own area throughout the year.

### **Issues for consideration**

- 3.8. As currently drafted, the JCA does not permit individual authority Executives to consider any matters other than those specified in 3.1, above.
- 3.9. In order to achieve the desired outcome, therefore, there are two options:
  - Amend the JCA to broaden the list of reserved matters (or exceptions) to what are considered 'joint services' to include any matter relevant only to a single authority, so that it can then be dealt with by that authority's Executive; and/or
  - Establish two sub-committees of JSC, each consisting of the Members of one Council, to consider matters solely relating to that authority.

3.10. As amendments to the JCA would first require consideration by the Joint Governance Committee prior to approval by both Full Councils, it is considered that the most expedient and pragmatic solution would be for JSC to establish two sub-committees, with the terms of reference set out below:

- 1) The Joint Strategic Committee shall establish two sub-committees under clause 4.1(l) of the Joint Committees Agreement, entitled the Adur Executive Sub-Committee and the Worthing Executive Sub-Committee.
- 2) The Adur Executive Sub-Committee shall consist of the Executive Members of Adur District Council, to consider Executive functions solely relating to that Council.
- 3) The Worthing Executive Sub-Committee shall consist of the Executive Members of Worthing Borough Council, to consider Executive functions solely relating to that Council.
- 4) The Chair of each sub-committees shall be the Executive Leader of the relevant Council. In the Chair's absence, the sub-committee may appoint a Chair from among its members.
- 5) The sub-committees shall meet at such times, dates and venues as are determined by the Chair of the sub-committee.
- 6) For a sub-committee meeting to be quorate there must be at least three members present.
- 7) In the event of a Member being unable to attend a meeting of a sub-committee, there is no ability to appoint a substitute Member.
- 8) Each sub-committee Member shall have one vote in its proceedings. The Chair may exercise a second or casting vote.
- 9) Each sub-committee may arrange for the discharge of its functions by an Officer and in doing so will set out clearly any limits upon such delegation.
- 10) Each sub-committee may establish working groups to assist it in its work and in doing so will set clear terms of reference for them. Such working groups will not be decision-making bodies.
- 11) All reports to each of the sub-committees shall contain risk impact assessments for the other council.

3.11. The formation of the sub-committees may result in fewer JSC meetings being required, so that they could be held less frequently than presently (11 times per year).

- 3.12. Given the disparity in the sizes of each Council's Executives, agreement has been reached between the Leaders of each Council on the principle that the same number of Executive Members from each council will be present at each JSC meeting to ensure equality of voting.
- 3.12.1. The default position will be attendance by three Executive members from each Council, namely the Leader, Deputy Leader and Resources portfolio holder. For Adur, the Deputy Leader is also the Resources portfolio holder, and so an additional Adur Executive Member will attend;
- 3.12.2. Equal numbers of additional Executive members from each Council will also be permitted to attend, depending on the agenda items for any particular meeting, up to a maximum of six per Council.
- 3.13. Consequential changes to the annual programme of meetings agreed by the Councils in February would therefore be required.
- 3.14. Given the potential for the number of joint and individual-authority committee and sub-committee meetings to significantly increase as a result of these proposals, this will inevitably place a strain on already limited staff and financial resources. It is therefore proposed that the new arrangements be trialled for a period of 6-12 months, in order to establish their effectiveness and efficiency.

#### **4. Engagement and Communication**

- 4.1. These changes reflect the immediate implications of the change in administration in Worthing and as such have not been subject to engagement with the public or with members. Engagement will be carried out as part of the work of the constitutional review groups over the summer before further changes are made.

#### **5. Financial Implications**

- 5.1 The Councils approved an additional democratic services officer as part of the development of the 2022/23 budgets. So whilst there will inevitably be an overall increase in the number of meetings to be serviced, it is hoped that this can be accommodated within the expanded resources available. However, this will need to be reviewed

over the first 6-12 months as the new arrangements develop and the impact on council resources is evaluated. An additional democratic services officer will cost the Councils £47,020 if required, which would have to be accommodated within the 2023/24 budget, apportioned appropriately between the two councils according to the number of meetings required.

- 5.2 The increase in meetings will inevitably add to the workloads of officers as each meeting will need to be attended by relevant staff to support the decision making process. Whilst there is not a direct cost associated with this, the increase in workloads may have an impact on productivity and availability of staff.
  
- 5.2 The desire to have roving meetings will also require an additional budget to be made available. Any meeting outside the Councils' buildings will inevitably involve venue hire, hire of a sound system, and potentially additional costs for recording the meetings. Consequently a budget of £2,000 per meeting should be allowed. There currently is no budget for roving meetings and so if one is required capacity will have to be built into the revenue budget of the council wishing to hold such meetings as part of the budget round.

Finance Officer: Sarah Gobey

Date: 12th May 2022

## **6. Legal Implications**

- 6.1 Under section 111 of the Local Government Act 1972, the Councils have the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
  
- 6.2 Section 1 of the Localism Act 2011 empowers the Councils to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation.
  
- 6.3 Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a Best Value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

6.4 Section 1 of the Local Government (Contracts) Act 1997 confers power on the Council to enter into a contract for the provision of making available assets or services for the purposes of, or in connection with, the discharge of the function by the Council.

6.5 As identified at paragraph 3.3 above, use of JSC sub-committees is permissible under the existing JCA. This report does, however, identify proposed changes to the Constitution which will require further development and ongoing consultation with the Councils' Monitoring Officer so as to ensure the changes are constitutionally and legislatively compliant.

Legal Officer: Joanne Lee

Date: 12/05/2022

### **Background Papers**

- Joint Committees Agreement

## **Sustainability & Risk Assessment**

### **1. Economic**

Issue considered and no matters identified

### **2. Social**

#### **2.1 Social Value**

Issue considered and no matters identified

#### **2.2 Equality Issues**

- 2.2.1 The Councils are subject to the general Equality Duty set out in section 149 of the Equality Act 2010. The proposed changes could advance the councils' legal duties by supporting further engagement with communities; helping to ensure services are designed and delivered in ways that better meet specific needs and address areas of historic disadvantage and inequality.
- 2.2.3 As part of these arrangements, should council meetings be located out of the Town Hall and in community settings, an Equality Impact Assessment will be completed to help ensure equality of access by the community, Members and officers. For example, the assessment process will help ensure any new venue has appropriate access for those with impairments and that meetings are held in safe locations, with appropriate transport links and disabled parking.

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

Issue considered and no matters identified

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

The proposed plans should help the Councils in their work to advance and protect Human Rights. For example, it is hoped that through ongoing improvements to our governance processes the Councils will be able to accelerate and improve their work in enabling our residents, communities and places to thrive.

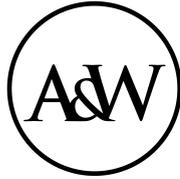
Issue considered and no matters identified

**3. Environmental**

Issue considered and no matters identified

**4. Governance**

The creation of individual council executive sub-committees provides the opportunity for decision-making affecting each resident population to be clearer and more focused, potentially increasing engagement in the democratic process.



ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
7 June 2022

Key Decision Yes

Ward(s) Affected: Widewater

## **Delivery of housing for Emergency & Temporary Accommodation - South Street, Lancing**

### **Report by the Director for the Economy**

#### **Officer Contact Details**

Anthony Probert

Development Manager

anthony.probert@adur-worthing.gov.uk

### **Executive Summary**

#### **1. Purpose**

- 1.1. This report follows the publication of the Adur and Worthing Housing Strategy for 2020-2023, 'Delivering Pathways to Affordable Homes' document and subsequent Delivery Plans.
- 1.2. This report outlines the increasing demand for emergency and temporary accommodation (EA/TA) in Adur, the Council's commitment to owning its own stock of EA/TA and benefits to the Council of doing so, and the suitability of the South Street site to deliver this type of accommodation, owned and managed by the Council.
- 1.3. The report seeks agreement of Members to redevelop this site for the purpose of providing Council owned EA/TA and approval of a budget to progress both a planning application and development on site.

#### **2. Recommendations**

- 2.1. To approve the approach to development of the South Street Car Park site set out within this paper to enable the council to fulfil its

statutory housing duties under S188 and S193 of the Housing Act 1996.

- 2.2. To release £2.336m from the Temporary and Emergency Accommodation budget to enable the project to progress through planning and to completion of the construction stage.
- 2.3. To delegate authority to the Head of Major Projects & Investment to invite tenders for the construction work, and to enter into all necessary contracts to enable the project to progress through the construction phase to completion, in consultation with Executive Members.
- 2.4. To note that a further report will be presented to the Executive Member post procurement, to confirm the final costs associated with the scheme and the viability of the proposal.

### **3. Context**

- 3.1. South Street Car Park is located off South Street in Lancing. Access is via South Street and egress is via the north on Penhill Road. The car park is owned and managed by Adur District Council for the benefit of the public. Capacity of the car park extends to 32 cars.
- 3.2. The car park is considered underutilised and by a margin is the least income-producing pay and display car park in Adur. South Street Car Park is one of five car parks in central/south Lancing; in addition, parking on the streets adjacent to South Street Car Park is generally unrestricted.
- 3.3. The site is identified in Adur District Council's Strategic Housing Land Availability Assessment (SHLAA, 2021 update) as a potential development site but was rejected due to its current use as a car park. Since then, with the Council's commitment to housing delivery demonstrated in the Housing Strategy 2020-2023 and 'Delivering Pathways to Affordable Homes', the site's suitability for development has been re-evaluated.
- 3.4. Chapter 3 of the Housing Strategy outlines the local need for affordable housing, in the context of increasing prices and rents. Based on demographic projections, there is a need for 653 additional affordable dwellings (of all tenures) per annum across the region.

- 3.5. Priority 3 of the Housing Strategy demonstrates the Council's commitment to delivery of affordable housing, including a commitment to delivery of 250 homes directly by Adur & Worthing Councils. This commitment is reiterated in 'Delivering Pathways to Affordable Homes' which was adopted in March 2021.
- 3.6. Adur & Worthing's Temporary Accommodation Strategy was adopted in 2017 and focuses on placement and procurement of accommodation - there is recognition in the Housing Strategy that the Temporary Accommodation Strategy should be reviewed and updated with extra emphasis on developing our own accommodation for these purposes.
- 3.7. Demand for emergency accommodation is increasing and the council is required under a statutory duty to provide this. Since 2017, placement in emergency accommodation (EA) and temporary accommodation (TA) has been increasing at a net average of 3 per month. This data does not include COVID-19 placements, which has increased the net placement even higher.
- 3.8. In March 2022, Delivery Plans for Pathways to Affordable Homes were put together to describe how Adur and Worthing intend to meet the housing need and act on commitments set out in Delivering Pathways to Affordable Homes. The proposals recommended programmes of delivery across accommodation of different tenures, including Temporary Housing.
- 3.9. Within the Delivery Plans, there was a recognition that 95 units of EA/TA are needed (whether owned or leased) in Adur between 2021 and 2023 to meet demand. However, the cost of providing EA and TA accommodation continues to rise. Net average annual cost per placement is £7,950. Considerable savings are possible with the Council owning its own stock of EA/TA; as a result, the Delivery Plans outline an aim of 38 units (40% of total demand) to be directly built, owned and managed by the Council.
- 3.10. In December 2017, Adur & Worthing Councils commissioned a 'Hidden Homes Study', aiming to identify potential sites for delivery of affordable housing. 9 sites identified within this study were bought forward to form the Council's 'Small Sites' programme. Subsequently, in September 2020, another 9 sites were assessed for suitability as Council Development sites, and it was in this study that South Street

Car Park was identified as having capacity for c.8 units of Council-owned accommodation.

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

- 4.1. To help meet the need for directly owned and managed EA/TA in Adur, and after assessment of a variety of sites across Adur District, it is recommended that Adur Council take forward development proposals at South Street Car Park to deliver 8-10 units of EA/TA.
- 4.2. Since the site was identified as having capacity for development in September 2020, further site due diligence has been undertaken, including design progression to RIBA Stage 1, review of buildability, title, services and utilities, planning likelihood and risks to development.
- 4.3. In bringing this scheme forward, the site will be decommissioned as a car park. The team has looked at the impact of closing the car park in financial terms, and whether it would cause congestion elsewhere.
- 4.4. In 2021/22, total income from car parking at South Street car park was £4,608. This is not much different to pre-pandemic levels; for example, in 2017/18 income was £4,407 and in 2018/19 income was £4,651. Total income for car parks in Adur in 2021/22 was £434.6k, meaning South Street represents around 1% of total income from car parking in the district.
- 4.5. In addition, a parking survey has been carried out to understand the impact of decommission on parking stress elsewhere in Lancing. A count was undertaken on Wednesday April 28th (considered to be a normal weekday). During operational hours (7am to 8pm), the car park had a total of 26 arrivals and 26 departures. The peak accumulation occurred at 14 vehicles. It is anticipated that car parks at Marlborough Road and Beach Green can accommodate this additional demand however this will be tested within a transport assessment which will accompany a planning application.
- 4.6. Working with architects HNW, we have devised a scheme of c.8 units of EA/TA in the form of small terraced houses with private gardens. Terraced homes are most appropriate in this location with precedent set by the building frontage on South Street and provides the most efficient type of accommodation, avoiding internal common spaces and

making best use of the site. Early thoughts suggest that a mix of 1b2p and 2b3p units would be optimal and respond best to the need identified by Housing Management for larger units appropriate for families, which also maximises savings from avoiding the placement of larger households in private temporary accommodation.

- 4.7. Designs are at an early stage, but include communal bin stores, bicycle storage and car parking spaces (number TBC). Access from South Street would be retained, as would egress onto Penhill Road. Rights of Way for neighbours to pass through the site to park their cars behind their homes will be maintained.
- 4.8. The homes will be managed by the Council's Housing Needs Management team, as Emergency/Temporary Accommodation; if demand for this type of accommodation diminishes, homes can be repurposed for General Needs and added to Adur Homes stock.
- 4.9. A high level cost estimate has been undertaken by calfordseaden which estimates total development costs at £2,336,000. The Development Management Team will bid for funding from Homes England to cover approximately 17% of the development costs, with the remainder funded by Adur District Council's General Fund as a spend to save initiative, resulting in savings of approximately £5m over 50 years.

**4.10. Risks & Mitigation**

- 4.10.1. A table identifying the key risks in progressing and delivering this project and the measures proposed to address them is provided below.

Risk	Mitigation/Alternatives
Issues with the site arise which make delivery more challenging	Early surveys have been undertaken to understand the constraints of the site, such as stats/utilities surveys, ground penetrating radar, tree survey, topographic survey, CCTV (for drainage) and Report on Title. The construction budget includes 20% contingency to manage any risks which have not yet been identified, e.g. ground conditions which require deeper foundations.
Planning permission not forthcoming	Early conversations held with Council's planning team (29th April 2022) who have no objection in principle to the

	proposed development, with steer provided on key issues which proposals must seek to address, e.g. access and egress. A second pre-app will be held prior to submission.
Costs increase due to e.g. inflation/materials shortages	A contingency of 25% has been included in the construction budget and appraisals constructed to include this contingency.
Funding from Homes England is not forthcoming	The development appraisal excludes anticipated funding and Homes England funding will be considered a windfall. The scheme has been introduced to Homes England who has confirmed that, provided that the scheme meets its requirements around affordability and tenure, it is potentially fundable.
Loss of parking exacerbates local parking issues	A parking technical note has been undertaken to measure use of the car park and count space elsewhere. It has been identified that there is sufficient local space (including in local car parks) to absorb the displaced vehicles.
Neighbours react negatively to proposals	<p>Key messages will be developed to address likely neighbours concerns or issues. These are likely to include:</p> <ul style="list-style-type: none"> <li>- The need for this type of accommodation</li> <li>- The suitability of the site to provide it and why it has been chosen over others</li> <li>- Alignment with local policy and building regulations</li> <li>- Design features to minimise disruption to neighbours</li> <li>- Continuation of local access to rear of properties</li> <li>- Management arrangements of EA/TA and designing out/managing any ASB.</li> </ul> <p>We will seek to engage with neighbours at next stage of design and prior to submission to provide an opportunity to feed into the proposals and air their concerns.</p>

## 5. Engagement and Communication

- 5.1. This approach has been developed through engagement with executive members, the Council's Housing Management Team and Affordable Homes Delivery Group.
- 5.2. Housing Management in particular has been integral to ensuring that the proposals meet the need of their customer base and enable efficient, effective management.

- 5.3. A pre-application meeting was held with Council planners in late April 2022 where positive feedback on the proposals was received. It is agreed that the car park is an underutilised site and there is no in principle objection to redeveloping it.
- 5.4. As development proposals progress, the team will engage with local people and neighbours through face to face and online consultation exercises and statutory planning obligations.

## 6. Financial Implications

- 6.1. The Council currently has an unallocated budget of £2.9m for the provision of temporary and emergency accommodation which is sufficient to fund the proposed scheme.
- 6.2. Overall the scheme is expected to cost £2,336,040 which can be broken down as follows:

	£
Construction Costs	1,688,540
Fees	164,290
Allowance for optimism bias @ 25%	463,210
Fitting Out	20,000
Proposed capital investment	<u>2,336,040</u>

- 6.3. The proposed investment in South Street, Lancing is expected to generate savings in the cost of accommodation in the first full year of operation as follows:

	Develop	Bed and Breakfast
	£	£
Total debt charges	90,790	
Staffing costs	11,420	
Running costs	20,400	
Average costs of alternative accommodation		148,930
Total costs	122,610	148,930
Less: Income	-52,290	-52,290
Impact of voids	3,290	
Income from South Street car park		-4,690
Net cost	73,610	91,950
Net annual saving		18,340

- 6.4. In the longer term, it is expected that the proposed development will continue to save the Council resources, with a more favourable net present value over the next 50 years.

	Net annual cost (first operational year)	Net cost / income(-) over 50 years	NPV over 50 Years (cost / income(-))
	£	£	£
Development for Temporary Accommodation	73,610	3,270,100	1,216,987
Current B&B and car parking arrangements	91,950	7,776,870	4,033,090
Annual saving / cost	18,340		
Average annual saving over appraisal period		90,135	
% revenue saving over current arrangement	20%	58%	
Saving over 50 Years build compared to B&B		4,506,770	
IRR of proposed investment	1.89%		

6.5. The Council will apply for Homes England funding. If successful the viability of the scheme will improve as follows:

	Net annual cost (first operational year)	Net cost / income(-) over 50 years	NPV over 50 Years (cost / income(-))
	£	£	£
Development for Temporary Accommodation	64,020	2,780,500	1,056,622
Current B&B and car parking arrangements	91,950	7,776,870	4,033,090
Annual saving / cost	27,930		
Average annual saving over appraisal period		99,927	
% revenue saving over current arrangement	30%	64%	
Saving over 50 Years build compared to B&B		4,996,370	

6.6. However, given the level of uncertainty over inflation and interest rates, prior to letting the contract a further appraisal will be required once the final contract price is known to ensure that the scheme has remained viable.

Finance Officer: Sarah Gobey

Date: 11th May 2022

## 7. Legal Implications

- 7.1 Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 7.2 s1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation
- 7.3 Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

- 7.4 s1 Local Government (Contracts) Act 1997 confers power on the Council to enter into a contract for the provision of making available assets or services for the purposes of, or in connection with, the discharge of the function by the Council.
- 7.5 When entering into a public contract, the authority is required to comply with the procurement procedures, found in the Councils' Contract Standing Orders found at Part 4 of the Councils' constitution. Where the Contract involves an above threshold contract for works or services, the Council should additionally have regard to the Public Contract Regulations 2015.
- 7.6 If the Council applies for and receives an amount of grant funding, it must ensure that the project officers are aware of, and comply with, the grant funding terms and conditions.

Legal Officer: Joanne Lee

Date: 09/05/2022

### **Background Papers**

- Platforms for Places: Going Further 2020-2022
- Adur & Worthing Councils Housing Strategy 2020-2023
- Delivering Pathways to Affordable Homes (March 2021)
- Pathways to Affordable Homes - Delivery Plans (March 2022)
- Strategic Housing Land Availability Assessment (SHLAA, 2021 update)

## **Sustainability & Risk Assessment**

### **1. Economic**

This proposal will lead to the creation of emergency housing available to eligible local families at what is considered 'affordable' levels (no more than 80% of market rent or no more than the 90% of 2011 Local Housing Allowance; whichever is lower) - this helps ensure that the family in need do not have to worry about being able to afford the cost of the accommodation. During this time the Council's 'Opening Doors' programme will support residents into permanent accommodation.

### **2. Social**

#### **2.1 Social Value**

The proposals will provide temporary homes which are purpose built and local - reducing the need to put families into substandard, small or cramped accommodation, or rehouse them outside the area.

#### **2.2 Equality Issues**

Adur District Council has a responsibility under the Homelessness Reduction Act 2017 to provide interim accommodation to eligible households with the criteria for eligibility set and agreed by the Council.

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

Delivery of purpose-built accommodation in small clusters removes the need for eligible families or individuals to be housed in hostels where the Council has less ability to influence or address criminal or antisocial behaviour.

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

Matter considered and no issue identified.

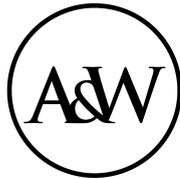
### **3. Environmental**

Homes will be designed to be well insulated and gas-free, thereby allowing present and future consumption of renewable electricity. Care will be taken to design homes to minimise consumption of water, minimise run-off to sewers, address overheating risks and promote sustainable transportation measures.

### **4. Governance**

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

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ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
7 June 2022

Key Decision Yes

Ward(s) Affected: Central

## **Delivery of housing for Emergency & Temporary Accommodation - Victoria Road, Worthing**

### **Report by the Director for the Economy**

#### **Officer Contact Details**

Anthony Probert  
Development Manager  
anthony.probert@adur-worthing.gov.uk

### **Executive Summary**

#### **1. Purpose**

- 1.1. This report follows the publication of the Adur and Worthing Housing Strategy for 2020-2023, 'Delivering Pathways to Affordable Homes' document and subsequent Delivery Plans.
- 1.2. This report outlines the increasing demand for emergency and temporary accommodation (EA/TA) in Worthing, the Council's commitment to owning its own stock of EA/TA, and reviews the options available to the Council for the future of the Victoria Road site, with development of the site as EA/TA the preferred option both economically and in terms of meeting an established local need.
- 1.3. The report seeks agreement of Councillors to redevelop this site for the purpose of providing Council owned EA/TA and approval of a budget to progress both a planning application and development on site.

#### **2. Recommendations**

- 2.1. To approve the preferred option for the future of the Victoria Road site set out within this paper to enable the council to fulfil its statutory housing duties under S188 and S193 of the Housing Act 1996.
- 2.2. To approve a virement of £440,000 to the temporary and emergency accommodation budget funded by external funding from Homes England. This will increase the overall available budget to £3.541m.
- 2.3. To release £3.403m from the Temporary and Emergency Accommodation budget to enable the project to progress through planning and to completion of the construction stage
- 2.4. To delegate authority to the Head of Major Projects & Investment to invite tenders for the construction work, and to enter into all necessary contracts to enable the project to progress through the construction phase to completion, in consultation with Executive Members.
- 2.5. To note that a further report will be presented to the Executive Member post procurement, to confirm the final costs associated with the scheme and the viability of the proposal.

### 3. Context

- 3.1. 20-22 Victoria Road in Worthing comprises an underutilised site of approximately 0.3 acres. The site includes two small single-storey temporary buildings and hardstanding. The Council has leased the site to the South East Reserve Forces & Cadet Association since 1973. Due to a declining membership base, ATC have served a notice to vacate and the premises will become unoccupied and return to the Council in May 2022.
- 3.2. The site is identified in Worthing Borough Council's Strategic Housing Land Availability Assessment (SHLAA, 2020 update) as a potential development site but rejected as it is '*currently in community use and there is no indication that this use will cease*'. Since then, and with the Council's commitment to housing delivery demonstrated in the Housing Strategy 2020-2023 and 'Delivering Pathways to Affordable Homes' documents, the site's suitability for development has been re-evaluated.
- 3.3. Chapter 3 of the Housing Strategy outlines the local need for affordable housing, in the context of increasing prices and rents. Based on demographic projections, there is a need for 653 additional affordable dwellings (of all tenures) per annum across the region.
- 3.4. Priority 3 of the Housing Strategy demonstrates the Council's commitment to delivery of affordable housing, including a commitment to delivery of 250

homes directly by Adur & Worthing Councils. This commitment is reiterated in 'Delivering Pathways to Affordable Homes' which was adopted in March 2021.

- 3.5. Adur & Worthing's Temporary Accommodation Strategy was adopted in 2017 and focuses on placement and procurement of accommodation - there is recognition in the Housing Strategy that the Temporary Accommodation Strategy should be reviewed and updated with extra emphasis on developing our own accommodation for these purposes.
- 3.6. Since 2017, placement of households in emergency accommodation (EA) and temporary accommodation (TA) has been increasing at a net average of 3 per month in Worthing. This data does not include COVID-19 placements, which has increased the net placement even higher.
- 3.7. In March 2022, Delivery Plans for Pathways to Affordable Homes were put together to describe how Adur and Worthing intend to meet the housing need and act on commitments set out in Delivering Pathways to Affordable Homes. The proposals recommended programmes of delivery across accommodation of different tenures, including Temporary Housing.
- 3.8. Within the Delivery Plans, there was a recognition that 163 units of EA/TA are needed (whether owned or leased) in Worthing between 2021 and 2023 to meet demand. However, the cost of providing EA and TA accommodation continues to rise. Net average annual cost per placement is £7,950. Considerable savings are possible with the Council owning its own stock of EA/TA; as a result, the Delivery Plans demonstrate an aim of 65 (40% of total demand) of units to be directly delivered, owned and managed by the Council.

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

- 4.1. A variety of options have been examined to understand the optimal future of the Victoria Road site.
- 4.2. Retaining and re-letting the existing buildings
  - 4.2.1. A structural survey of the temporary buildings on the site indicated that one is sound and could be used in the short-term (1-2 years), after which significant investment would be needed to prolong its life. The other has a corroded steel frame which has failed and combined with damage to the walls and roof is considered beyond economical repair.
  - 4.2.2. If one building and the accompanying land were to be made available to let to a community group, inline with the existing permitted use,

then a rent in the region of £2,000 - £3,000 per annum could be achieved. However, this would only be a lease with a maximum term of say 5 - 10 years, possibly shorter, as the structure would eventually be beyond economical repair and require decommissioning. The site is therefore considered of little value to the Council as it is currently used.

#### 4.3. Redevelopment as Council-owned EA/TA

4.3.1. A feasibility study for a small block of flats has been carried out by architects ECE which looked to make full use of the development potential of the site. Early discussions with planning officers have indicated that if the site were re-developed for affordable housing the loss of community use would not be an issue.

4.3.2. An appraisal for temporary accommodation estimates that a saving of £25k against the cost of providing bed and breakfast accommodation would be made in the first year of operation with a lifetime saving of £6m.

#### 4.4. Disposal of the site

4.4.1. Options for disposal of the site have been considered to establish the likely income each would provide which could be used to fund priority projects.

4.4.2. If the Council were to demolish the building entirely and then market the land under a ground lease opportunity to a community group or similar entity, the site could command a ground rent from £0 to £3,000 per annum. With this option, any redevelopment opportunity would be lost and income prospects against the land value would be extremely low.

4.4.3. Based on the site being sold for residential development, it could command a price on the open market in excess of £300,000. This figure would need to be confirmed by a detailed valuation however the benefit of this capital receipt would not be comparable to the longer term financial return derived from the proposed redevelopment for TA.

#### 4.5. Development for commercial or industrial use

4.5.1. Redevelopment or long term commercial (e.g. offices or retail) or industrial (starter units) use of this site is unlikely to be the best use of this asset given the size and location of the site being within a sought after central residential area.

#### 4.6. The Preferred Option

- 4.6.1. A community use of the site produces little income for the Council and there is currently no clear demand for this from a priority group. The appraisal concludes that the retention and redevelopment of the site by Worthing Borough Council for EA/TA could maximise its potential and provide temporary accommodation for homeless households, a need identified in the 'Delivery Pathways' document. This would result in a saving of around £6m to the Council's temporary accommodation costs over the life of the scheme and provide the best financial return to the Council.
- 4.6.2. A more in-depth feasibility study has been undertaken to assess the site's suitability as a site for EA/TA. The key aims of the scheme are:
- a. To provide purpose-built accommodation for Emergency and Temporary use - providing single people, partners and families in need a safe and comfortable place to stay for approximately 6 months to 1 year.
  - b. To deliver well-designed accommodation which is economically viable on a council owned site, in need of regeneration, which has outdated, poor quality buildings that are no longer fit for purpose.
- 4.6.3. Local architects ECE have worked up a scheme which meets these aims. The scheme includes a building of three storeys, located to the front of the site to keep the building line, with amenity and car parking space to the rear.
- 4.6.4. Current proposals include 11 residential units, 7 x 1 bedroom flats and 4 x 2 bedroom flats, with 6 parking spaces. The top floor is set back to reduce bulk, and the height of the building is in-line with others on the road.
- 4.6.5. The homes will be managed by the Council's Housing Needs Management team, as Emergency/Temporary Accommodation; if demand for this type of accommodation diminishes, homes can be repurposed for General Needs.
- 4.6.6. Development costs are estimated at £3,402,840. The Development Management Team will bid for funding from Homes England to cover approximately 17% of the development costs, with the remainder funded by Worthing Borough Council's General Fund as a spend to

save initiative, resulting in savings of approximately £6m over 50 years (or £5.3m should Homes England funding not be forthcoming).

#### 4.7. Risks & Mitigation

4.7.1. A table identifying the key risks in progressing and delivering the project and the measures proposed to address them is provided below.

Risk	Mitigation
Site due diligence identifies challenging conditions	Early surveys have been carried out at feasibility stage, including a preliminary ecological assessment (PEA), topographic survey, stats/utilities search and Report on Title. Others will be undertaken prior to planning submission, including ground penetrating radar (GPR) and soil/contamination. The impact of the findings of these surveys will be considered within final scheme proposals and fully costed. For now, costs include a 20% contingency designed to cover any additional costs arising from unknowns.
Planning permission withheld	The design team have taken scheme proposals to the Council's planning officers who have identified issues which need addressing within an application. The officers were positive about the principle of development and the opportunity the scheme provides to develop a positive frontage along Victoria Road.
Relationship with surrounding buildings	Design will strive to be policy compliant in terms of overlooking, daylight/sunlight etc.
Costs increase due to e.g. inflation/materials shortages	A contingency of 25% has been included in the construction budget and the viability of the scheme assessed including this contingency.
Funding from Homes England is not forthcoming	The development appraisal excludes anticipated funding and Homes England funding will be considered a windfall. The scheme has been introduced to Homes England who has confirmed that, provided that the scheme meets its requirements around affordability and tenure, it is potentially fundable.

#### 4.8 Indicative Timeline

4.8.1 RIBA Stage 2 design will commence June 2022 with public consultation in July and a planning application expected in Autumn.

4.8.2 Following a tender process and subject to planning permission, construction is expected to commence Spring 2023 with homes complete in Spring 2024.

## 5. Engagement and Communication

- 5.1. This approach has been developed through engagement with executive members, the Council's Housing Management Team and Affordable Homes Delivery Group.
- 5.2. Housing Management in particular has been integral to ensuring that the proposals meet the need of their customer base and enable efficient, effective management.
- 5.3. The Council's Planning Team have also been consulted who support the principle of the scheme and have provided comment on the issues which will need addressing within a planning application.
- 5.4. As development proposals progress, the team will engage with local people through face to face and online consultation exercises and statutory planning obligations.

## 6. Financial Implications

- 6.1. The Council currently has an unallocated budget of £3.1m for the provision of temporary and emergency accommodation.
- 6.2. It is expected that the scheme will attract funding from Homes England at £40,000 per unit which will increase the funding available to £3.5m which would be sufficient to fund the proposed scheme.
- 6.3. Overall the scheme is expected to cost £3,402,840 which can be broken down as follows:

	£
Build Costs	2,527,880
Allowance for optimism bias @ 25%	676,170
Fees	176,790
Fitting Out	22,000
Proposed Initial Budget	<u>3,402,840</u>

- 6.4. The proposed investment in Victoria Street is expected to generate savings in the cost of temporary accommodation in the first full year of operation as follows:

Summary for report	Develop	Bed and Breakfast
	£	£
Total debt charges	119,060	
Staffing costs	15,700	
Running costs	28,050	
Average costs of alternative accommodation		192,750
Total costs	162,810	192,750
Less: Income	-70,230	-70,230
Impact of voids	4,400	
Net cost	96,980	122,520
Net annual saving		25,540

However the level of saving is predicated on a successful bid to Homes England for funding.

- 6.5. In the longer term, it is expected that the proposed development will continue to save the Council resources, with a more favourable net present value over the next 50 years.

	Net annual cost (first operational year)	Net cost / income(-) over 50 years	NPV over 50 Years Cost/ income (-)
Purchase for Temp Accommodation	£96,980	£4,343,130	£1,587,209
Current B&B arrangements	£122,520	£10,363,880	£4,932,068
Annual saving	£25,540		
Average annual saving over appraisal period		£120,420	
% revenue saving	21%	58%	
Saving over 50 Years build compared to B&B		6,020,750	
IRR	1.83%		

- 6.6. If the Council is unsuccessful in it's bid to Homes England then the viability of the scheme will decline as follows:

	Net annual cost (first operational year)	Net cost / income(-) over 50 years	NPV over 50 Years Cost/ income (-)
Purchase for Temp Accommodation	£110,170	£5,016,330	£1,807,735
Current B&B arrangements	£122,520	£10,363,880	£4,932,068
Annual saving	£12,350		
Average annual saving over appraisal period		£106,951	
% revenue saving	10%	52%	
Saving over 50 Years		£5,347,550	
IRR	1.86%		

6.7. However, given the level of uncertainty over inflation and interest rates, prior to letting the contract a further appraisal will be required once the final contract price is known to ensure that the scheme has remained viable. This report will also confirm the funding of the scheme.

Finance Officer: Sarah Gobey

Date: 13th May 2022

## 7. Legal Implications

- 7.1 Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 7.2 s1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation
- 7.3 Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 7.4 s1 Local Government (Contracts) Act 1997 confers power on the Council to enter into a contract for the provision of making available assets or services for the purposes of, or in connection with, the discharge of the function by the Council.

- 7.5 When entering into a public contract, the authority is required to comply with the procurement procedures, found in the Councils' Contract Standing Orders found at Part 4 of the Councils' constitution. Where the Contract involves an above threshold contract for works or services, the Council should additionally have regard to the Public Contract Regulations 2015.
- 7.6 If the Council applies for and receives an amount of grant funding, it must ensure that the project officers are aware of, and comply with, the grant funding terms and conditions.

Legal Officer: Joanne Lee

Date: 09/05/2022

### **Background Papers**

- Platforms for Places: Going Further 2020-2022
- Adur & Worthing Councils Housing Strategy 2020-2023
- Delivering Pathways to Affordable Homes (March 2021)
- Pathways to Affordable Homes - Delivery Plans (March 2022)
- Strategic Housing Land Availability Assessment (SHLAA, 2020 update)

## **Sustainability & Risk Assessment**

### **1. Economic**

This proposal will lead to the creation of emergency housing available to eligible local families at what is considered 'affordable' levels (no more than 80% of market rent or no more than the 90% of 2011 Local Housing Allowance; whichever is lower) - this helps ensure that the family in need do not have to worry about being able to afford the cost of the accommodation. During this time the Council's 'Opening Doors' programme will support residents into permanent accommodation.

### **2. Social**

#### **2.1 Social Value**

The proposals will provide temporary homes which are purpose built and local - reducing the need to put families into substandard, small or cramped accommodation, or rehouse them outside the area.

#### **2.2 Equality Issues**

Worthing Borough Council has a responsibility under the Homelessness Reduction Act 2017 to provide interim accommodation to eligible households with the criteria for eligibility set and agreed by the Council.

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

Delivery of purpose-built accommodation in small clusters removes the need for eligible families or individuals to be housed in hostels where the Council has less ability to influence or address criminal or antisocial behaviour.

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

Matter considered and no issue identified.

### **3. Environmental**

Homes will be designed to be well insulated and gas-free, thereby allowing present and future consumption of renewable electricity. Care will be taken to design homes to minimise consumption of water, minimise run-off to sewers, address overheating risks and promote sustainable transportation measures.

### **4. Governance**

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

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