



ADUR DISTRICT  
C O U N C I L

7 June 2023

**Joint Strategic Sub-Committee (Adur)**

<b>Date:</b>	<b>15 June 2023</b>
<b>Time:</b>	<b>6.30 pm</b>
<b>Venue:</b>	<b>Queen Elizabeth II Room, Shoreham Centre</b>

**Committee Membership:** Councillors Carson Albury, Kevin Boram, Angus Dunn (Vice-Chair), Emma Evans, Steve Neocleous and Neil Parkin (Chairman)

**Agenda**

**Part A**

**1. Declarations of Interest**

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 Adur Joint Strategic Sub Committee meeting held on 7 March 2023, copies of which have previously been circulated.

**3. Public Question Time**

To receive any questions from members of the public.

Questions should be submitted by noon on Monday 12 June 2023 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. Members Questions**

Pre-submitted Members questions are pursuant to rule 12 of the Council & Committee Procedure Rules.

Questions should be submitted by noon on Monday 12 June 2023 to Democratic Services, [democratic.services@adur-worthing.gov.uk](mailto:democratic.services@adur-worthing.gov.uk)

(Note: Member Question Time will operate for a maximum of 30 minutes.)

#### **5. Items Raised Under Urgency Provisions**

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

#### **6. Lancing Business Park - Business Improvement District: Supporting the Fourth Term (Pages 5 - 14)**

To consider a report from the Director for Place, a copy is attached as item 6

#### **7. Strategic Approach: Children and Young People (Pages 15 - 22)**

To consider a report from the Director for Housing and Communities, copy attached as item 7

#### **8. Western Harbour Arm Flood Defence Project (Pages 23 - 32)**

To consider a report by the Director for Place, copy attached as item 8

#### **9. Regulatory Compliance Notice for Adur Homes (Pages 33 - 42)**

To consider a report by the Director for Housing and Communities, copy attached as item 9

#### **10. New Leaseholder Service Charge Income Collection Policy (Pages 43 - 54)**

To consider a report by the Director for Housing and Communities, a copy is attached as item 10

#### **11. Acquisition of leasehold properties on the Southwick Estate to support estate improvement (Pages 55 - 68)**

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

#### **12. Southwick Estate - Interim Works Package (Pages 69 - 74)**

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

## **Part B - Not For Publication - Exempt Information Reports**

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

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

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

### **14. Southwick Estate - Interim Works Package - exempt appendix (Pages 75 - 80)**

Exempt appendix to agenda item 12, copy attached as item 14

#### **Recording of this meeting**

Please note that this meeting is being live streamed and a recording of the meeting will be available on the Council's website. This meeting will remain on our website for one year and will be deleted after that period. 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:
Chris Cadman-Dando Senior Democratic Services Officer 01903 221364 Email: <a href="mailto:chris.cadman-dando@adur-worthing.gov.uk">chris.cadman-dando@adur-worthing.gov.uk</a>	Andrew Mathias Senior Solicitor – Legal Services 01903 221032 <a href="mailto:andrew.mathias@adur-worthing.gov.uk">andrew.mathias@adur-worthing.gov.uk</a>

**Duration of the Meeting:** Three 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.

This page is intentionally left blank



ADUR DISTRICT  
C O U N C I L

Adur Joint Strategic Committee  
15 June 2023

Key Decision [Yes/No]

Ward(s) Affected:

## **Lancing Business Park - Business Improvement District: Supporting the Fourth Term**

### **Report by the Director for Place**

#### **Officer Contact Details**

Andrew Willems  
Assistant Director Place & Economy  
01273 263179  
andy.willems@adur-worthing.gov.uk

#### **Executive Summary**

##### **1. Purpose**

- 1.1. The purpose of this report is to advise Members of the Lancing Business Park's proposal to ballot businesses located within the existing Lancing Business Park Business Improvement District (BID), with a view to furthering the term of the BID to 2028.
- 1.2. In the new BID Term of the BID, use this opportunity to maintain the positive working partnership between Lancing Business Park and the Council; to recommend that Members ensure both parties continue to work collaboratively to support economic growth and enhance the reputation of all parties involved.

## **2. Recommendations**

- 2.1. The Sub-Committee supports the proposal for a fourth term of the Lancing Business Park BID for a period of four years and seven months to commence on 1st September 2023.
- 2.2. That the Sub-Committee authorises the Director for Place to:-
  - 2.2.1. Receive the regulatory Notice for Lancing Business Park's fourth BID Term and to work with Civica to hold the new Bid Term ballot.
  - 2.2.2. Vote 'yes' in the support of the BID for any Council properties associated with the BID levy threshold.
  - 2.2.3. Authorise the Director for Place to finalise the terms of, and enter, into the BID Agreement with Lancing Business Park

## **3. Context**

- 3.1 A Business Improvement District (BID) is a defined geographical area where business ratepayers have voted to collectively invest in local improvements, in addition to those already delivered by the Council and other bodies. BIDs are a proven way for businesses to work together and generate funds to improve their local trading environment and provide additional services.
- 3.2 A BID allows the businesses to develop a business plan covering the services and projects to be implemented in the BID area, which is then voted on by those that would be liable to pay the BID levy. A 'Yes' vote requires at least 50% of those voting to be in favour of the BID, and for those businesses voting in favour to represent a greater total rateable value than those voting against.
- 3.3 A BID is usually managed by a not-for-profit company, which can only be formed following consultation and a ballot.
- 3.4 The BID gives all BID Levy payers, large or small, equal weight over decisions that affect themselves, their employees and their customers.

The projects and services decided on are in addition to those already provided by the local authorities and Police; they cannot subsidise or substitute the existing provision. The duration of the BID is no longer than five years. All hereditaments above the £8,500 RV threshold are subject to the BID levy.

3.5 The Lancing Business Park BID was first proposed and put to the ballot in 2008. The initiative was supported by Adur District Council and, following a successful vote, the BID launched for an initial term of five years. The BID focused on interventions identified by businesses across four key strands:

- Access
- Clean
- Connect
- Safe

3.6 Lancing Business Park BID is an industrial BID Area encompassing six roads on Lancing Business Park. The BID will be run by the BID Body, Lancing Business Park Limited, which is a private not for profit company limited by guarantee, who will manage the delivery of the requested additional services and projects. It will be led by a private sector Advisory Committee elected by BID Levy payers and run for a 4 year 7 month period commencing on 1st September 2023. The six roads included in the BID are:

- Blenheim Road
- Chartwell Road
- Commerce Way
- Marlborough Road
- Peter Road
- Spencer Road

3.7 By collecting a very modest BID Levy from all eligible businesses, the Lancing Business Park BID will generate over £400,000 of dedicated funding to be spent improving the Business Park over the next four year 7 month period, in addition to the services and spend from the public sector in the same period.

3.8 Since its inception, Adur District Council has collected BID levies on behalf of Lancing Business Park. The Council charges for this service

and holds regular BID monitoring meetings with the BID to ensure the collection and management of monies runs smoothly.

#### **4. Review of the third term**

- 4.1 Over previous terms, the BID has invested in activities to benefit Lancing Business Park. The intended outcomes of this investment included helping to address highways issues, establishing better safety conditions and improving the overall feel and appeal of the business park.
- 4.2 The BID has provided details of its own review of the activities undertaken during the last five years. This is detailed under their Fourth Term Business Plan 2023 - 2028, link provided in the background papers (Appendix A), however highlights include:
- Formed the Partner Flooding Forum to address Commerce Way Flooding
  - Co-ordinated approach to Full-Fibre installation minimising groundworks
  - Provided weekly news / emails to circa 350 business contacts to update on issues, business support and opportunities (opening rate increased to 56%)
  - Upgraded the CCTV network to 30 high quality cameras across the park
  - Encouraged new businesses onto the park raising the occupancy rate to 99.6%
- 4.3 In addition to the activities listed, the BID supports a database of all Lancing Business Park businesses and collates data on vacant premises, which is reported at meetings of the Governance Group. Communications with businesses are maintained through email, newsletters, visits, meetings, surveys and events. The BID also provides a business voice on a number of key networks, both locally and regionally, including Adur & Worthing Business Partnership and Coastal West Sussex.

#### **5. Proposals for the fourth term**



- 5.1 Lancing Business Park BID is now preparing for the fourth term ballot, which will take place in July 2023. If successful, it will come into effect on 1st September 2023.
- 5.2 Business Parks are facing significant challenges such as the cost of living crisis; impact of the 2023 Business Rates Revaluation; increased competitiveness; attracting the right businesses, clients and skills; safety and security and the quality of the environment in which to trade. The BID was created to provide a mechanism and the means to address issues to meet the standards and needs of businesses based on the business park. The BID has successfully implemented business led projects to the benefit of the business park and is considered an essential arrangement to safeguard its future competitiveness and prosperity.
- 5.3 Lancing Business Park BID conducted an online survey (via Google Forms) between 28th October 2022 and 31st April 2023. This survey was aimed at businesses based on the park to review BID services, support and prioritise for the next term. 90 responses were received to the survey, including 60% of the BID Levy Payers on the business park, compared to 50% in the 2018 LBP BID Survey.
- 5.4 Following the feedback, the Business Plan signals the following areas as priorities for the fourth term:
- **Access:** The 3 priority areas for improvement in the 2022/23 BID Survey all fall within the Access objective. 65.6% stated that the condition of road surface needs improving, 47.8% stated flooding needs addressing and 47.8% stated there needs to be further work done to reduce the number of vehicles travelling the wrong way around the one-way system. This was closely followed by odour issues, parking enforcement, power cuts, broadband connectivity and parking provision across the park. The BID will continue to work with businesses and partners to help address all access issues raised
  - **Clean:** The BID will continue to work with businesses and partners to provide services such as :
    - The Paper & Card Recycling Scheme for BID Levy payers and look at ways to help increase recycling targets
    - Regular business park site surveys to identify issues and address them

- Monitor and report issues on the business park i.e. fly-tipping and litter
  - Promote Net Zero information, training and funding opportunities
  - Fund an annual LBP Big Clean of the business parks roads and pavements
- **Connect:** The BID aim to connect businesses and provide the support, including initiatives such as:
    - Further developing the LBP News Emails to provide relevant, informative and timely business news, training, funding & support opportunities.
    - Developing LBP's Events Programme to provide networking, training and health & wellbeing opportunities on the park
    - Working with partners and businesses to identify opportunities to share business knowledge
    - Working with partners to identify funding opportunities and promote these to businesses on the park
    - Encouraging Inter-park Trading & discounts
  - **Safe:** The BID will continue to make 'safe' a priority objective by providing support such as:
    - Maintaining the CCTV cameras and reviewing options for further improvement
    - Utilising the CCTV footage to help deter, identify and enable prosecution of crime
    - Promote LBP's network of defibrillators on the business park
    - Work to address speeding and parking issues on the park

Further details on the projects contained within these priorities can be found in Appendix A.

- 5.5 With the current financial pressures facing businesses from the 2023 Business Rates Revaluation and Cost-Of-Living-Crisis, the BID will retain the same BID Levy Charges and will adjust the band thresholds to try as best as possible to retain businesses within the same band as the 2018- 2023 BID.
- 5.6 The 2023 - 2028 BID Levy will remain unaltered and no inflationary index will be added for the 2023 – 2028 BID Term. Businesses will therefore pay the same BID Levy for the next 4 years 7 months. To support the growth of start-up and micro businesses, Lancing Business

Park BID will provide a BID Levy Exemption for businesses with an RV of £8,500 or less.

- 5.7 The Council is likely to receive one ballot vote in respect of the properties below:

<b>Property</b>	<b>Bid Levy (actual 2022/23)</b>	<b>Bid Levy (estimate 2023/24)</b>
9 Commerce Way (Main Depot)	£637.50	£637.50
<b>Total</b>		

## **6. Adur District Council Position**

- 6.1 The Council has supported the Lancing Business Park BID since its inception and continues to make a contribution through the payment of a levy on the main Council Depot which sits within the BID boundary.
- 6.2 The priorities of the BID continue to align with those of the Council and there is much to be gained by collaborating on initiatives that deliver shared outcomes. Specific opportunities exist to support businesses to grow and thrive and, with partners, improve accessibility and viability of the overall BID area.
- 6.3 The Council's proposition, in supporting the BID, is to explore further partnership working opportunities, especially where they contribute to shared priorities. For example, the BID's support in developing the shared aspirations for Lancing Now and into the Future.
- 6.4 The Council will receive a ballot vote in respect of the property below in the BID area. It's worth noting that a number of levy payers are also customers of the Council through a series of initiatives including refuse collection.
- 6.5 Subject to the recommendations highlighted, it is proposed that the Director for the Economy be authorised to vote in support of the BID on the ballot paper issued to the Council. This recognises that the priorities of the BID align with the Council's aspirations for the business park, that a successful BID leverages in additional investment for the

benefit of the park and that together they can help to strengthen Lancing's (and Adur) reputation as a place where people want to work and live.

## **7. Financial Implications**

- 7.1 The current cost of the BID levy is built into the Council's overall revenue budget. If the result of the ballot is in favour of the BID, Adur District Council will be committed to paying an annual BID levy on the rateable value of the District Council's property holding for a period of four years and seven months, effective from 1st September 2023.
- 7.2 It should also be noted that if the Council purchases any new properties within the same period within the BID area they may also be subject to the levy.
- 7.3 The Council charges an administration charge of £3,500 to cover the costs associated with billing and collecting the BID levy.

## **8. Legal Implications**

- 7.1 The Business Improvement Districts (England) Regulations 2004 govern the arrangements for the BID and the administration of the ballot process.
- 7.2 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.
- 7.3 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

### **Background Papers**

- Appendix A: [Lancing Business Park Business Improvement District Fourth Term Business Plan 2023 - 2028](#)

## **Sustainability & Risk Assessment**

### **1. Economic**

- The Lancing Business Park Business Improvement District (BID) generates and delivers activities that contribute to the economic wellbeing of the business park.
- One of the BID's priorities is to provide business support and advice to those companies residing in the business park. This work, including the analysis around vacancy rates, provides reassurance that the business park is being managed and, working in partnership with other parties, looks to grow the local economy.

### **2. Social**

#### **2.1 Social Value**

- The BID seeks to work with and impact upon a number of communities in the business park. Not only serving the business community, the actions as a result of the Business Plan seeks to deliver social value for those visiting the business park through improving safety and appearance.

#### **2.2 Equality Issues**

- The BID levy takes into account the impact on sole traders, start ups and micro businesses, where they are operating in premises with a rateable value less than £8,501 per annum. All such businesses are exempted from paying the levy.

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

- The Lancing Business Park BID works with the Police to help identify and address community safety issues in the park, and this work will continue if the BID is successful.

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

- Matter considered and no issues identified.

### **3. Environmental**

- The BID is committed to working with the Council in its pledge to be carbon neutral by 2030.

### **4. Governance**

- The Council has the opportunity to feed into the BID steering group, which enables the Council (both Officer and Member) to have a 'voice' in terms of

the operations of the BID. In addition, the Council and BID will work together (where appropriate) to deliver an enhanced offer in the business park.

- A number of initiatives and interventions are currently worked through in partnership, however this report represents an opportunity to maintain this positive working partnership. Any additional involvement by the Council will be agreed with Members ahead of any significant decisions relating to joint working with the BID.



ADUR DISTRICT  
COUNCIL

Adur Joint Strategic Sub-Committee  
June 15 2023

Key Decision [No]

Ward(s) Affected: All

## **Strategic approach: Children and Young People**

## **Report by the Director for Housing and Communities**

### **Officer Contact Details**

Paula Doherty, Head of Community, Capacity and Resilience  
07780760235 - paula.doherty@adur-Adur.gov.uk

### **Executive Summary**

#### **1. Purpose**

- 1.1. The purpose of this report is to outline how Adur District Council will deliver an inclusive and ambitious strategic approach to our work with and for children and young people.
- 1.2. The purpose of this strategic approach is to set out how we will develop a responsive, proactive and constructive space whereby children and young people are actively engaged and involved as citizens and are visible in all aspects of the Council's core business which can be evidenced through co-design and co-production.
- 1.3. This paper recognises that much of the direct responsibilities for children and young people sit with other organisations, therefore the principles set out here are focused on where we can influence or support others to deliver and where collaboration maximises potential and development opportunities. We will remain committed to evolving and innovating to increase our effectiveness and reach, leveraging in funds that embed our ambitions and being steadfast in our own

continual improvement, and being able to evidence outcomes and impacts.

- 1.4. To embed our ambitious plans for children and young people in Adur we will build strong foundations through a partnership roadmap. This will move us beyond initiative-led activities and develop sustainable forms of participation that are visible in our organisational ethos, our culture, our infrastructure and in our decision making processes.
- 1.5. Finally this paper sets out how this strategic approach will connect to the Councils core principles of fair, green and local.

## **2. Recommendations**

- 2.1. The sub-committee adopts a framework for our work with and for children and young people of Adur, as set out in section 4.
- 2.2. That officers continue to develop a live roadmap and that this is reviewed with the Cabinet Member for Communities and Wellbeing.
- 2.3. To note that we will work with key members of our community to further develop our Adur specific framework and test, so that we have a definable evidence base to our work for and with children and young people and can measure both outcomes and impacts.

## **3. Context**

- 3.1. Working with our key partners, who hold much of the statutory responsibilities for children and young people, this strategic approach is about influencing and creating an ambitious agenda for our town to deliver the best outcomes for children and young people and to ensure they are involved (along with parents and carers) in how this is shaped.
- 3.2. Article 12 of the UN Convention on the Rights of the Child (UNCRC) says every child has the right to express their views, feelings and



wishes in all matters affecting them, and to have their views considered and taken seriously. This principle recognises children and young people as actors in their own lives and applies at all times throughout a child's life.

- 3.3. According to the 2021 census data Adur has a population of 64,187 (rounded data) of which we have 13,009 of under 18 year olds, which equates to a little over 20% of our population, we need to ensure that their voices, views and opinions are represented in all aspects of the Council's business.
- 3.4. There has been significant de-investment in youth service provision (non statutory) with spending on youth services in England and Wales having been estimated at a reduction in funding in excess of 70% in real terms in less than a decade, with the loss of £1bn of investment resulting in zero funding in some areas, according to research. Analysis in 2020 by the YMCA found that local authority expenditure on youth services dropped from £1.4bn in 2010-11 to just under £429m in 2018-19, resulting in the loss of 750 youth centres and more than 4,500 youth workers.
- 3.5. Children and young people are defined and viewed through a deficit lens, we all too often focus on negative behaviours, or we react to the somewhat isolated incidents or spikes in antisocial or criminal behaviour. We need to change the narrative, to one whereby we see behaviour as a symptom of what children and young people experience and the adversities they can face in their lives. We want to work in a strength based way, that challenges the existing preconceptions, and recognises the value that our children and young people have to offer our place. When children and young people engage in less favourable, pro criminal or antisocial behaviour, or engage in behaviours that are a detriment to their wellbeing, we will seek to understand where these might be understood through adverse experiences within their lives and environments. We will hold children and young people to account where this is warranted and will do so with compassion.
- 3.6. The Council's role is set within the wider context of the statutory responsibilities of the County Council for Children's Services such as Children's Social Care, Early Help, Community Safety, Education, and with NHS Sussex and the Integrated Care Board. Our role and interface with these overarching bodies is both strategic and operational. We represent at key decision making boards and

partnerships and are engaged in national, regional and local agendas, where our primary responsibility and focus is representing our places and our people.

#### 4. Our Roadmap

In Designing our strategic approach to children and young people, we want to build a strategic framework based on the following key pillars:

- 4.1. **Children and young people are visible and involved** and we have a clear and cogent definition of participation, co design and co production. That we can map and audit skills, and related activity across the Council and in commissioned services. That we have a clear position on roles, responsibilities, and accountability across the organisation, we champion children and young people and give them currency and organisational profile.
- 4.2. We operate a **values based approach** and children and young people are valued which can be evidenced by participatory methodologies and where participation is embedded as a corporate expectation, not an exception. Information is designed to be engaging and accessible for children and young people.
- 4.3. That participatory methodologies are varied and designed to be inclusive of our Adur communities. We adopt varied methodologies and children and young people co-design, and co-produce participation approaches and inform service design. That we utilise a range of **evidence based approaches** and mediums in our work with and for young people where outcomes and impacts can be measured and scrutinised.
- 4.4. We embed a **systems approach**, so that all key policy developments, strategies and major developments reflect the views of children and young people and evidence how they have informed outcomes
- 4.5. Strategies, policies and performance measures reflect our ambition, and we actively seek to build capacity, capability and resilience in our endeavour. **Equality, diversity, and inclusion** are at the heart of all that we do and we can evidence this through all core Council business and in our work with partners.
- 4.6. We will ensure our HR practices reflect our approach to working with and for children and young people.
- 4.7. This approach forms a step change in participatory democracy and that we embed a test of ensuring children and young people count as

opposed to approaches that count young people, through traditional tokenistic initiatives. Our test becomes our live roadmap, it is not a static document designed to gather dust, or dusted off when we face a particular challenge or trend, it becomes our established way of doing business. This will include working in key areas, such as contextual safeguarding, mental health and wellbeing, community safety, homelessness prevention and participation and will inform future developments.

- 4.8. That we work with key members of our community to further develop our Adur specific framework and test, so that we have a definable evidence base to our work for and with children and young people and can measure both outcomes and impacts.

## **5. Engagement and Communication**

- 5.1. This paper lays the foundations of our engagement approaches with children and young people as citizens, which will form subsequent communication plans.

## **6. Financial Implications**

- 6.1. It is anticipated that the costs associated with this paper will be funded from our existing budgets or via external funding. However, if this is not possible then members will be consulted on the release of additional resources.

## **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. 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

- 7.3. 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. The statutory responsibilities for children and young people rests with West Sussex County Council.

**Background Papers**

None

## **Sustainability & Risk Assessment**

### **1. Economic**

Matter considered and no issues identified.

### **2. Social**

2.1 The work outlined in this report is expressly designed to increase social outcomes.

### **3. Equality Issues**

3.1 The Council is subject to the general equality duty set out in Section 149 of the Equality Act 2010. This duty covers the following protected characteristics: age, gender, gender reassignment, pregnancy and maternity, race, religion or belief, and sexual orientation.

3.2 In delivering the plan the Council must have due regard to the need to:

- a. Eliminate unlawful discrimination, harassment and victimisation
- b. Advance equality of opportunity between different groups
- c. Foster good relations between different groups

3.3 This paper describes the Councils' commitment to providing truly inclusive services by listening to underrepresented voices, creating equal access and meeting our equality duties.

3.4 Given the breadth of work proposed and the complexity of relevant protected characteristics and their intersections it is not possible to analyse all the impacts of the plan in relation to legally protected characteristics. However, the Councils' legal duties (Equality Act 2010) will shape the development of the associated work plan, roadmap, in relation to eliminating discrimination, advancing equality of opportunity and fostering good relations.

3.5 Actions and areas of investment identified in the plan, as well as other decisions relating to implementation of the plan, will require Equality Impact Assessments as proposals are brought forward to relevant committees.

**4. Community Safety Issues (Section 17)**

The Council is committed to the promotion of communities as safe places.

**5. Human Rights Issues**

Matter considered and no issues identified.

**6. Environmental**

This work will support the participatory element of the Council's climate and ecological action plans.

**7. Governance**

Matter considered and no issues identified.



ADUR DISTRICT  
C O U N C I L

Adur Joint Strategic Sub Committee  
15 June 2023

Key Decision [Yes/No]

Ward(s) Affected:

## Western Harbour Arm Flood Defence Project

### Report by the Director for Place

**Officer: Phil Graham, Project Manager**

T: 01903221389 E:phil.graham@adur-worthing.gov.uk

### Executive Summary

#### 1. Purpose

- 1.1. The purpose of this report is to set out a practical solution to ensure that vital flood defences are provided in a vulnerable location at the Western Harbour Arm in Shoreham to enable work to proceed on-site. To achieve this, authorisation will be required by Members to extinguish Restricted Byway 3157 ("RB3157") at Stowes Hard in Shoreham.
- 1.2. The extinguishment of the RB3157 will reduce and prevent the integrity of the floodwall from being compromised, minimising its vulnerability and risk to flooding and ongoing costs for management and maintenance requirements.
- 1.3. This report sets out the background to the RB3157 and explains why it is now necessary to extinguish it for the benefit of improving flood protection in Shoreham.
- 1.4. This report sets out alternative options to ensure suitable public access can be maintained.

## **2. Recommendations**

2.1. Joint Strategic Sub Committee is recommended to:

- I. note the implications and processes associated with the extinguishment of RB 3157.
- II. note that a further report will be presented back to the Joint Strategic Committee Sub-Committee setting out the next key steps, necessary budget and timescales required to deliver the Flood Defence project.
- III. delegate authority to the Assistant Director for Regenerative Development to make a formal application to extinguish RB3157.
- IV. resolve not to proceed with the Diversion Order that was made on the 8th March 2021 in respect of RB3157

## **3. Background**

- 3.1 The Joint Strategic Committee on 31 January 2019 agreed to the purchase of a 3.5m strip of land (adjacent to the A259 on Brighton Road) from Sussex Yacht Club (SYC) by Adur District Council (ADC) to build a new flood defence wall. The land in question had been identified as a key weakness in the flood defences in Shoreham, experiencing a number of flooding events in recent years, impacting investment, growth and regeneration in this area.
- 3.2 In addition to the construction of a flood wall the remaining section of land purchased by the Council from SYC, of approximately 3m on the northern boundary of the site, will be designated as a footway with the intention that West Sussex County Council Highways will adopt through a S278/38 agreement on completion of the construction programme and develop the footway into a cyclepath. Planning permission for the development was granted by the planning authority in March 2019. A condition of the planning permission required the diversion or stopping up of RB3157 prior to the commencement of work on site.
- 3.3 A project update report considered at the Joint Strategic Committee of 7 July 2020 agreed that delegated authority be given to the Head of Major Projects & Investment to make formal applications to divert the Public Right of Way at



Stowes Hard and a Stopping Up Order for a section of highway at the entrance to SYC to build the flood wall and create a new 12m entrance point to the Yacht Club land further westwards.

- 3.4 The Stopping Up Order of a section of public maintainable highway at the existing entrance to SYC grounds was formally authorised by the Secretary of State and came into force on 15 October 2020.
- 3.5 An Order was made to divert RB3157 on 8th March 2021. The Order sought to divert RB3157 from the new entrance to a point opposite the existing site entrance (see **Appendix I**). During the formal consultation process two objections were made, primarily on the grounds that the new route, with right angled turns would not be convenient to those seeking to access the River. The matter was reviewed by Officers and it was decided not to progress the Diversion Order.
- 3.6 The capital receipt from the sale of land has been used by SYC to construct their new Yacht Club on the southern side of the existing Clubhouse land which is now complete and operational.
- 3.7 Adur District Council demolished the redundant yacht club to make way for the new flood wall and ancillary infrastructure requirements in November 2021.
- 3.8 The recent demolition of the redundant Yacht Club premises and decommissioned UKPN substation reopened access to RB3156 and RB3157. These Restrictive Byways have up until recently been blocked by buildings from public access for many years.
- 3.9 Two serviced floodgates will be included as part of the flood defence wall, one of which being a 12m sliding flood defence gate. ADC will be responsible for the on-going management and maintenance costs of both flood gates.
- 3.10 The Council appointed a design team to progress the scheme to RIBA 4 Work stages (detailed design) in readiness to tender and to appoint the flood defence construction contractors. However, further important surveys and ground investigations had been required to inform the final designs. This has included geological and borehole testing which has identified more complex technical implications in relation to the required depth of pilings and how water drainage disperses above and below the gravel, chalk and clay substrates. Therefore the designs needed to consider flooding from the southern aspect of the flood defence wall and also from surface and groundwater that could be held back by

the new flood wall impacting land to the north. The result of this testing is currently being analysed and a final report is being prepared for June 2023.

3.11 The diversion or stopping up order for RB3157 remains unresolved and potentially holds up the delivery of the essential flood defence works and puts at jeopardy the public funding used to purchase land from the SYC. Officers have spent a considerable amount of time working with various partners to find a practical solution.

3.12 There are 3 Restricted Byways in the vicinity of the proposed Flood Defence and these are shown 3.1 on **Appendix II**. The legal definitive line for each Restrictive Byway being situated through SYC, ADC and WSCC land:

- RB3156 - Dolphin Hard
- RB3157 - Stowes Hard
- RB3158 - Tarmount Hard

#### **4. Issues relating to the diversion of RB3157**

4.1. The Council made the Order to divert RB3157 on 8th March 2021 (see **Appendix I**) Two objections were received through the consultation, one from the Slipways Group and the other from the Inland Waterways Association. Both Groups expressed concern about the suitability of the proposed diversion as the new route would incorporate sharp right angled turns. There were also concerns raised that the proposed access to the River would be at a point where there were no steps or ramp down to the water's edge.

4.2. A meeting was held on site with the Slipways Group to discuss the objection and it was clear that the Group felt that any diversion should provide an easier direct route to the River. Both the Slipways Group and the SYC claim the Definitive Map for RB3157 is incorrect and should be further eastwards where the existing entrance is situated, although this is yet to be substantiated with WSCC.

4.3. Following this meeting various alternative options for diverting the RB3157 were considered. SYC has raised their concerns and would oppose public access to its slipway, indicating that it is unsafe for the public to access through a busy yacht club site with large hoists moving yachts back and forwards from the boat yard to its slipway.

- 4.4. Officers have explored the option of relocating the 12m flood gate to align with RB3157 as this would avoid the need for any diversion or stopping up Order. However, this option would present the same Health & Safety concerns for SYC in terms of safe ingress and egress for all users of the site and those using the RB and SYC would not support revising the planning application.
- 4.5. SYC has prepared a detailed report setting out why it feels the Definitive map is inaccurate and has indicated that this would be submitted to WSCC. WSCC has indicated that it would potentially take up to 18 months to deal with any request to amend the Definitive Map without any guarantees on the outcome and this would just delay the construction of essential flood defences for the town.

## **5. Stopping Up Order**

- 5.1. RB3157 is defined as a highway and allows the public the right of way on foot, bicycle, on horseback and on any vehicle other than mechanically propelled vehicles. The right of way does not provide any reasonable practical use, particularly given its purpose and lack of public land in the immediate vicinity.
- 5.2. Once an order is made for the stopping up of a Restricted Byway, formal consultation will take place, for at least 28 days in accordance with Schedule 14 TCPA and Schedule 3 of the Town and Country (Public Path) Regulations 1993. Any person may make representations to the Council within 28 days of the order being made. If no objections are made (or any objections are withdrawn) the Council can confirm the order. Where objections are made, an inquiry or hearing is held and the Secretary of State will decide whether or not to confirm the order with or without amendments. This can be a lengthy process without any guaranteed outcome.
- 5.3. The Council is contractually obliged to use its 'reasonable endeavours' to secure the stopping up or the diversion of the public rights over Stowes Hard and of course it cannot fully implement the construction of the flood defence until this matter is resolved.

## **6. Proposed Solution**

- 6.1 There is no easy solution to this matter and it is clear that diverting RB3157 would instigate objections from both the landowner and local groups and delay the project. A stopping up order could also provoke objections although would be strongly supported by the SYC. Given this byway has been blocked for many years and would allow an essential flood defence scheme to be

implemented this seems the most expedient option to pursue. It would enhance the safety of the site and avoid another flood gate being installed which would weaken the resilience of the defence and add further management issues for the Council and or SYC.

- 6.2. In parallel with the proposed stopping up of RB3157, your Officers are discussing with the SYC and WSCC proposals to improve the restricted byway RB3156 on the western side at Dolphin Hard. There is the scope to make use of the existing ramp leading off Ferry Bridge to avoid a drop in levels between the pavement and SYC land. This concept would be considered in tandem with the stopping up process, although they would not be dependent on one another.

## **7. Financial Implications**

- 7.1. The budget available for this phase of the project is £2.0m. This budget was first set back in 2016/17.
- 7.2. As members are aware, there are significant cost pressures within the construction industry. Common issues across the economy including inflation, supply chain issues, and the availability of labour have been acutely felt within the construction industry. These have been further exacerbated by the war in Ukraine with the resultant impact on energy prices and commodities affecting the energy intensive construction industry.
- 7.3. Consequently, the budget for the scheme will be revised to reflect the current estimated cost of the construction and the final scheme design that is being prepared in parallel to this report. The extinguishment of RB3157 is expected to reduce the cost of the construction by avoiding the cost of an additional floodgate, and reduce the ongoing management and maintenance costs.
- 7.4. Members will be updated on delivery costs, the construction programme and the procurement strategy in Quarter 2 of 2023.

Finance Officer: Sarah Gobey

Date: 9th May 2023

## **8. Legal Implications**

- 8.1. In accordance with Section 257 Town and Country Planning Act 1990 ("TCPA"), a local authority may, by order authorise the stopping up of any footpath, bridleway or restricted byway if they are satisfied that it is necessary

to do so in order to enable development to be carried out in accordance with Planning Permission granted under Part III TCPA.

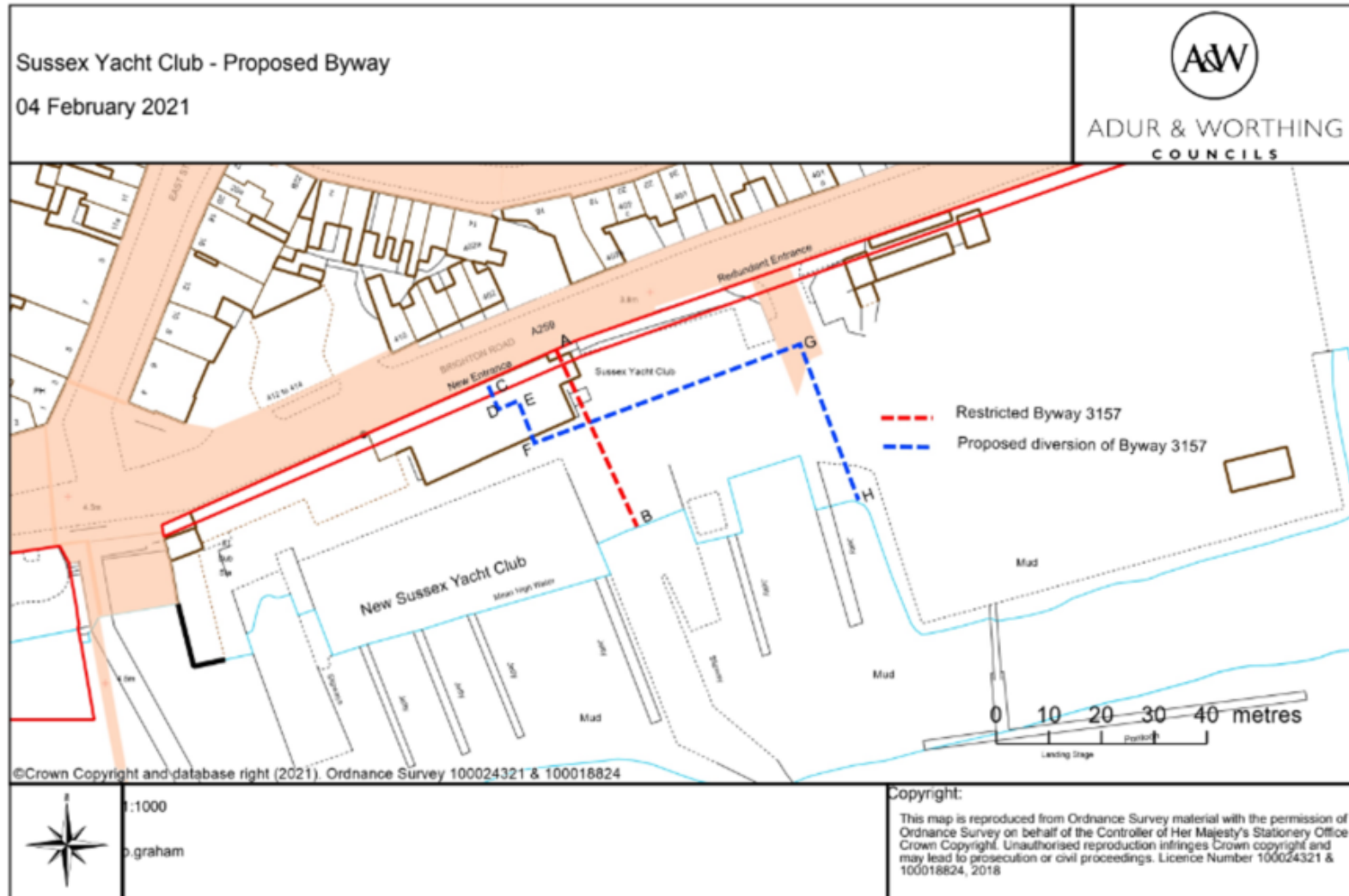
- 8.2. The process to obtain a stopping up order is explained in paragraph 3.2 above.
- 8.3. Further Section 257(2) TCPA states that an order under this section may, if the competent authority are satisfied that it should do so, provide, inter alia, for the creation of an alternative highway for use as a replacement for the one authorised by the order to be stopped up or for the improvement of an existing highway for such use.

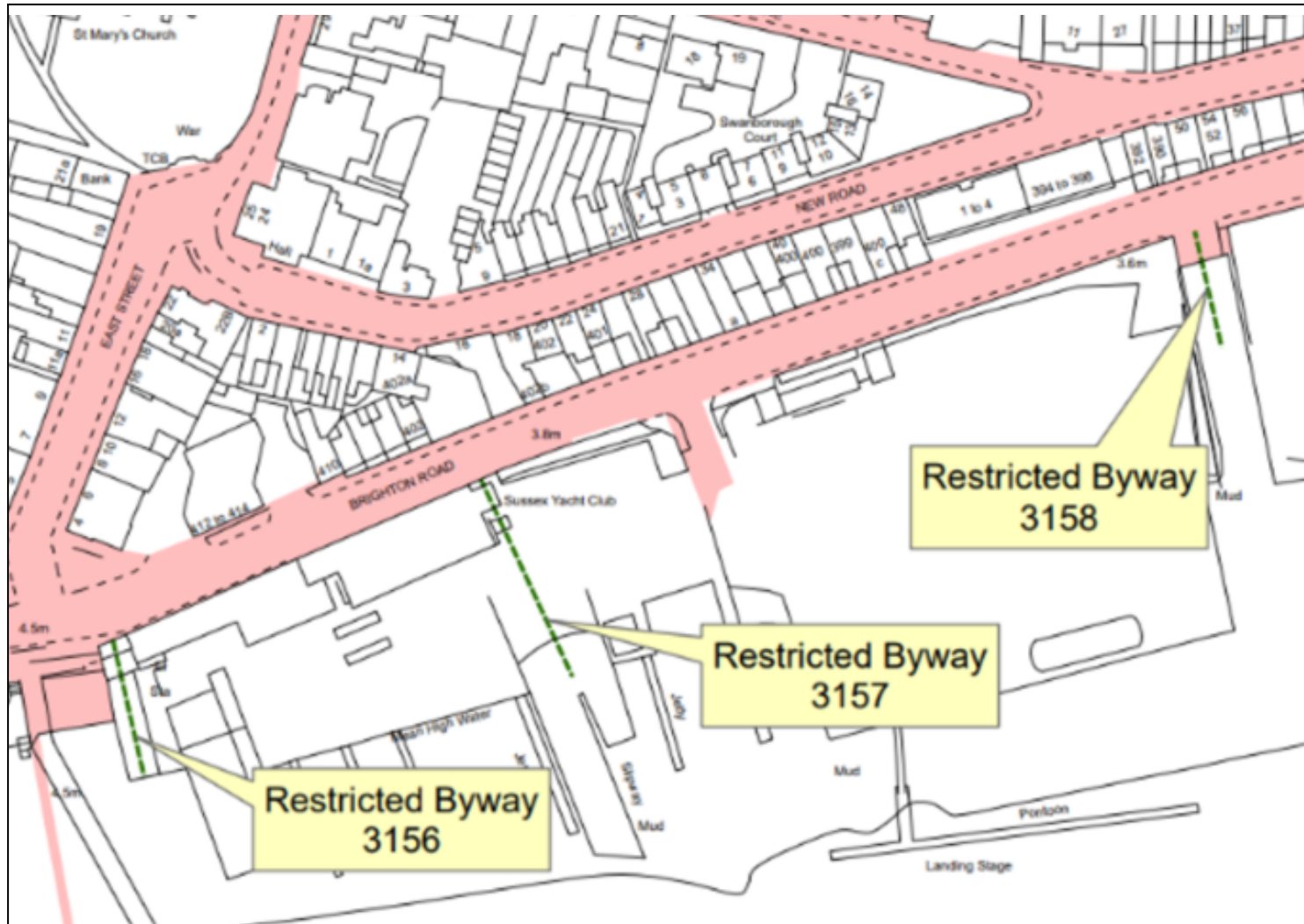
Legal Officer: Caroline Perry

Date: 11th May 2023

### **Background Papers**

- Joint Strategic Committee 5th June 2018 Agenda Item 7- Sussex Yacht Club.
- Joint Strategic Committee 10th January 2017 Agenda Item 11 - Flood Defences at Sussex Yacht Club.
- Joint Strategic Committee 7th July 2015 Agenda Item 12 - Shoreham Harbour Flood Defence Project for Sussex Yacht Club and Kingston Beach, Western Harbour Arm.
- JSC Report, 31 January 2019
- JSC Report, 7 July 2020





## **Sustainability & Risk Assessment**

### **1. Economic**

- The project will deliver significant economic benefits through the protection of Shoreham Town Centre and the A259 from flooding incidents and will create a number of direct and indirect economic benefits through the construction process.

### **2. Social**

#### **2.1 Social Value**

- The project outlined in the above report will have a positive impact on our local communities by improving local flood, cycle and pedestrian Infrastructure.

#### **2.2 Equality Issues**

- Matter considered and no issues identified.

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

- Building an appropriate flood defence wall and flood operational procedures will protect the safety of the community.
- A safe and accessible pathway/cyclepath will provide a safer movement along the A259 Brighton Road

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

- The development would protect homes and businesses and therefore would not impinge on anyone's human rights. The proposals, in any event, would require planning permission and due consideration will be given to all the consultation responses received.

### **3. Environmental**

- It is not anticipated that any aspect of the scheme will have a Harmful impact on Adur District's environment or habitats. The environmental and ecological effects of the scheme have been fully considered through the planning application.

### **4. Governance**

- The developments outlined within this report are aligned to the Council's contract of standing orders





ADUR & WORTHING  
COUNCILS

Joint Audit and Governance Committee  
30th May 2023  
Adur Joint Strategic Sub-Committee  
15 June 2023

Key Decision [No]

Ward(s) Affected: All Adur

## Regulatory Compliance Notice for Adur Homes

### Report by the Director for Housing and Communities

#### Executive Summary

#### 1. Purpose

This report updates Members about the Regulatory Compliance Notice issued by the Regulator of Social Housing in relation to Adur Homes. This Notice follows the self referral to the Regulator reported to the Committee on 23rd of March 2023.

Adur Homes has been found to be non compliant with the 'Homes Standard' in relation to the provision of decent homes and in meeting building health and safety requirements.

Adur Council has accepted the findings of the notice issued by the Regulator on the 26th April 2023. This report sets out how the Council will comprehensively respond to the issues to bring the Council back into regulatory compliance and to deliver quality services to the tenants and leaseholders of Adur Homes.

#### 2. Recommendations

2.1 That the Joint Audit and Governance Committee notes the:

- Regulatory Notice issued to Adur Council detailing the failure in regard to meeting the Home Standard
- acceptance by Adur Council of the findings of the Regulatory Notice
- work already underway to remedy relevant areas of non-compliance
- development of a Housing Improvement Plan to ensure that Adur Homes becomes fully compliant with regulatory standards, and that sets out a timetable for this work.

2.2 That the Adur Joint Strategic Sub-Committee notes the:

- Regulatory Notice issued to Adur Council detailing the failure in regard to meeting the Home Standard
- acceptance by Adur Council of the findings of the Regulatory Notice
- work already underway to remedy relevant areas of non-compliance
- development of a Housing Improvement Plan to ensure that Adur Homes becomes fully compliant with regulatory standards, and that sets out a timetable for this work.

### 3. Context

3.1 On 22 November 2022, following the death of Awaab Ishak in Rochdale, the Regulator of Social Housing wrote to all registered providers requesting that they identify properties not meeting standards relating to decent homes and repair. The Regulator said that any registered providers not meeting these standards should 'self-refer' immediately.

3.2 Following this communication, the new Director for Housing and Communities undertook a diagnostic review of compliance by Adur Homes with regard to regulatory standards. This review found a number of areas where Adur Homes is not compliant as detailed in the report to the [Joint Audit and Governance Committee on 23 March 2023](#).

3.3 As set out in a previous report to the JACG, Adur Council referred itself to the Regulator on [24 February 2023](#).

3.4 On 10th May 2023, Adur Council received formal notice from the Regulator confirming that the Council is in breach of two sections of the Home Standard. The Home Standard sets expectations for registered providers of social housing to provide tenants with quality accommodation, including the provision of decent homes, effective management of health and safety compliance and the provision of cost effective repairs and maintenance.

3.4 In draft correspondence to Adur Council, the regulator 'concluded that:

- a) Adur District Council (Adur DC) has breached parts 1.1 and 1.2 of the Home Standard; and
- b) As a consequence of this breach, there was the potential for serious detriment to the provider's tenants.' The formal notice also states that the regulator will work with Adur DC as it seeks to remedy this breach. The draft regulator's decision has been accepted in full by the Council.

3.5 In discussions subsequent to the self referral, the Regulator also indicated that Adur Homes performance against other standards is not optimal, and suggested that the response by the Council should be comprehensive and address all areas of underperformance. The Regulator will be seeking information from Adur Council that shows an understanding of how the non-compliance came about, what its root causes are, and how the Council intends to address the issues and transform the way it works to improve housing and services for tenants.

3.6 There are also imminent new requirements for registered providers outlined in the Social Housing (Regulation) Bill currently going through the Parliamentary and Royal Assent process. These include annual mandatory tenant satisfaction measurement, addressing damp and mould in properties, and the need for housing staff to have professional qualifications and accreditation.

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

4.1 In response to the issues identified in the audit of performance of Adur Homes, and ahead of the formal response to the self referral by the Regulator, the Director for Housing and Communities has already put in place initiatives to rectify non-compliance.

4.2 These actions include:

- Working with and securing advice from Runnymede Borough Council, which also self referred to the Regulator and redressed its compliance issues
- Reviewing the terms of reference for the Adur Homes Management Board and membership to refocus this on the provision of an advisory role for the development of Adur Homes
- Implementation of a new internal Housing Improvement Board to drive forward and oversee the implementation of the Housing Improvement Plan
- Review and development of a number of (interim) health and safety asset-related policies
- A new Head of Property Services created to lead the work around our Adur Homes assets
- A new Interim Head of Housing in place to lead our work on tenancy services
- Partnering with Runnymede Council on a contract to deliver the new mandatory tenant satisfaction requirements
- Developing new posts and a new support team to provide important infrastructure for Adur Homes, including a Tenant Engagement Lead, a Strategy and Policy Manager and a Performance and Data Officer (under development)

- Scoping the requirement for effective systems to better enable the work of Adur Homes with a view to upgrading or purchasing new systems to support asset and tenancy management functions
- Development of a comprehensive draft Housing Improvement Plan to bring Adur Homes back to regulatory compliance
- Drafting a new HRA Business Plan setting out investment priorities for Adur Homes, including a 30-year forecast
- Developing a new reporting and governance framework, including new KPIs and clarifying governance accountabilities
- Commencing work on a new Strategic Asset Management Plan for the housing portfolio
- Engaging external housing expertise to provide additional support and guidance
- Engagement work with tenants and Leaseholders started including a new tenant newsletter.

4.2 The Housing Improvement Plan seeks to address the full range of areas where Adur Homes has been internally assessed as requiring reform and improvement. As well as a focus on the assets, and health and safety compliance issues, the Plan includes reforms to tenancy management, tenant engagement, and complaints management. Work has already begun to address several of the items listed in the Housing Improvement Plan.

4.3 The Housing Improvement Plan is phased initially over a 24-month period and assigns ownership of specific reforms to the relevant senior housing leader. This is necessarily a high level Plan and specific reforms will require more detailed project implementation plans to be developed by the senior housing leader responsible for the initiative. It is important to note that initial work will significantly focus on safety and compliance, with a more comprehensive piece of work in the longer term to bring homes to the Decent Homes Standard.

4.4 The Housing Improvement Plan also has a risk assessment that sets out the high level risks associated with not resolving or mitigating the issue, and an Environment Scan highlighting issues on the horizon that could impact on implementation.

4.5 The Plan also tracks across to issues previously identified by the JAGC Committee and to outstanding FOIs, to ensure that these long-standing areas of underperformance are addressed.

4.6 To monitor progress towards regulatory compliance the Regulator has stipulated that there will be 'intensive engagement' until Adur Homes is compliant.

The Regulator will review the Housing Improvement Plan developed by Adur Council and monthly meetings based on detailed diagnostic analysis will be used to track progress against the Plan.

4.7 The Regulator has also advised that they will want to receive third party assurance of rectification through an external consultant audit.

## **5. Engagement and Communication**

5.1 Adur Homes tenants and leaseholders have all been informed about the decision to refer to the Regulator, including the reasons why and an outline of next steps.

5.2 A Communication and Engagement Plan is being developed and there is additional support for this through some additional funded capacity in the Communication Team. The Communication Plan will also include key stakeholders in the broader Adur and Worthing communities who need to be kept informed.

5.3 Engagement has already begun with Tenants and Leaseholders including the development of a new monthly newsletter and engagement sessions. Two have been held to date in Fishersgate and Southwick and others are being planned for other places

5.4 Members of Adur Council are being briefed, and regular meetings are in place with the Adur Cabinet Member for Customer Services and Housing and the Cabinet Member for Health and Wellbeing.

## **6. Financial Implications**

6.1 The resources to ensure compliance with the Regulator's Standards must be found within the Adur HRA which is a ring-fenced account. Overall, the HRA has a significant budget available to it (£14.8m) and every endeavour will be made regarding best use of this existing resource to deliver the improvement plan.

6.2 However, to improve financial capacity to deliver any additional requirements arising which cannot be accommodated with the existing approved revenue budget two projects are underway:

1. A capitalisation direction has been sought from the Secretary of State for DLUCH to enable the council to access the Major Repairs Allowance which stood at £9.4m as at 31/3/2022. This reserve can currently only be used to

fund capital expenditure and the repayment of any debt under legislation. Members are reminded that there is no guarantee that a direction will be given and that there will be revenue consequences in utilising this reserve as it was planned to be used to finance the capital programme.

2. A review of the depreciation calculation for Adur Homes is underway. The annual depreciation charge is transferred to the Major Repairs Reserve. This follows some benchmarking which identified that our depreciation charge per dwelling was significantly higher than other similarly sized Councils. This is under discussion with our auditors, and if successful will build capacity in the revenue budget to take forward further improvements. It should be noted that this effectively reduces the capital resources available to fund the programme which will need to be replaced.

Any capital resources used to support the revenue budget would need to be replaced by borrowing at an estimated revenue impact of £45,000 per £1m additional borrowing in a full year.

6.3 Development of a new Housing Revenue Account Business Plan is currently underway and this will enable the service to track the management of resources to deliver against the government's Decent Homes Standard and to ensure compliance in all other service areas.

## **7. Legal Implications**

7. 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 Section 8 of the Housing Act 1985 continues to place a duty on every local housing authority to consider housing conditions in their district and the needs of the district with respect to the provision of further housing accommodation.

## **Background Papers**

The Joint Audit and Governance Committee report 23 March 2023 [here](#).

The formal notification of the breach [here](#).

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

Tina Favier, Director for Housing and Communities

Deborah Georgiou, Strategic Improvement Lead Adur Homes

07850900266/07721235089

## **Sustainability & Risk Assessment**

### **Economic**

1.1 Thriving Economy is one of the four Missions identified in Our Plan and will therefore become one of the key documents informing the direction and prioritisation of the council's work with regard to Adur Homes.

1.2 Providing a decent home that is secure, affordable, warm and modern, supports the wellbeing of our residents, enabling those who are able to work and to sustain employment and contribute to economic activity.

## **2. Social**

### **2.1 Social Value**

2.1.1 Residents and communities are central to Our Plan and 'Thriving People' is one of the four Missions identified in Our Plan. This mission aims to ensure people are healthy, resilient and resourceful, that they can access the right help when they need it and everyone has a safe, secure and sustainable home.

2.1.2 One of the three overarching Principles in Our Plan is Participative, which is based on the explicit intention to work more closely with citizens to involve them in deeper and more meaningful conversations about service design and delivery. Our work to meet decent homes and the other housing standards will be linked to our tenant participation activity therefore forms a central part of the council's commitments.

### **2.2 Equality Issues**

2.2.1 The council is subject to the general equality duty set out in section 149 of the Equality Act 2010. This duty covers the following protected characteristics: age, gender, gender reassignment, pregnancy and maternity, race, religion or belief, and sexual orientation.

2.2.2 In delivering housing services the council must have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation
- Advance equality of opportunity between different groups
- Foster good relations between different groups

2.2.3 The participative principle in Our Plan describes the council's commitment to providing truly inclusive services by listening to underrepresented voices, creating equal access and meeting our equality duties.



2.2.4 The council's legal duties (Equality Act 2010) will inform the development and delivery of the improvement plan, in relation to eliminating discrimination, advancing equality of opportunity and fostering good relations.

2.2.5 Decisions, actions and areas of investment relating to implementation of the improvement plan, may require Equality Impact Assessments.

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

2.3.1 The council is committed to the promotion of communities as safe places. Our Plan seeks to progress delivery of the councils' community safety commitments by strengthening working partnerships with the Police, communities, businesses and multidisciplinary teams across the council.

2.3.2 As part of our ongoing work to meet the Neighbourhood and Community Housing Standard will be to keep the neighbourhood and communal areas associated with the Adur Homes clean and safe, co-operate with relevant partners to promote tenant and community wellbeing, and help prevent and tackle anti-social behaviour.

### **2.4 Human Rights Issues**

2.4.1 The actions set out in the report will enable the council to identify solutions that will enable our residents, communities and neighbourhoods to flourish.

## **3. Environmental**

3.1 Thriving Environment is one of the four Missions identified in Our Plan and key actions include achieving net zero carbon, resilience to climate change and increased biodiversity by restoring natural habitats and minimising waste.

3.2 The improvement plan, as part of the wider work plan for Adur Homes, will as part of these commitments actively contribute to carbon reduction, waste minimisation and biodiversity improvement objectives.

## **4. Governance**

4.1 In line with the constitution this report is being taken to the Joint Audit and Governance Committee and the Adur Joint Strategic Sub Committee to note and comment. Additional engagement has been undertaken with the Adur Cabinet members for Housing and Communities.

4.2 Further updates, including the improvement plan will be brought to the JAGC and other relevant committees on a quarterly basis.

This page is intentionally left blank



ADUR DISTRICT  
COUNCIL

Adur Joint Strategic Sub Committee  
Date 15th June 2023

Key Decision [No]

Ward(s) Affected:All

## **New Leaseholder Service Charge Income Collection Policy**

### **Report by the Director for Housing and Communities**

#### **Executive Summary**

##### **1. Purpose**

1.1 As part of the Improvement Plan for Adur Homes a number of housing policies are being created, updated and revised to set a clear direction, standards and expectations for the service.

1.2 This report presents a new Leaseholder Service Charge Income Policy, aimed at providing a consistent approach to the collection of leasehold service charges and arrears. It seeks any comments from and approval from Members.

##### **2. Recommendations**

2.1 The Adur Joint Strategic Committee is asked to:

i) comment and approve the Leasehold Service Charge Income Collection Policy, attached as Appendix 1.

ii) delegate authority to the Director for Housing and Communities to make minor amendments to this policy, as required, in consultation with the Adur Homes Management Board.

### **3. Context**

**3.1** Adur District Council works to comply with the requirements of all relevant legislation and regulation in respect of collection of leasehold service charge arrears and where Adur District Council is the landlord, to provide a clear and robust process in the collection of service charge arrears that adheres to all relevant legislation and regulations.

**3.2** This policy has been written in accordance with our Corporate Debt Recovery Policy for Adur and Worthing Councils, with a focus on developing a fair, consistent and sensitive approach to income collection, which works proactively with people that might be suffering from financial hardship. This new policy is presented for comment and agreement by Members of this Committee. The objectives of this policy is to:

- Reduce the current level of leasehold service charge arrears and maximise income to the HRA.
- Monitor and manage collection of leasehold service charges.
- Ensure procedures to enable consistent approach to maximise the collection of leasehold service charge to increase income and reduce the debtor balance.
- Ensure the leasehold service charge arrears policy incorporates the values of the corporate debt policy.
- Signpost leaseholders when required to relevant support and debt advice organisations such as Citizens Advice, National Debt line and Step change as well as provide support via our Proactive approach e.g. Telljo for those in arrears and experiencing hardship.
- Set out our contact options for leaseholders, letter, email, SMS text messaging, and phone call.
- Provide a consistent approach to engagement with leaseholders.
- Provide regular monitoring of current arrears levels and and process for taking action where necessary.
- Provide appropriate training to staff in the process for leasehold service charge arrears collection.
- Maintain documentation and records of correspondence sent to leaseholders in respect of charges and arrears.

## **4 Issues for consideration**

- 4.1 The proposal is to adopt this policy and procedure to create a clear process for leaseholders and the leasehold team to collect and maximise payment of services charges.
- 4.2 An alternative option would be to outsource the collection of arrears to an external company. In the future officers could consider this, but procuring would take time to scope, tender and procure leading to additional debt accruing and could result in increased cost to the council.
- 4.3 If no action was taken on the leasehold service charge arrears, there would be a year on year increase in debt, with a detrimental effect on the HRA. If no recovery action was taken during a six year period, the debt becomes statute barred, unrecoverable and a bad debt that would require write off.
- 4.4 The proposal to create a leasehold service charge collection policy is being recommended to ensure a proactive and consistent approach for the recovery of leasehold service charges. The policy will provide the terms to maximise collection and income to the HRA and minimise the risk of bad debt.

## **5 Engagement and Communication**

- 5.1 In developing this policy relevant housing, finance and legal staff have been consulted. The draft policy has been shared with the chair of the Leasehold Forum (Leaseholder) for their comments.
- 5.2 The process will be dealt with internally within the leasehold team. If an account requires legal action, this will be referred to our legal team.
- 5.3 The policy will set clear boundaries and expectations of leaseholders to pay service charge. If leaseholders are experiencing financial difficulty the leasehold team will discuss payment arrangements, signpost the leaseholder to an external debt advice service and support them via our Proactive work.
- 5.4 Any issues raised from this policy will be addressed by Adur Homes Leasehold Manager and a suitable solution identified, in line with our corporate debt policy. Once approved, the policy will be enabled by the leasehold team and relevant training provided. Any cases which require legal work will be raised with our legal team as and when required.

## **6 Financial Implications**

- 6.1 The current arrears balance is in the region of £170,000. Implementing this policy will enable the service to effectively recover any debt and reduce the balance on the debtor account. The risk of writing off debts through statute barred legislation will

reduce as a result.

- 6.2 Policy for collection will enable KPI's to be set and provide revenue to the HRA which is essential to budget setting and achieving good service standards.
- 6.3 Enabling the prompt collection of service charges will reduce the financial impact on the HRA and support HRA budget management.

**Finance Officer:** Sarah Gobey

**Date:** 6th June 2023

## **7. Legal Implications**

- 7.1 The Landlord and Tenant Act 1985 (as amended by the Common Leasehold and Reform Act 2002) states that a Landlord may only include costs in the service charge to the extent that they are reasonable.
- 7.2 Section 20 of the Service Charges (Consultation Regulations) (England) Regulations 2003 limit the amount of service charge that a Landlord can charge to £250 if the proper consultation processes have not been undertaken by the Landlord.
- 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 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:** Andrew Mathias

**Date:** 30 May 2023

## **Background Papers**

- [Corporate Debt Policy](#)
- Appendix 1: Leasehold Service Charge Arrears Policy
- [Equalities Impact Assessment](#)

## **Officer Contact Details:-**

Gemma Riedl (Leasehold Manager) Policy Lead  
Telephone: 01903 221429 Email: [gemma.riedl@adur-worthing.gov.uk](mailto:gemma.riedl@adur-worthing.gov.uk)  
Janet Ashby (Neighbourhood Services Manager)  
Email: [janet.ashby@adur-worthing.gov.uk](mailto:janet.ashby@adur-worthing.gov.uk)

## **Sustainability & Risk Assessment**

### **1. Economic**

**1.1** Thriving Economy is one of the four Missions identified in Our Plan and will become one of the key documents informing the direction and prioritisation of the council's work with regard to Adur Homes.

### **2. Social**

#### **2.1 Social Value**

- The policy will facilitate engagement with leaseholders to discuss their arrears and provide an opportunity to increase their understanding of the collection process.
- Increasing income to the HRA will benefit our leaseholders and tenants as will contribute to improving our services and maintaining the homes in our portfolio.
- The policy will facilitate engagement with leaseholders and an opportunity to identify support needs where we can connect residents to appropriate services

#### **2.2 Equality Issues**

- The council is subject to the equality duty set out in section 149 of the Equality Act 2010. This duty covers the following protected characteristics: age, gender, gender reassignment, pregnancy and maternity, race, religion or belief, and sexual Orientation.
- In delivering housing services the council must have due regard to the need to:
  - i) Eliminate unlawful discrimination, harassment and victimisation
  - ii) Advance equality of opportunity between different groups
  - iii) Foster good relations between different groups
- The participative principle in Our Plan describes the council's commitment to providing truly inclusive services by listening to underrepresented voices, creating equal access and meeting our equality duties.
- The council's legal duties (Equality Act 2010) will inform the Development and delivery of the improvement plan, in relation to eliminating discrimination, advancing equality of opportunity and fostering good relations.
- The leasehold service charge collection policy will help identify leaseholders who are experiencing financial difficulty and signpost them to external organisations to receive financial advice as well as connect them to other services to support them with their

health and well being where required. Repayment plans will take account of income and expenditure and be set at an affordable rate.

### **2.3 Human Rights Issues**

- The actions set out in the policy will help ensure Adur Homes' properties are safe and enable our residents, communities and neighbourhoods to thrive.

### **3. Environmental**

- Thriving Environment is one of the four Missions identified in Our Plan and key actions include achieving net zero carbon, resilience to climate change and increased biodiversity by restoring natural habitats and minimising waste. The Leasehold Service Charge Collection Policy will help maintain consistent collection of funds into the HRA. This will enable Adur Homes to carry out maintenance and services to our housing stock resulting in improved levels of living for our residents.

### **4. Governance**

- The governance will sit with the Housing Improvement Board



## **Leasehold Service Charge Income Collection Policy**

### **1. Introduction**

This document sets out our policy for leasehold income collection.

### **2. Purpose**

**2.1.** Adur Homes must maintain an effective and efficient income service to ensure that leasehold customers pay rent and charges in accordance with their lease. Our approach in Adur District Council and Worthing Borough Council will be fair, consistent and sensitive to individual situations

**2.2.** We recognise that engaging with our leasehold customers, helping them to overcome financial problems and embedding a payment culture is the most effective method of income recovery. To do this we will:

**2.2.1.** Develop triggers and measures to provide an opportunity for proactive, early intervention and reduce the likelihood of the arrears increasing

**2.2.2.** Implement best practice for collecting and recovering debt to the Councils

**2.2.3.** Ensure that the debt has been raised correctly and in a timely manner

**2.2.4.** Make sure that residents and businesses are given invoices or bills setting out the charge, the basis of the charge, methods of payment and Council contact details

**2.2.5.** Where appropriate, agree payment arrangements with customers

### **3. Scope**

**3.1** This policy sets out our approach to the collection of leasehold income and the management of debt/ arrears.

**3.2** It applies to all leasehold customers of Adur District Council who have a legal obligation to pay an income to the Council.

**Ground rent** – own the freehold of a property and charge a ground rent within the terms of the lease.

**Service charge** – Covers a leaseholder's contribution to services provided to the communal areas of a block or estate, defined within the lease which includes but not limited to estate management, cleaning, day to day maintenance of shared areas and management fees.

**Debt/ Arrears** – These are amounts owed to us, by a leaseholder for rent, services or major works charged for as defined within the lease.

## **5. Roles and Responsibilities**

The Leasehold Team will be responsible for proactive early engagement and arrears collection.

## **6. Income Collection Policy**

### **6.1 Leaseholder obligations**

Leaseholders are responsible for ensuring any amounts due, defined within the lease, are made promptly following receipt of a demand for ground rent and service charges, as set out in their lease. Failure to pay any amounts due constitutes a breach of their lease. Leaseholders remain responsible for informing us of any financial difficulties they are experiencing which may affect their ability to pay amounts due, maintaining their payments and should engage with us to ensure that the arrears are repaid.

### **6.2 Payment**

We will request payments promptly to minimise delays and leaseholders falling into arrears. We understand the value of using a range of preventative measures to help customers to pay and will minimise the use of enforcement action where appropriate. To enable us to do this we will:

**6.2.1** provide leaseholders with clear and transparent information regarding their responsibilities, payment methods and support available.

**6.2.2** promote a payment culture, highlighting the connection between payments and our ability to provide a quality service.

**6.2.3** expect leaseholders to pay all charges in advance in accordance with the terms of their lease.

**6.2.4** provide leaseholders with a variety of convenient payment methods.

**6.2.5** monitor accounts to identify issues at an early stage.

**6.2.6** work closely with leaseholders to ensure signposting to internal teams or external agencies where appropriate, identifying any additional needs our customers may have and referring them to appropriate support services as necessary.

**6.2.7** identify any communication needs our customers may have and provide information in alternative formats and languages if required.

**6.2.8** highlight the importance of paying all charges when due, the implications of accumulating arrears, and assistance that may be available. The consequences of accumulating arrears, as well as the support we can

offer to customers in difficulty.

**6.2.9** provide a supportive environment where leaseholders feel able to discuss financial difficulties.

**6.2.10** encourage leaseholders to inform us of any change in personal circumstances that may affect their ability to pay. New leaseholders will be asked to complete a direct debit mandate upon completion of sale. Payment Agreements will be made within the terms of the lease.

### **6.3 Advice and information**

**6.3.1** We will issue clear, annual statements to all leaseholders that will show service charges and ground rent amounts due. We will also provide additional statements on request.

### **6.4 Account Monitoring and Communication**

**6.4.1** If arrears accrue we will communicate with leaseholders in a variety of ways:

- letter
- email
- text
- telephone
- home visits

We will record and store their preferred method of contact and update this regularly and respect their preferred method of contact. We may also attempt home visits to speak to the leaseholder in person where necessary.

**6.4.2** Our communication aims to inform leaseholders that they have arrears, encourage them to repay the debt, signpost them to internal teams or external agencies for support and advise them of any action we may take to recover the debt. We will keep records of all communication and correspondence with leaseholders regarding their arrears.

### **6.5 Payment difficulties**

**6.5.1** Payment arrangements will be reasonable and affordable to the leaseholder, taking into account the need to collect sufficient service charges to maintain services and lease obligations, the balance on the service charge account. Payment arrangements will be confirmed in writing.

**6.5.2** Where the lease permits, we reserve the right to charge interest on any debt.

**6.5.3** We do not offer our customers financial advice or debt counselling. Customers wishing to seek independent advice or debt counselling will be signposted to suitable internal teams or external agencies which can include the Citizens Advice, Money Advice Plus or StepChange.

**6.5.4** It is the leaseholder's responsibility to keep Adur District Council updated of their financial situation if they cannot maintain their payments, even when receiving support from independent agencies.

## **6.6 Taking enforcement action**

**6.6.1** Enforcement action will only commence when all reasonable steps have been taken.

If a payment arrangement is not maintained or engagement with us ceases and arrears remain on the account, we will pursue one or more of the following enforcement options to recover the debt.

**6.6.2** We will encourage customers to respond to correspondence from the Court and attend any hearings listed.

**6.6.3** In all cases that are referred to court will refer to the guidance provided in the Ministry of Justice pre-action protocol. Pre-action protocol would allow 30 days before any civil action is undertaken.

### **Contacting the mortgage lender**

**6.6.3** We will contact the mortgage lender once we have established there are no other means of arrears recovery as detailed in Section. This step would not happen until after the 30 pre-action protocol letter had been sent to the debtor.

**6.6.4** If the mortgage lender refuses to satisfy the arrears we will seek alternative enforcement action.

### **Civil Action**

**6.6.4** We may pursue arrears as a civil debt through the county court judgement.

### **Enforcement**

**6.6.5** We will not take court action without informing the leaseholder of our intention by serving a notice under section 146 of the Law of Property Act 1925. We will also inform the mortgage lender of our intention. Enforcement will be taken inline with the Council's debt policy.

**6.6.6** Should we take further action we will follow the Commonhold and Leasehold Reform Act 2002, which states that proceedings cannot commence if the sum is less than £350 or has been outstanding for less than three years. We will add court fees and legal costs relating to the arrears where applicable under the terms of the lease.

**6.6.7** Prior to taking legal action, any vulnerability or support needs paying particular regard to the Equalities Act, and refer leaseholders to relevant support agencies as appropriate.

**6.7** Where the court has granted Adur District Council ownership of the lease, we will inform

the leaseholder of the decision and instruct the bailiff to gain possession.

**6.7.1** Once the lease is sold, we will deduct any relevant expenses from the proceeds of the sale, for example outstanding service charges and legal fees. We will recover all internal and external costs associated with the property. If there are not sufficient funds to cover these costs, we will consider making a claim for the remaining balance and any outstanding debts.

**6.7.3** If there are any proceeds remaining from the sale, we will consider returning them to the former leaseholder, based on the circumstances of the case.

## **6.8 Deferring payment following the death of a leaseholder**

We may agree to defer payments of charges relating to a property which has recently been vacated following the death of the leaseholder until Probate is granted. Such agreements will be made at our discretion and will not affect our rights under the terms of the lease.

## **6.9 Deferring payment following a move to residential care**

We may agree to defer payments of charges relating to a property which has recently been vacated following a leaseholder's move into residential care. Such agreements will be made at our discretion and will not affect our rights under the terms of the lease.

## **7. Confidentiality**

We will treat personal data and information in accordance with our Data Protection Policy. We will seek the informed consent of customers with capacity (or advocates for customers lacking capacity) before asking for, accepting, or sharing their personal data. To support this, we will ensure that local arrangements about sharing data are in place, such as information sharing protocols.

## **8. Impact Assessments Equality**

[EIA](#) has been completed.

- We are governed by a pre-court protocol including a proportionality assessment. We cannot take enforcement action without showing evidence we have followed this.
- Any mandatory action or eviction requests need to have an individual EQIA if there is any vulnerability or protected characteristic. DPIA assessment is not needed as the Policy does not refer to collection of additional sensitive information.

## **9. Review**

This policy will be reviewed every three years and more frequently if changes in legislation, regulation or the service requires it. (Date of next review - April 2026).

## **10. References Related internal documents**

• Other relevant policies and procedures will also apply, together with leases:

### **Policies:**

- Corporate Debt Policy
- Complaints Policy
- Data Protection Policy
- Equality and Diversity Policy Legislation, regulation and guidance  
Pre-action Protocol for Possession Claims Based on Rent Arrears, Civil Procedure Rules, Ministry of Justice, 2006

### **Legislation:**

- Law of Property Act 1925.
- Leasehold Reform, Housing and Urban Development Act 1993
- Common and Leasehold Reform Act 2002
- Equalities Act 2010
- Landlord and Tenant Act 1985
- Landlord and Tenant Act 1987
- Housing Act 1996
- Data Protection Act 1998
- Human Rights Act 1998

## **11. Appendices**

- First Reminder Letter
- Arrears Letter 1
- Arrears Letter 2



ADUR DISTRICT  
C O U N C I L

Adur Joint Strategic Sub Committee  
15 June 2023

Key Decision Yes

Ward(s) Affected: Southwick Green

## **Acquisition of leasehold properties on the Southwick Estate to support estate improvement**

### **Report by the Director for Place**

#### **Officer Contact Details**

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

### **Summary**

#### **1. Purpose**

- 1.1. The report follows the extensive consultation work being undertaken with residents examining options for the future of the Southwick Estate, the increasing demand for emergency and temporary accommodation (EA/TA) in Adur, and the Council's commitment to owning and managing its own stock of EA/TA.
- 1.2. The report outlines the advantages of purchasing leasehold properties on the Southwick Estate to help meet the increasing demand for EA/TA whilst also supporting longer term estate improvement, and the proposed process for doing so.
- 1.3. The report seeks agreement of Members to the process of identifying and acquiring leasehold properties by the Council on the Southwick Estate for temporary use as Emergency and Temporary Accommodation as well as approval of a budget released from £2.25m to enable swift purchase of eligible properties.

## **2. Recommendations**

- 2.1. To approve the principle of acquisition of leasehold properties on the Southwick Estate to enable the council to fulfil its statutory housing duties under S188 and S193 of the Housing Act 1996, using the methodology and approach set out in the body of this paper.
- 2.2. To recommend to Adur District Council to approve a budget of £2,250,000 to enable the acquisition of up to 10 homes on the Southwick Estate to facilitate the redevelopment of the estate and to provide temporary accommodation in the interim. This is to be funded from £0.9m retained right to buy receipts and £1.35m from borrowing.
- 2.3. To delegate authority to the Head of Housing to approve the purchase of specific properties identified under this initiative and to enter into all contracts to acquire the properties and deliver any improvements required.

## **3. Context**

- 3.1. Southwick is a harbour town located in West Sussex, five miles from Brighton. The Southwick Estate was built in the 1960s and well located between Southwick train station and Shoreham Harbour. There are 242 Homes in 10 blocks, including 74 leasehold properties, in various states of disrepair. The stock condition survey in 2022 identified substantial expenditure to refurbish the estate - around £130,000 per property. An urgent Interim works programme is required to start this summer with estimated costs of £3.3m to tackle external repairs including eroded brickworks and wall ties, windows that have reached the end of life and repairs to balconies that are no-longer accessible.
- 3.2. In addition to updating existing Adur Homes stock to meet standards of decent homes and compliance, there is a growing local need to provide additional affordable housing, in the context of increasing prices and rents, recognised in Chapter 3 of Adur and Worthing's Housing Strategy. Based on demographic projections, there is a need for 653 additional affordable dwellings (of all tenures) per annum across the region.



- 3.3. As a result of these dual pressures on local housing, in May 2021, the council decided to take steps to substantially improve the Southwick Estate and held a series of consultation events. The feedback indicated that residents were supportive of an options appraisal process.
- 3.4. A further two consultation events took place between May 2022 and February 2023 with residents giving feedback on 4 options:
- Refurbishment of existing homes
  - New homes and improvements to existing homes
  - Partial redevelopment of the estate
  - Full redevelopment of the estate
- All options other than refurbishment would enable the Council to increase the number of affordable dwellings provided and help meet identified and projected demand.
- 3.5. Adur & Worthing's Temporary Accommodation Placement and Procurement Policy was adopted in 2017. The policy at the time conceded that the Council did not own units of Temporary Accommodation and was dependent on the supply of privately owned properties to meet its obligations, and that factors outside the Council's control have made it difficult to obtain properties for use as TA within the area.
- 3.6. Since then, the Council has developed 6 homes for temporary accommodation purposes and have put in place the arrangements required to manage them. However demand for emergency accommodation is increasing and the council is required under a statutory duty to provide this.
- 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. It was estimated within the Delivery Plans that 95 units of EA/TA were needed (whether owned or leased) in Adur between 2021 and 2023 to meet demand. This projection ended up accurate. Between April 2021 and January 2023, the number of units required increased by 50% in Adur, from 60 to 94.

- 3.9. Currently the Council has 26 rooms secured on a long lease, with 73 placements spot-booked (the most expensive type of accommodation). Most recent projections have put the number of units needed by March 2025 at 136. Without securing our own stock of EA/TA, the additional requirement will need to be accommodated through spot-booked accommodation, potentially outside the area.
- 3.10. In addition, the cost of providing EA and TA accommodation continues to rise. Net average annual cost per placement is £9,141, a rise of 13% year on year. 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 owned and managed by the Council. Updated figures suggest we'll require 54 units owned by the Council by 2025.
- 3.11. Adur Homes Leaseholders are legally required to give the Council the opportunity to buy back their property if it was bought under the Right to Buy scheme less than 10 years ago. The Council is under no obligation to buy the property. At present, the Council receives about a dozen offers a year. Purchase by the Council in this way is eligible for Homes England funding on a case-by-case basis but cannot be secured prior to the acquisition.
- 3.12. The options for improvement of the Southwick Estate are in the public domain, and it will take some time to identify the preferred option and then begin to enact it. In the meantime, leaseholders who want to sell their property may find themselves unable to do so due to the lack of clarity around the future of the estate. By purchasing available properties for EATA, this would give the Council the opportunity to secure property to support potential regeneration aims whilst increasing our supply of EATA, save the Council money and allow residents the opportunity to move from the estate.

#### **4. Buying back leasehold properties**

- 4.1. Following the fourth round of resident consultation in February 2023, the majority of residents of the Southwick Estate indicated support for full redevelopment with the exception of residents in the Watling Court block who indicated a preference for refurbishment. The team is preparing a recommendation to progress the redevelopment option subject to a residents' ballot in the summer.

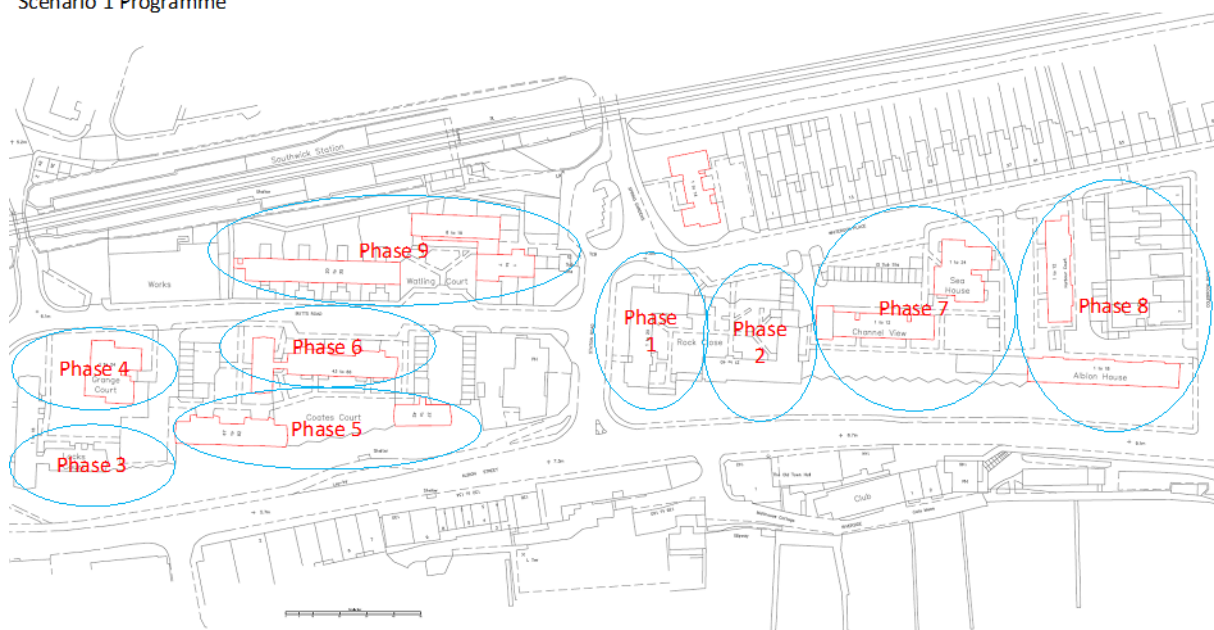
- 4.2. The council has established a leaseholder subgroup which meets periodically. The majority of leaseholders are supportive of the full redevelopment option and a number have asked the council to consider offering an early buy-back programme to give leaseholders the opportunity to sell their properties back to the council at the earliest opportunity.
- 4.3. As part of the consultation process, the team prepared a council commitment which outlines the compensation package for leaseholders and the right for resident leaseholders to return to the estate to purchase a shared equity home in the redevelopment.
- 4.4. Leaseholders appear to be balanced between those that wish to sell to the council and leave the estate and those that are interested in buying a shared equity home.
- 4.5. We have advised leaseholders that the council is exploring early buy back options. However, the current assumption is that no leasehold properties will be purchased within the next 3 years until sufficient funding can be identified within the HRA. As part of the redevelopment proposals, leasehold properties would be purchased in line with the redevelopment phasing assumptions.
- 4.6. At present, pressures on the Housing Revenue Account means that it is unable to fund the purchase of homes on the Southwick Estate for general needs accommodation. However, with the increasing need to provide Temporary Accommodation for eligible households in Adur, and the medium-term benefit of securing properties to enable consideration of redevelopment options on the Southwick Estate, there is a business case to support the strategic acquisition of homes on the estate for EA/TA purposes.
- 4.7. The following outlines the proposed process for acquiring property for use as EA/TA on the Southwick Estate.

#### **4.7.1. Targeted Blocks**

- 4.7.1.1. It is not suggested that the Council should respond positively to every buy-back offer we receive from leaseholders on the estate. Instead we propose targeting leasehold properties within blocks which are most likely to come forward under potential regeneration plans.

4.7.1.2. Current proposals suggest that, if estate regeneration is the preferred option by residents of the Southwick Estate, redevelopment would begin in the West of the estate which would require the initial decanting and buy-back of properties in Locks Court, Grange Court and Coates Court. The development team is working on an alternative option to consider Rock Close as a possible early kickstart site. This approach will be brought to committee at a later date but this should not inhibit early purchase.

Scenario 1 Programme



4.7.1.3. Within Rock Close there are four resident leaseholders and three non-resident leaseholders. Within Locks and Grange Court there are five resident leaseholders and six non-resident leaseholders.

4.7.1.4. The Council will publicise the buy-back offer through the regular Residents Liaison meetings and will initially be open to residents who are looking to move from the estate rather than resident leaseholders who may wish to stay and qualify for shared equity in future new homes.

4.7.1.5. The offer will be open to all residents on the estate however priority will be given to leaseholders in the blocks most likely to come forward in a first phase of redevelopment (Rock, Lock, Grange and Coates), with

offers of others on the estate considered on a case-by-case basis as per the Council's current appraisal process for buy-back opportunities.

- 4.7.1.6. We also recommend the development of a vulnerable leaseholder strategy where buy-backs can be prioritised under special circumstances. More work is needed around what this initiative may constitute and will be discussed with the Head of Housing and Head of Property. This should not hold up implementation of the wider buy-back initiative.

#### **4.7.2. Property Valuation and costs**

- 4.7.2.1. When a leaseholder is interested in selling their property back to the Council, they are required to provide information on their property (including number of bedrooms, type of heating system, etc) as well as a market valuation of the property.
- 4.7.2.2. When an eligible buyback request is submitted, the Council's development team will initially view the property themselves before instructing an independent survey and valuation of the property and estimation of the total costs of bringing the property to a lettable standard. The cost of bringing the property to a compliant standard in order to enable the Council to let the property as EA/TA will be factored into our offer, which will be set by the following formula:

$$\text{Offer Price} = \text{Market value of property when compliant} \text{ MINUS } \text{Costs of bringing property to compliance}$$

- 4.7.2.3. The leaseholder may also have to repay all or part of the discount they enjoyed when purchasing the property through the Right to Buy scheme, depending on when the property was purchased.
- 4.7.2.4. If the value of the property is disputed by the seller and the Council, the purchase price will be set by the district valuer as per current guidelines for buy-backs.

### **4.7.3. Funding & Budget**

- 4.7.3.1. Work has been undertaken to estimate the acquisition costs associated with this initiative. Financial consultants Quod estimate the average property value within Rock Close to be £215,000. A further £10,000 should be budgeted for legal fees and surveys putting the estimated average gross cost of acquiring a property at £225,000.
- 4.7.3.2. Homes England have confirmed that funding is available for strategic purchase of properties by Local Authorities that will be owned and let as affordable housing (defined as rent set at no more than 80% of market rent). Grant applications will be considered on a property by property basis rather than approved for a programme of acquisition and will not be approved until the purchase has been agreed. Therefore this funding should be considered a windfall and the viability of purchasing property should be demonstrated without assuming this funding.
- 4.7.3.3. It is proposed to limit the number of acquisitions in the initial round to 10. Once we have acquired this number, the initiative can be reviewed and if operating successfully in terms of finance, administration, process, and speed in getting the properties occupied, a further round of acquisitions could be considered.
- 4.7.3.4. Therefore the budget requested to fund these proposals is £2,250,000; £0.9m will be funded from the Council's Right to Buy receipts and £1.35m borrowed against the HRA with the properties leased for EATA paid by the general fund. More information on the proposed financial arrangements is set out in Section 6.

### **4.7.4. Refurbishment of properties**

- 4.7.4.1. It is likely that the properties will need significant investment to make them compliant in terms of electricity and power and bring them up to the standard expected of rental properties in terms of decoration and function.

4.7.4.2. As mentioned above, the cost of undertaking the improvement work will be built into the offer the Council will make on a property. Once a small group of properties has been acquired, the Council will either invite tenders for the project management and contract administration of the improvement work from the market or use existing contracts in available, with the works costed into the budget requested within this paper.

#### **4.7.5. Exit strategy**

4.7.5.1. The properties will continue to provide Emergency and Temporary accommodation for eligible families in need until the programme of estate improvement works has commenced.

4.7.5.2. If refurbishment of the estate is the preferred option, the properties can continue to be used as Emergency and Temporary Accommodation indefinitely.

4.7.5.3. If redevelopment of the estate is preferred, then the homes can be bought back into the Housing Revenue Account, with the same number of new homes provided for general needs accommodation once the scheme is finished

4.7.5.4. Any redevelopment work is not expected to commence for at least 3 years. In the meantime, the Housing Needs team will continue their work through Opening Doors to secure a pipeline of move-on accommodation for households in EATA.

### **5. Engagement and Communication**

5.1. These proposals have been developed following multiple rounds of consultation with residents of the Southwick Estate since summer 2021. As a result of these discussions, and the specific concerns leaseholders held regarding the consultation and the subsequent outcome, a leaseholder subgroup was established which meets periodically and it is this body which has requested the council to consider offering an early buy-back programme to give leaseholders the opportunity to sell their properties back to the council.

- 5.2. This feasibility of this request was discussed by the Interim Head of Housing, Section 151 Officer and representatives of the Major Projects Team where it was thought that buying back leasehold properties on the Estate would offer multiple benefits in securing cost-effective EATA quickly, securing property to support potential future regeneration of the estate and offering residents the opportunity to sell their property who otherwise would find it difficult.
- 5.3. Communications with the public regarding this initiative must build on the current good feeling between the consultation team and residents and adhere to the commitments made to resident and non-resident leaseholders as agreed with the Resident Liaison Group.
- 5.4. We must be clear that this is a strategic exercise to ensure the funding approved is used to acquire property which best meets the Council's aims around supporting estate improvement and securing property appropriate for EATA. We will reiterate that every leaseholder is already provided the opportunity to offer their property to the Council for sale, and there is an established process that Council officers follow to evaluate the opportunities provided.
- 5.5. The Head of Housing, Head of Property, Leasehold Manager, Senior Development Manager and Southwick Estate Project Manager will draft a clear process for leaseholders on the Southwick Estate to offer their property to the Council (outside of the general one already in place) and how we will prioritise the opportunities we receive, agree the approach with the Executive Member for Adur Homes and present the process and approach to the Leaseholder Sub-group at the earliest available opportunity.

## **6. Financial Implications**

- 6.1. Currently there is no budget within the HRA for the buyback of leases within the Southwick Estate. Members will be aware that the financial position on the HRA is challenging at the moment, consequently the decision to approve this budget is dependent on the financial consequences of the proposal.



- 6.2. The Council currently holds approximately £1.4m Right to Buy receipts which are held for the purpose of supporting the acquisition or development of new properties. Under the current rules:
- The Council can use the receipts to finance up to 40% of any scheme to provide new social housing provided that Homes England grant is not being used to finance the scheme;
  - The receipts must be utilised within 5 years;
  - The Council can use the receipts to finance buy back acquisitions, however there is a cap on the maximum number of acquisitions that the Council can buy in any given year. The Council can buy up to 20 homes without the cap applying. Thereafter the maximum proportion of any new dwellings that can be bought as opposed to develop will be 40% in 2023/24 and 30% in 2024/25.
  - If authorities wish to buy back properties in order to clear an area for regeneration purposes then there is discretion on how these purchases are classified. If an authority buys back a dwelling for the purposes of re-letting it out at social or affordable rent, then it may decide it would be more advantageous for it to include it in the “amount spent on the provision of social housing”, rather than in the buy back allowance
- 6.3. Due to the Council's success at attracting grant funding from Homes England, the Council has only limited opportunity to use these receipts. Currently, one block in Albion Street is being financed through our available 1-4-1 capital receipts but the remaining balance remains available to support the acquisition of the leasehold properties.
- 6.4. Overall the budget requested to support 10 buybacks is £2,250,000 of which £1,350,000 would need to be financed through borrowing with the remainder being provided from retained RTB receipts.
- 6.5. It is proposed to use the flats as temporary accommodation until such time as the estate is regenerated. This will avoid any costs such as homeless payments (£7,800 per household) when the estate is regenerated or any issues around entitlement to Right to Buy.
- 6.6. There is an overall financial benefit to the Council in this proposal as the General Fund will save on expensive alternatives, however the

rental yields will not be sufficient to recoup the costs associated with the purchase of the property. This is shown below:

	HRA Buyback of leasehold £	General Fund Bed and Breakfast £
Annual costs		
Debt charges		
Interest	67,500	
Principal repayment	10,750	
Total borrowing cost	78,250	0
Maintenance	20,400	
Annual buildings insurance	5,100	
Bed and Breakfast charges		183,920
Total costs	103,750	183,920
Less: Potential rental income	-66,100	-66,100
Allowance for rental voids	3,310	
Council Tax Void Allowance	730	
Net annual income	41,690	117,820
Operational revenue saving	76,130	
Estimated saving per dwelling	7,610	

- 6.7. Consequently, whilst there would be a saving to the General Fund in the region of £118,000, there is a cost to the HRA of £41,690. To avoid the situation where the HRA is subsidising the General Fund's provision of temporary accommodation, it is proposed that the properties be 'leased' to the General Fund whilst they are being utilised at a cost equivalent to the net cost of providing the accommodation.

Finance Officer: Sarah Gobey

Date: 30th May 2023

## 7. Legal Implications

- 7.1 The Homelessness Reduction Act 2017 came into force on 3 April 2018. It places new legal duties on housing authorities, with a focus on preventing homelessness. The most significant change is that anyone

who is homeless or at risk of homelessness is able to access support, regardless of their priority need status.

- 7.2 Section 8 of the Housing Act 1985 continues to place a duty on every local housing authority to consider housing conditions in their district and the needs of the district with respect to the provision of further housing accommodation.
- 7.3 Section 9 of The Housing Act 1985 confers power on the Local Authority to provide, repair and maintain houses for rent.
- 7.4 Section 74 of the Local Government & Housing Act 1989 places a duty on the Authority to keep a Housing Revenue Account of sums falling to be credited or debited in respect of 74(1)(c)

Legal Officer: Joanne Lee

Date: 6th June 2023

### **Background Papers**

- Retained Right To Buy guidance  
<https://www.gov.uk/government/publications/retained-right-to-buy-receipts-and-their-use-for-replacement-supply-guidance/retained-right-to-buy-receipts-and-their-use-for-replacement-supply-guidance>

## **Sustainability & Risk Assessment**

### **1. Economic**

Early buy-back in this manner reduces the need for elevated spending as a result of property price increases and/or Compulsory Purchase. It offers leaseholders a fair value for their homes which otherwise they'd find difficult to achieve.

### **2. Social**

#### **2.1 Social Value**

The proposals will provide compliant, local, temporary housing for households in need - reducing the need to put households into substandard 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.

All leaseholders already have the opportunity to offer their home to the Council to purchase - these proposals will put in place a priority buy-back criteria which will be developed and agreed with the Leaseholder subgroup.

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

The Council will be better able to manage EATA on an estate which is already managed by the Council than across disparate sites in the area.

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

No issues identified.

### **3. Environmental**

Reusing existing property to provide EATA avoids construction of new and therefore benefits in terms of embodied carbon.

### **4. Governance**

Leaseholders are able (and in some situations required) to offer their property to the Council when they are looking to sell. This initiative sets our parameters to support the acquisition and improves upon what is already in place.



## ADUR DISTRICT COUNCIL

Ward(s) Affected:

### **Southwick Estate - Interim Works Package**

### **Report by the Director for Housing and Communities**

### **Executive Summary**

#### **1. Purpose**

- 1.1. This report provides an update to Members on the proposed works to remediate building fabric across the Southwick Estate and to inform Members of the current costs estimates for that work.
  
- 1.2. To provide information to Members about leaseholder service charges and consultation procedure under s20 of the Landlord and Tenant Act 1985 and the Service Charges (Consultation Requirements) (England) 2003 and seek authorisation to the recommendation below based on the information in the attached Exempt Appendix to this Report.

#### **2. Recommendations**

- 2.1. To delegate authority to the Head of Property Services to proceed with the Section 20 consultation process on the proposed terms set out at paragraph 1.3 in the Exempt Appendix.
  
- 2.2. To delegate authority to the Head of Property Services to procure for the works contract and enter into all necessary contracts to deliver the works required to carry out the interim scheme of works based on the estimated value set out at Paragraph 6 below.

### **3. Context**

- 3.1. The Major Projects team are leading a consultation with residents and leaseholders of the Southwick Estate over the options for full re-development, partial re-development or refurbishment of the buildings.
- 3.2. Certain properties have been identified as requiring immediate work with the buildings on the Southwick Estate are in a poor condition with various defects that require remediation at pace. The Interim Works Package has been designed to undertake the strictly necessary repairs required to make the buildings safe for occupation in the period between now and when the last of the sites are reached under the development programme, currently estimated to be a maximum of 10 years. The scope of works include but are not limited to:
- Cavity clearance
  - Wall tie replacements
  - Repointing
  - Lintel replacements
  - Concrete repairs
  - Balcony railing replacements
  - Balcony support structures
  - Roof covering repairs
- 3.3. The Interim Works programme is currently programmed to commence on site in early 2024, following the statutory consultation with leaseholders. Recommendations in relation to that consultation

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

- 4.1. Other than as set out in this report and the exempt appendix, there are no further issues for consideration.
- 4.2. The Council have appointed Faithorn Farrell Timms (FFT) to design, specify, procure and manage the Interim Works package. The scope of works is known and we have a pre-tender estimate for them which is set out in the financial paragraphs below.
- 4.3. All of the information is available to facilitate the leasehold consultation under s20 of the Landlord and Tenant Act 1985 and defined by the Commonhold and Leasehold Reform Act 2002 and Members are

referred to the Exempt Appendix which set out more detail in relation to the Council's proposed s 20 Consultation.

## **5. Engagement and Communication**

- 5.1. The leasehold consultation period is approximately a 90 day process which will be carried out before works commence.
- 5.2. Residents and leaseholders are aware of the required works which have been discussed at Consultation events and included in newsletters led by the Development team relating to the future of the estate.
- 5.3. Communications surrounding the delivery timeframe have been and will continue to be included in consultation events and resident newsletters. More specific communications will be sent to residents at the same time as section 20 consultation commences.
- 5.4. On contract award, communications will be sent to the residents and leaseholders advising of the contract award and making introductions to the contractor.

## **6. Financial Implications**

- 6.1. The latest pre-tender estimates for the works package estimate that the overall works are likely to cost £3.45m including all professional fees and a 12% Technical Services. The leaseholders are responsible for making a contribution to the cost of the scheme which is discussed in more detail in the exempt appendix.
- 6.2. The net cost of the scheme is included within the indicative programme capital programme for 2023/24 and 2024/25 which is to be agreed with the Cabinet Member for Customer Services.
- 6.3. Subject to approvals, the works scheme will commence early in 2024 and will run over the 2023/23 and 2024/25 financial years. Budget can be allocated in both years to cover the expected costs.

## **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 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.
- 7.3 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 of assets or services for the purposes of, or in connection with, the discharge of the function by the local authority.
- 7.4 The value of the works contract is below the UK Procurement Threshold and will be procured in accordance with the Council's Contract Standing Orders.
- 7.4 The Landlord and Tenant Act 1985 (as amended by the Common Leasehold and Reform Act 2002) states that a Landlord may only include costs in the service charge to the extent that they are reasonable.
- 7.5 Section 20 of the Service Charges (Consultation Regulations) (England) Regulations 2003 limit the amount of service charge that a Landlord can charge to £250 if the proper consultation processes have not been undertaken by the Landlord.
- 7.6 At Appendix 1 there is an additional document which is exempt under the Local Government (Access to Information) Act 1985 as the information relates to the financial or business affairs of Adur District Council and contains legal advice. This information must be given due consideration and taken into account prior to members reaching a decision.

## **Background Papers**



## **Sustainability & Risk Assessment**

### **1. Economic**

- 1.1. These programmes and projects demonstrate economic investment into assets owned by Adur District Council

### **2. Social**

#### **2.1. Social Value**

- 2.1.1. The work to the housing stock outlined in the report will have a beneficial impact on the health and wellbeing of the residents, many of whom are more disadvantaged in terms of health and income than other residents.

#### **2.2. Equality Issues**

- 2.2.1. The proposed work has no impact on accessibility or equalities.

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

- 2.3.1. Matter considered and no specific issues identified.

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

- 2.4.1. Matter considered and no specific issues identified.

#### **2.5. Environmental**

- 2.5.1. Matter considered and no specific issues identified.

#### **2.6. Governance**

- 2.6.1. The progress is regularly monitored via the Capital Working Group. Progress is reported to members 4 times a year.
- 2.6.2. The procurement of works will comply with the procurement regulations and contract standing orders.

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank