



ADUR DISTRICT C O U N C I L

19 September 2023

Joint Strategic Sub-Committee (Adur)

Date:	27 September 2023
Time:	6.30 pm
Venue:	The Shoreham Centre, QEII Room

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 15 June 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 Friday 22 September 2023 to Democratic Services, 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 Friday 22 September 2023 to Democratic Services, 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. Financial Performance 2022/23 - Capital and Projects Outturn (Pages 5 - 26)

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

7. 1st Quarter Revenue Monitoring Report 2023/24 (Pages 27 - 58)

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

8. 1st Quarter Capital Investment Programme & Projects Monitoring 2023/24 (Pages 59 - 78)

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

9. Strategic Priorities for Adur District Council: 2022/3 Progress Update Report and New Priorities for 2023/24. (Pages 79 - 100)

To consider a report by the Chief Executive, copy attached as item 9

10. Release of s106 money for the Replacement of the Play Area at Shadwells Road Open Space (Pages 101 - 108)

To consider a report by the Director for Place, copy attached as item 10

11. Delivering a Business Support Package for Adur and Worthing (2024 - 2025) (Pages 109 - 122)

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

12. Western Harbour Arm Review (Pages 123 - 146)

To consider a report by the Director for Place, copy attached as item 12

13. Housing Improvement Plan: September Progress Report (Pages 147 - 224)

To consider a report by the Director for Housing and Communities, copy attached as item 13

14. Referral of Motion on Notice from Adur District Council (Pages 225 - 232)

To consider a report by the Director for Sustainability and Resources, copy attached as item 14

15. Using Right to Buy receipts to fund Hidden Homes projects at Daniel Close & Gravelly Crescent, and entering contract for delivery (Pages 233 - 244)

To consider a report by the Director for Place, copy attached as item 15

16. 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'.

Part B - Not for Publication – Exempt Information Reports

17. Exempt Appendix - Using Right to Buy receipts to fund Hidden Homes projects at Daniel Close & Gravelly Crescent, and entering contract for delivery (Pages 245 - 246)

To consider a report by the Director for Place, copy attached as item 17

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: chris.cadman-dando@adur-worthing.gov.uk	Andrew Mathias Senior Solicitor – Legal Services 01903 221032 andrew.mathias@adur-worthing.gov.uk

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.



ADUR & WORTHING
COUNCILS

Joint Strategic Sub-Committee (Adur)
27 September 2023

Key Decision [~~Yes~~/No]

Ward(s) Affected: All

Financial Performance 2022/23 - Capital and Projects Outturn

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

Executive Summary

1. Purpose

- 1.1 This report outlines the financial monitoring position for the end of the 2022/23 financial year for capital schemes included in the capital programmes of the Joint Strategic Committee and Adur District Council.
- 1.2 Information is also provided in respect of capital receipts for the constituent authority.
- 1.3 The following appendices have been attached to this report:

Appendix 1: Adur District Council Outturn Summary

Appendix 2: Adur District Council Sale Proceeds

Appendix 3: Invest to save scheme - final position

2. Recommendations

- 2.1 The Joint Strategic Sub-Committee is asked:

- i) Note the outturn position for 2022/23

- ii) To **recommend** that Adur District Council at its Council meeting on 19th October 2023:
 - (a) To note the overall capital final outturn for 2022/23.
 - (b) Agree the net carry over of General Fund Capital underspends for Adur District Council as detailed in paragraphs 5.4.
 - (c) Approve the financing of the Adur District Council 2022/23 Capital Investment Programme, including the use of capital receipts as set out in paragraphs 5.1 and 5.2.
 - (d) Approve the carry forward of Council resources underspends to fund budget pressures as detailed in paragraph 4.2.2. and summarised in paragraph 5.4.
- iii) To note the final projected benefit from completed invest to save schemes as outlined in Appendix 3.

3. CONTEXT

- 3.1 The monitoring of capital budgets has been reported to the Joint Strategic Sub-Committee three times during the year.
- 3.2 In accordance with the Councils' Capital Strategy, the Joint Capital Working Group oversees the development, implementation and progress of both Councils' Capital Investment Programmes.
- 3.3 Full summaries of the outturn of all the schemes in the 2022/23 Capital Investment Programmes are available from the Councils' Joint Intranet and highlight:

Schemes not progressing satisfactorily or where there are financial issues	Red
Schemes where progress is being closely monitored	Amber
Schemes progressing well	Green
Schemes where progress is beyond officers' control	#
Schemes with financial issues	£
Schemes where progress has improved	↑
Schemes where progress has deteriorated	↓

4. 2022/23 Outturn

- 4.1 Overall performance against the programme can be summarised as follows:

Capital Outturn - Summary of Progress:	Adur	Status
Schemes where the Councils have experienced significant challenges or where financial issues have been identified	1	Red
Schemes where progress is being closely monitored	14	Amber
Schemes progressing well	46	Green
Schemes completed	17	
Total Schemes:	78	

4.2 **Successes and challenges in the 2022/23 programme**

4.2.1 A number of significant schemes have been delivered this year, with real and visible impact across our area.

Again, the programme has been delivered successfully last year with less than 2% of schemes presenting any significant issues. Highlights include:

Joint initiatives:

- i) Grants for disabled adaptations were awarded to 96 households in Adur.
- ii) WorkspacesAW, a programme of works to refurbish the Town Hall in Worthing, improve facilities in Portland House and improve our IT infrastructure began in 2020/21. The initiative has rationalised our use of office accommodation enabling the Councils to share space with NHS partners. This project when completed will save the Council £405,000 per year in property costs before debt charges. Efficiency works were also completed to windows to reduce energy wastage and reduce the Council's carbon footprint. Appendix 3 contains details of the final position on the project.
- iii) **Information and Communications Technology - Digital Programme**

The Joint Services Digital Programme has progressed well and the following projects are close to completion for 2023/24 as the timescales have extended slightly due to the nature of IT works;

CRM System
Ultrafast Network / Gigabit Project
Wifi Upgrade / Network Refresh
Cloud Migration

Adur District Council schemes:

- i) The redevelopment of Albion Street to provide 49 new affordable homes progressed. The contractor is on site with works expected to finish in September 2023.
- ii) The hidden homes scheme to replace disused garage spaces with affordable homes is underway with the majority of sites to be completed in 2023/24 and all sites are expected to be completed in 2024/25.
- iii) A housing development scheme to build new temporary accommodation at the South Street Car Park site is underway with planning and procuring stages to be completed in 2023/24 with an anticipated completion date in 2024/25.
- iv) Improvements to Council Dwellings included:
 - Boiler replacements.
 - Fire Safety Works to flats front entrance doors
 - Disability adaptations to provide access and improve facilities
 - Major repairs to void properties to enable them to be relet
 - Electrical works testing and replacements
 - Smoke detector installations
- v) Play area improvements have been made to the following sites:
 - Lancing Manor
 - Southwick Recreation Ground
 - Buckingham Park
 - Larkfield Play Area
 - Cromleigh Park
 - Adur Recreation Ground

4.2.2 However, there were some challenges faced by the Councils. The following schemes have been identified as having financial issues at 31st March 2023:

- i) **Lancing Manor Leisure Centre - External cladding and flat roof renewal**

Tenders for the scheme have come in £260,000 above initial estimates due to rising material and labour costs. These additional costs will be funded in the 2023/24 Capital Investment Programme through a newly approved PID

4.2.3 In addition to the above schemes which have financial issues, the following schemes have provided challenges:

i) **Grants to Registered Social Landlords for the provision of affordable housing**

Officers are in constant discussion with Registered Social Landlords regarding possible contributions to housing developments although it has again proved difficult to identify developments to fund in 2022/23. One grant to Hyde Housing was agreed in 2019 and the grant payment was finally made in 2023/24.

ii) **Adur District Council Buckingham Park - Contribution to Shoreham Rugby Club to part fund a replacement pavilion**

In December 2014 the Joint Strategic Committee agreed in principle to contribute £150,000 S106 receipts and £22,000 Council resource funding to be used as match funding to help secure additional external funding to replace the existing pavilion in Buckingham Park.

The Council team are working with the Rugby Club and Cricket Club representatives to explore funding solutions. Options are currently being considered by Council Officers with a report expected in the Autumn to outline options for this important project.

iii) **Eastbrook Manor Community Centre - Building Fabric Repairs and External Improvements**

Financing issues were resolved last year but negotiations with a new proposed tenant broke down leading to delays in the project. The new plans have been considered and works are expected to begin in 2023/24.

4.3 Adur District Council Capital Outturn – All Portfolios

4.3.1 The capital investment programme for all Adur Portfolios was originally estimated at £87,646,020. Subsequent approvals and reprofiling of budgets to and from 2023/24 produced a total current budget of £19,733,680.

4.3.2 Actual expenditure in the year totalled £13,717,080, a variance of £6,016,600 on the current estimate, comprising of a net carried forward budget to 2023/24 of £5,879,640 and a net underspend of £136,960. Individual Portfolio expenditure was as follows:

	Current Estimate £	Actual Outturn £
General Fund and Housing Revenue Account:		
E.M. for Environment	1,076,170	624,080
E.M. for Health and Wellbeing	138,460	980
E.M. for Customer Services		
- General Fund	2,517,210	1,473,700
- Housing (HRA) Investment Programme	14,005,890	10,212,280
E.M. for Regeneration	691,590	420,980
E.M. for Resources	1,304,360	985,060
TOTAL	19,733,680	13,717,080

4.3.3 The major scheme variations are listed in Appendix 1 of this report. However, members should be aware that the main issues contributing to the level of reprofiling were:

- Reprofiling of £43.4m of the Strategic Property Investment Fund. This budget will only be spent if suitable properties for investment or development options are identified.

4.3.4 The remaining usable capital receipts held at 31st March 2023 totalled £4,027,489. To be utilised as follows:

- Ring-fenced Shoreham Renaissance Funds £95,936
- Ring-fenced for Affordable Housing (LASHG) £140,476
- Housing Revenue Account – Capital Investment £3,745,696
- Ring-fenced for Revenue funding under Flexibility Powers £38,694
- Ring-fenced Empty Property Loans and Grants £6,687

4.3.5 Proceeds from sale of assets in 2022/23 are analysed in Appendix 2.

4.3.6 HRA Right to Buy Capital Receipts

2012/13 was the first year of the significant increase in discount for tenants introduced by the government as part of reinvigorating 'Right To Buy' (RTB). In 2022/23, 7 properties were sold. The financial impact is detailed below:-

Analysis of movement in RTB receipts	£'000	£'000
Balance brought forward as at 31st March		2,773
Receipts generated in year	1,483	
Less: Administration costs deducted from the capital receipts	-11	
Net receipts generated in year	1473	
Use of receipts to finance the capital programme	-500	
Increase in receipts retained by the HRA		973
Balance carried forward as at 31st March		3,746

Analysis of RTB receipts	£'000
Capital receipts which can be used for any purpose	1,541
Capital receipts which are to be used for new affordable dwellings*.	2,205
Balance carried forward as at 31st March	3,746

* These receipts must be spent on the delivery of new affordable homes. Only 40% of the cost of any new build can be financed from these receipts, and they must be spent in a five year time frame. These receipts are currently allocated to the development at Albion Street.

5. Issues for consideration

Adur District Council:

5.1 Adur District Council capital expenditure in 2022/23 was financed as follows:

	£	£
General Fund Schemes Financing:		
Government Grants	1,021,650	
Prudential Borrowing	2,026,520	
Capital Receipts		
- General fund schemes	94,290	
- Flexible Use of receipts	165,700	
S106 Contributions	65,940	
External Contributions	100,520	
Revenue Contributions / Reserves	30,180	
TOTAL GENERAL FUND FINANCED		3,504,800
Housing Revenue Account Capital Investment Programme Financing:		
Major Repairs Reserve	3,154,030	
Capital Receipts	500,000	
Prudential Borrowing	5,552,230	
Government Grants	1,006,020	
TOTAL ADUR HOMES FINANCED		10,212,280
TOTAL OVERALL FINANCED		13,717,080

5.2 The Joint Strategic Sub-Committee is asked to recommend that the Council approve the overall financing of the 2022/23 capital programme, and the utilisation of £759,990 usable capital receipts in the funding of the 2022/23 capital programme.

5.3 The Joint Sub-Committee is also asked to recommend to Adur District Council to approve the Capital Flexibilities Strategy detailed below.

2022/23 savings programme - Project	Overall annual saving generated £	Adur District Council				Nature of expenditure
		Annual saving %	Annual saving £	Financial year	Amount of capital receipts used £	
- Accommodation project NWOW phase 2	210,000	40	84,000	2022/23 Estimate	5,840	Project management, removal and minor works costs
- Digital rapid improvement programme	177,640	40	71,060	2022/23 Estimate	5,910	Digital systems design, development and project management
- Organisational redesign	250,000	40	100,000	2022/23 Estimate	137,010	HR support and delivery manager (who will also support the digital improvement programme). Associated Statutory departure costs
- Service redesign	400,000	40	160,000	2022/23 Estimate	9,980	Departure costs

5.4 Approval is requested to carry over to 2023/24 and bring forward from 2023/24 certain budgeted expenditure where spending patterns have changed since the 3rd Quarter Monitoring, as detailed in Appendix 1.

	Carried Forward To 2023/24 £
Executive Member Environment	470,570
Executive Member for Customer Services	
- General Fund	1,332,150
- Adur Homes Capital Investment Programme	3,811,200
Executive Member for Health and Wellbeing	137,470
Executive Member for Regeneration	206,570
Executive Member for Resources	457,600
TOTAL CARRIED FORWARD TO 2023/24	6,415,560

	Brought Forward to 2022/23 £
Executive Member for Environment	11,020
Executive Member for Customer Services	348,530
- Adur Homes Capital Investment Programme	17,630
Executive Member for Resources	158,740
TOTAL BROUGHT FORWARD TO 2022/23	535,920
NET CARRIED FORWARD TO 2023/24	5,879,640

- 5.5 The significant budget variations and budget reprofiles in the 2022/23 capital investment programme have been detailed in Appendix 1.

Officer Contact Details:-

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SUSTAINABILITY AND RISK ASSESSMENT

1. ECONOMIC

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

2. SOCIAL

2.1 Social Value

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

2.2 Equality Issues

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


3. Environmental

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


4. Governance

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


**APPENDIX 1 - ADUR DISTRICT COUNCIL FINAL ACCOUNTS 2022/23 - CUSTOMER SERVICES
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**

 ADUR DISTRICT COUNCIL Scheme	Scheme Progress	2022/23 Current Budget £	2022/23 Spend £	2022/23 (Under-spend)/ Overspend £	Budget C/F (Budget B/F) £
Adur Homes Capital Works Programme 2022/23 Programme of works: i) External works programme: Beachcroft Court completed September 2022 ii) Southwick Estate Remedial Works iii) Frazor Court Roof Replacement iv) Door entry systems v) Millfield external works vi) Nelsons Close - Preparatory Works vii) Manor Court - Preparatory Works viii) General Stock Window / door replacement ix) Warren Court Balconies x) Blacksmith's crescent roof replacements xi) Essential boiler replacements ongoing. xii) Fire Safety works: Fire doors replacements, smoke detection, electrical works, general needs fire safety works and sheltered housing fire alarms ongoing and will continue in 2022/23. xiii) Responsive Capital repairs - Urgent capital repairs identified in advance of planned capital works xiv) Major repairs to void properties to enable them to be re-let have been undertaken. xv) De-carbonisation schemes a) Shadwells Court - Installation of solar panels b) Tollbridge House - Installation of a ground source heat pump c) Shadwells Court - Installation of a ground source heat pump		5,487,380	3,643,184	(1,844,196)	1,844,160


**APPENDIX 1 - ADUR DISTRICT COUNCIL FINAL ACCOUNTS 2022/23 - CUSTOMER SERVICES
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**

 ADUR DISTRICT COUNCIL Scheme	Scheme Progress	2022/23 Current Budget £	2022/23 Spend £	2022/23 (Under-spend)/ Overspend £	Budget C/F (Budget B/F) £
Adur Homes Development of Properties i) Albion Street Redevelopment - Works are now on site with but have been further delayed due to material and labour shortages. Delivery now anticipated by the end of 2023/24. ii) Hidden Homes - The Council is progressing with 8 sites. Construction has started on 5 sites and construction is expected to begin in the near future for the remaining 3. iii) Ashcroft Redevelopment - Planning approval received Report to be submitted to release the full cost of the development.		8,518,510	6,569,098	(1,949,412)	1,949,410
Housing Disabled Facilities Grants These grants are mandatory and the Council has to approve all eligible grants. All approvals are for 12 months and works can be undertaken at any time in this period. Brought forward of £76,370 budget is requested to fund overspend at 31 March 2023. The Council has received sufficient Better Care Grant to fund all 2022/23 expenditure.		442,310	518,677	76,367	(76,370)
Home Repair Assistance Grants The scheme is demand led; grant approvals are for 3 - 12 months and can be taken up at any time in this period. Carry forward of £25,930 budget requested to fund outstanding commitments at 31 March 2023.		60,210	34,274	(25,936)	25,930
Community Alarms Project is demand led and funded by a revenue contribution		60,000	144	(59,856)	-
Affordable Housing Provision A £720,000 Grant is approved to the Hyde Group for the provision of 14 rented units. Legal preparing the agreement. Carry forward requested to fund the grant in 23/24.		720,000	-	(720,000)	720,000


**APPENDIX 1 - ADUR DISTRICT COUNCIL FINAL ACCOUNTS 2022/23 - CUSTOMER SERVICES
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**

 ADUR DISTRICT COUNCIL Scheme	Scheme Progress	2022/23 Current Budget £	2022/23 Spend £	2022/23 (Under-spend)/Overspend £	Budget C/F (Budget B/F) £
<p><i>Redevelopment of properties for emergency and temporary accommodation for the homeless</i></p> <p>i) Refurbishment of 2 properties in Albion Street The project is now complete. Requested brought forward from the unallocated housing development budget to fund the overspend.</p> <p>ii) Development of land at North Road Works in progress to finalise the design to RIBA Stage 2/3 to enable finalisation of the development costs for the full development. currently options are being assessed and completion is still scheduled to finish in 23/24</p> <p>iii) Development of South Street Car Park The planning approval has been granted and is the in planning and procurement stage</p>		548,370	820,521	272,151	(272,160)
		186,320	12	(186,308)	186,300
		500,000	100,075	(399,925)	399,920
TOTAL - Customer Services		16,523,100	11,685,986	(4,837,114)	4,777,190


**APPENDIX 1 - ADUR DISTRICT COUNCIL FINAL ACCOUNTS 2022/23 - ENVIRONMENT
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**

 ADUR DISTRICT COUNCIL Scheme	Scheme Progress	2022/23 Current Budget	2022/23 Spend	2022/23 (Under-spend)/ Overspend £	Budget C/F (Budget B/F) £
Car Parks Vehicle Incursion Measures - At the procurement stage with works begun early 23/24.		65,000	-	(65,000)	65,000
Grounds Maintenance a) Equipment b) Vehicles and Large equipment		116,640	73,653	(42,987)	42,980
Parks and Open Spaces Buckingham Park a) Fencing, footpaths and disability access adaptations - The fencing is now complete, delays in footpaths due to delivery lead times. b) Hard standing area and equipment - The scheme is now complete		68,660	41,882	(26,778)	34,360
Play Area Improvements a) Replacement equipment b) Replacement of signage c) Replacement fencing and ground works d) Landscape adaptations		486,550	345,123	(141,427)	124,250
Southwick Football Club Rectification of defects to buildings, floodlighting and walling. Demolition complete, external funding being sort for building works		100,000	3,797	(96,203)	96,200
Wadurs Swimming Pool DDA accessible entrance doors Works to begin and complete in 2023/24.		33,600	-	(33,600)	33,600
Completed schemes and Miscellaneous Minor Variations		205,721	159,620	(46,101)	63,160
TOTAL - Environment		1,076,171	624,076	(452,095)	459,550


**APPENDIX 1 - ADUR DISTRICT COUNCIL FINAL ACCOUNTS 2022/23 - HEALTH AND WELLBEING
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**

 ADUR DISTRICT COUNCIL Scheme	Scheme Progress	2022/23 Current Budget	2022/23 Spend	2022/23 (Under-spend)/Overspend £	Budget C/F (Budget B/F) £
Eastbrook Community Centre Multi Use Games Area and Fabric works	#	55,000	-	(55,000)	55,000
Shoreham Centre Accessible Toilets - Project tendered and works expected to begin shortly		50,000	-	(50,000)	50,000
Completed schemes and Miscellaneous Minor Variations		33,460	981	(32,479)	32,470
TOTAL - Health & Well-Being		138,460	981	(137,479)	137,470


**APPENDIX 1 - ADUR DISTRICT COUNCIL FINAL ACCOUNTS 2022/23 - REGENERATION
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**

 ADUR DISTRICT COUNCIL Scheme	Scheme Progress	2022/23 Current Budget	2022/23 Spend	2022/23 (Under-spend)/Overspend £	Budget C/F (Budget B/F) £
Coast Protection Works					
i) Strategic monitoring project for the South East - Partnership scheme administered by New Forest District Council		87,080	25,272	(61,808)	-
ii) Shoreham Harbour Walls Project - Final costings and tendering due early 2023/24. Report to be taken to JSC prior to public consultation		388,160	265,200	(122,960)	122,960
Land Drainage					
Realignment of the ditch and stabilization of banks in the vicinity of Larkfield Playing Field, Lancing - Complete		50,100	52,056	1,956	-
Public Realm Improvements					
i) Southwick Square improvements. Works underway, completion expected 2023/24.		161,250	78,455	(82,795)	78,610
ii) Monks Rec Railings - Complete					
iii) Sompting and Lancing Dog Agility Park. Majority of works complete. However, issues with supplies have delayed the signage install.					
iv) Sompting Public Space improvements Phase 2. Scheme initially delayed by WSCC licensing but signage and benches to be installed in 2023/24.					
Completed schemes and Miscellaneous Minor Variations		5,000	-	(5,000)	5,000
TOTAL - Regeneration		691,590	420,982	(270,608)	206,570

**APPENDIX 1 - ADUR DISTRICT COUNCIL FINAL ACCOUNTS 2022/23 - RESOURCES
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**

 ADUR DISTRICT COUNCIL Scheme	Scheme Progress	2022/23 Current Budget £	2022/23 Spend £	2022/23 (Under-spend)/Overspend £	Budget C/F (Budget B/F) £
<p>Administration Buildings</p> <p><i>Commerce Way</i> Female showers - Work under way to be completed early 2023/24 Refurbishment of offices - Complete</p> <p><i>Shoreham Centre</i> Installation of Air Source Heat Pumps - Main works approaching completion. Completion due in 2023/24. <i>Town Hall and Portland House</i> New ways of working almost complete with staff relocated to the town hall and Portland house excess space rented out to the NHS.</p> <p>Information and Communications Technology</p> <p><i>Digital Strategy</i> i) Corporate ICT hardware and infrastructure replacement programme - Complete. ii) Environmental Health System - Invoice to be received 2023/24 iii) Google migration - Servers moved the cloud, further migration to continue in 2023/24. iv) Cloud hosting environments set up. Complete. v) COSSH Management System - To be purchased in 2023/24.</p> <p><i>Extension of Ultrafast Fibre Network</i> Fibre rollout to homes continues to be delivered but the progress to Adur and Worthing sites (including Public Sector Network sites) is slower than expected due to City Fibre delays in planning routes and then obtaining the appropriate permits and wayleaves. The Fibre Exchange is waiting on a 2nd backhaul circuit to provide resilience. There are also delays to procurement of firewalls due to global supply chain issues for network components. This has resulted in an underspend on the forecast spend for 2022/23 and request for carry forward of budget to complete the project. Timescales are now extended and the project is expected to complete June 2023.</p>	<div></div> <div></div>	<p>125,000</p> <p>232,130</p> <p>209,610</p> <p>208,420</p> <p>269,170</p>	<p>101,042</p> <p>163,310</p> <p>187,922</p> <p>162,726</p> <p>130,008</p>	<p>(23,958)</p> <p>(68,820)</p> <p>(21,688)</p> <p>(45,694)</p> <p>(139,162)</p>	<p>23,950</p> <p>68,820</p> <p>21,680</p> <p>45,690</p> <p>139,160</p>

**APPENDIX 1 - ADUR DISTRICT COUNCIL FINAL ACCOUNTS 2022/23 - RESOURCES
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**

 ADUR DISTRICT COUNCIL	Scheme	Scheme Progress	2022/23 Current Budget £	2022/23 Spend £	2022/23 (Under-spend)/Overspend £	Budget C/F (Budget B/F) £
Network Refresh Project This is a very complex programme of work with a number of dependencies on other projects and involving multiple suppliers. Equipment purchased in 2021/22 and installed 2022/23. Council wifi connection changed to the Gigabit. Project close to completion and will be completed in 2023/24			98,460	72,487	(25,973)	25,970
Flexible Powers Funding for revenue expenditure Breakdown as listed in the report and to be finance by capital receipts			-	158,741	158,741	(158,740)
Completed schemes and Miscellaneous Minor Variations			161,570	8,821	(152,749)	132,330
TOTAL - Resources			1,304,360	985,057	(319,303)	298,860
TOTALS - ALL EXECUTIVES			19,733,681	13,717,082	(6,016,599)	5,879,640

FINAL ACCOUNTS 2022/23		
Analysis of Capital Receipts		
	£	£
A. GENERAL FUND		
1. Grant Repayments:		
Housing Renewal Grants	1,863	
2. Equipment Sales:		
Sale of Equipment and Vehicles	15,628	
		17,491
B. HOUSING REVENUE ACCOUNT		
1. Council House Sales:		
Houses and Flats	1,465,700	
Lease Extensions	17,446	
2. Less Admin Fees:	(10,427)	
		1,472,719
TOTAL CAPITAL RECEIPTS		1,490,210

Invest to save schemes - Completed schemes

The Joint Strategic Committee approved an invest to save scheme to release space at Portland House which would then be rented to NHS partners enabling the Council to reduce its accommodation footprint and associated costs.

Phase 1 of the refurbishment project completed in January 2023, this was then extended to phase 2 which created additional space for our partners.

As part of the overall project the Council also undertook a number of energy efficiency measures designed to improve the carbon footprint of both buildings. These were part-funded by a grant from the Public Sector Decarbonisation Fund.

Overall the refurbishment cost £3.1m

	£
Total cost	3,120,400
Funded from:	
Grants	198,000
Contribution from tenant	234,000
Capital receipts	146,570
Borrowing	2,541,830

The investment generated a net savings of £357,000 which was marginally more than the original amount expected of £400,290.

	£
Rental income	281,290
Net saving in building costs	304,800
Overall saving in accommodation costs	586,090
Less: Financing costs	-170,510
Less: Room booking system	-10,000
Net annual saving	405,580

The saving was allocated as follows between the two Councils:

- Adur £162,230
- Worthing £243,350

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ADUR & WORTHING
COUNCILS

Joint Strategic Sub Committee Worthing
12th September 2023
Joint Strategic Sub Committee Adur
27th September 2023

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

1st Quarter Revenue Monitoring Report 2023/24

Report by the Director for Sustainability and Resources

Executive Summary

1. Purpose

- 1.1. This report updates the Joint Strategic Sub Committees with the latest expenditure and income projections for both Adur District Council and Worthing Borough Council for the current financial year 2023/24, compared to the Revenue Budget approved by both Councils in February. Whilst the 'spend to date' will be the position as at the 30th June 2023, the forecast outturn position will reflect the latest information available to ensure an up-to-date forecast is presented.

The current outturn projection for the 2023/24 financial year for the Worthing Borough Council General Fund is a net overspend after reserve transfers of £1.8m and for Adur District Council General Fund is a net overspend after reserve transfers of £254k. A breakdown is set out in section 4.4 of the report.

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

- (i) **Appendix 1** Briefing Note on Service Performance
- (ii) **Appendix 2**
 - (a) Worthing Summary
 - (b) Worthing Use of Earmarked Reserves
- iii) **Appendix 3**
 - (a) Adur Summary
 - (b) Adur Use of Earmarked Reserves
- (iii) **Appendix 4**
 - (a) HRA Summary
 - (b) HRA Major variances
 - (c) HRA Briefing note
- (iv) **Appendix 5** Table of Variations over £20,000

2. Recommendations

- 2.1. The Joint Strategic Sub Committee for Worthing Borough Council is asked to note the report and projected outturn position for the Joint Committee and Worthing Borough Council against the approved revenue budgets and proposed use of reserves (Appendix 2b).
- 2.2. The Joint Strategic Sub Committee for Adur District Council is asked to note the report and projected outturn position for the Joint Committee and Adur District Council against the approved revenue budgets and proposed use of reserves (Appendix 3b).

3.0 Context

- 3.1 The Joint Strategic Committee last considered the 5-year forecast for 2023/24 to 2027/28 on 5th July 2022.
- 3.2 The report outlined the financial context, and updated the outline 5 year forecast, the key budget pressures and the savings proposals for addressing the budget gap for Adur and Worthing Councils. The report built on previous strategies whose aim was to ensure that the Councils would become community funded by 2020 reliant, by then, only on income from trading and commercial activities, council tax income and business rate income.
- 3.3 The successful delivery of the strategy is fundamentally changing how the Councils are funded. The Councils are moving increasingly away from ever reducing government funding towards funding from the local community via Council Tax and Business Rates, and will become increasingly reliant on income from commercial activities.

4.0 Issues for consideration - Revenue 2023/24 Forecast

- 4.1 As part of the 2023/24 budget the Councils committed to savings of £1.333m for Adur District Council and £3.203m for Worthing Borough Council to produce a balanced budget and to address the reduction in Government support. Services were required to carry out efficiency, procurement and base budget reviews to identify where income could be increased or expenditure reduced.
- 4.2 However, the financial landscape has changed due to the impact of the economic downturn, energy prices, rising inflation and interest rates

visible in additional cost pressures falling on the Council. Additional pressures are anticipated when the national pay award is agreed, which is predicted to be higher than the assumed 4.5% built into the 2023/24 budget.

4.3 The ongoing uncertainty around inflation, increased demand on services and energy resources and pricing, it is difficult to have certainty on the estimates and assumptions, the current projections indicate forecast year end overspends against budgets of £1,830k in Worthing and an overspend of £254k in Adur. This includes meeting the challenges of the impact of the inflationary cost pressures, reduced levels of income together with the significant savings requirements to balance the 2023/24 budget. The main factors influencing the level of spend are discussed in detail in section 4.11 of the report.

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

	Worthing	Adur
2023/24 Forecast Outturn	Q1	Q1
	£000	£000
Over/(under)spend in operational services – including share from Joint	1,406	427
Net Borrowing requirement: Forecast call on the MRP (provision to repay debt)	476	(84)
Net Interest (increase)/decrease	(288)	(298)
Commercial property income shortfall and cost pressure (excluding business rates)	187	403
Property void allowance	(678)	(750)
Proposed pay award	567	422
Insurance contract renewal	161	135
LCR Unwinding agreement	300	
Net over/(under) spend before Transfer to/(from) Reserves	2,130	254
Transfer to/(from) reserves	(300)	-
Forecast net over/(under) spend	1,830	254

4.5 The key factors underpinning the current financial position include:

- The financial impact of rising inflation and interest rates;
- In Worthing there is a net overspend in the Minimum Revenue Provision (MRP) and interest budgets of £187k and in Adur a net underspend forecast of £382k. The budgets are calculated on both the

historic financing of previous years capital programmes and the impact of financing the current year's capital spend. Changes to the expected spend, interest rate forecasts, and the associated level of borrowing have increased the expected cost in 2023/24. In Worthing the borrowing position has been affected by the delay in the sale of key assets assumed in the 2023/24 budget which has meant that capital receipts are yet to be realised.

Once the above items are taken into account, the operational position is a net overspend by services of £1.4m in Worthing and £427k in Adur. This projection demonstrates the pressure on the Councils finances as a result of an increase in inflation, increased homelessness caseloads and income levels in some areas still below pre pandemic levels.

- 4.6 In summary the overall revenue outturn projections reported for Q1 are as follows:

Projected Outturn Summary			
	Joint	Adur	Worthing
	£000s	£000s	£000s
Current Budget 2023/24	27,521	10,612	14,189
Forecast Outturn	28,137	10,866	16,319
Projected Forecast over/ (underspend) before Government support packages or any transfer to reserves	616	254	2,130
Reserves Funding		0	(300)
Projected Forecast over/ (underspend) after Government funding and proposed transfer to reserves	616	254	1,830
Projected over/(underspend) percentage	2.24%	2.40%	12.90%

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

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

	Expenditure	Income	Net Total
Joint	£'000	£'000	£'000
Budget	32,906	(6,302)	26,604
Forecast (after transfer to reserves)	33,253	(6,033)	27,220
Projected Forecast (Under)/ Overspend	347	269	616
Forecast variance % before Government funding	1.06%	-4.27%	2.32%
Adur	£'000	£'000	£'000
Budget	37,420	(27,153)	10,267
Forecast (after transfer to reserves)	37,511	(27,236)	10,275
Authority Projected Forecast (Under)/ Overspend	91	(84)	8
Share of Joint (Under) / Overspend	139	108	247
Authority Projected Forecast (Under) / Overspend	230	24	254
Forecast variance % before Government funding	0.62%	-0.09%	2.48%
Worthing	£'000	£'000	£'000
Budget	71,251	(54,762)	16,489
Forecast (after transfer to reserves)	73,451	(55,201)	18,249
Authority Projected Forecast (Under)/Overspend	2,199	(439)	1,760
Share of Joint (Under) / Overspend	208	161	370
Authority Projected Forecast (Under)/ Overspend	2,408	(278)	2,130
Forecast variance % before Government funding	3.38%	0.51%	12.92%

4.8 The Joint Strategic Committee (JSC) sub committees for Worthing Borough Council and Adur District Council are asked to consider:-

- the current projections of variances in the Council's General Fund Revenue Budgets:

- any amendments and virements to budgets which may require a recommendation onto Council for approval;

In addition, the Strategic Committee (JSC) sub committee for Adur District Council is asked to consider:-

- the current projections of variances in the Adur Housing Revenue Account; and

4.9 We adopt a more structured approach to services which have more volatile budgets or hard to predict income streams. For 2023/24, these services are:-

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

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

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

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

4.11.1 Commentary on service areas that are forecasting significant variances from budget are presented in appendix 1 of this report, summarised highlights are provided in this section 4.11.

4.11.2 The forecast in year deficit is set out in the following table with focus on the main factors that make up the estimated outturn position:

In Year forecast (surplus)/deficit	Joint (Memo)	Worthing	Adur
	£000	£000	£000
Cross Cutting			
Pay Award	586	215	188
Insurance		161	135
Treasury		187	(382)
Services (detail in appendix 1)			
Waste	30		
Car Parks		274	14
Homelessness		640	148
Bereavement		687	49
Strategic Property		(191)	(347)
Planning and Development		231	189
Other Income		(443)	15
<i>Share of Joint</i>		370	247
Total projected deficit before use of reserves		2,130	254

Further detail on these factors is provided below.

4.11.3 Pay Award and National Insurance contributions

The national pay award offered an increase of £1,925 to each spinal column pay point. This equates to an average increase of 5.7%, which is higher than the 4.5% increase built into the 2023/24 budget. There is a potential for this to be an extra 2% higher, which is the current assumption built into the forecast.

4.11.4 Utilities and Rates

The contract for energy was renewed in October 2022 and the Council was tied into a 6 month substantially higher contract for that period. However, since April 2023 the Council's have moved to variable rates and with the decrease in energy costs, we are expecting the energy budgets to be below those set. These figures at the time of writing this report are not yet available, due to delayed invoicing information from the suppliers.

At the present time we are making an assumption that this will be on budget, but once we have received accurate invoices, we will be able to provide a more informed forecast by the end of quarter 2.

4.11.5 Maintenance

Costs are currently forecast to be kept within budget.

4.11.6 Treasury

Worthing Borough Council has an overspend against the MRP and interest budgets of £476k in Worthing due to the delay in the sale of key sites and associated capital receipts, which has impacted on the level of borrowing needed. For Adur there is a projected underspend of £84k due to the delay in some capital schemes commencing.

Increase in interest rates during the year has also led to higher investment return income for both Authorities.

4.11.7 Waste

There are additional costs resulting from agency spend being incurred to cover vacancies, holiday and sickness. Income is currently expected to be on budget. In addition, the decision to externalise the clinical waste contract to provide a more consistent and reliable service is costing more than the in-house provision. There are also rising costs of fuel, parts, bins and consumables. The cost pressure resulting from both the impact of inflation and an ageing vehicle fleet.

4.11.8 Car Parks

Demand for parking in Worthing Borough is still below pre covid levels and the income is continuing to underachieve against budget.

Car Parks are currently forecasting a net underachievement of budget of £274k due to a combination of drop in demand and delayed ticket price increases. In addition Buckingham Road MSCP is still closed to enable refurbishment works to be undertaken in the town centre car park.

There is a minor shortfall of £14k currently projected in Adur.

Further information is provided in Appendix 1.

4.11.9 Homelessness

Costs pressures continue to be experienced with consistent caseload numbers (individuals, couples and families presenting themselves to the council in immediate housing crisis)

The increase in the demand is projected to increase by 2 per month in Worthing and by 1 in Adur. As a consequence of this the average nightly cost for temporary accommodation has increased from £42 in 2022/23 to £46 (Worthing) and from £46 to £53 (Adur) per night, with the need to use hotel chains and expensive nightly booked self contained accommodation. Cost pressures have been compounded further with some bed and breakfast providers and contracted landlords increasing their prices to meet growing inflationary costs pressures.

4.11.10 Bereavement

The deficit against budget is due to a continued underachievement in income, in Worthing this is associated with a budget that is no longer achievable for cremations. A review and budget reset is being undertaken as part of the 24/25 budget process. There has also been a shortfall in income from memorials but work is underway to create an extension to the memorial garden.

In Adur there is a forecast shortfall in burial income predicted.

Further detail is set out in appendix 1.

4.11.11 Strategic Property

Projected income in Adur & Worthing from strategic property portfolios are based on the assumption that the budgeted transfer to the Property Investment Risk Reserves of £678,000 for Worthing and £750,000 for Adur are not made for 2023/24. There are currently vacant properties in each Council's portfolio's where the council picks up associated service costs and rates charges, and one lease under a rent free period.

4.11.12 Planning and Development

As with Bereavement Services the budget shortfall is largely related to the underachievement of income. These income streams are largely demand led and can therefore fluctuate making forecasting difficult to predict. Based

on current performance the forecast outturn position is a shortfall of £230k in Worthing and £189k in Adur.

4.12 Budget variations greater than £20,000

The Council's individual Summary Projected Outturns are reported in Appendix 2a & 3a. The variations greater than £20,000, for this report, are detailed in Appendix 5.

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

They include:-

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

4.13 Future Risks

4.13.1 *Inflation*

Inflation is still currently the biggest risk on Council finances with the pressure on rising costs across all budget areas, particularly in utilities, fuel, supplies, salaries and construction costs. The forecast outturn positions will be reviewed during the year and adjusted to reflect the changes in actual experience and economic forecasts.

4.13.2 *Demand for housing*

Any increase in demand on Housing services through homelessness caseloads will cause additional cost pressures on the councils finances. With demand levels in excess of the availability of cheaper supply in the form of Council owned accommodation or private leasing, the costs will escalate further as the service is forced to utilise more expensive hotels.

4.13.3 *Financial sustainability*

The level of earmarked reserves will reduce if they are required to meet the overspends currently forecast for the year.

This is a particular issue for Worthing where the level of available reserves (excluding the Business Rates Smoothing Reserve, the Tax Guarantee Reserve and Grants and Contributions) will be reduced significantly. The predicted level of reserves undermines the Council's financial stability and potentially puts Worthing Council in an unsustainable financial position, as set out in the table below:

Worthing Borough Council Available Reserves	Balance at 1.4.23	Projected Transfer In/(Out) 2023/24	Remaining balance
	£	£	£
Capacity Issues Reserve	881,673	(486,153)	395,520
General Fund Working Balance	1,347,348		1,347,348
Property Investment Risk Reserve	450,000		450,000
Building Maintenance Reserve	176,259		176,259
Insurance Reserve	230,244		230,244
Museum Reserve	74,899		74,899
Leisure Lottery & Other	27,766		27,766
Projected overspend 2023/24		(1,829,980)	(1,829,980)
Total	3,188,189	(2,316,133)	872,056

The Council's established policy to maintain the General Fund Working Balance at between 6 – 10% of net revenue expenditure. The current balance as at 31st June 2023 is £1,347,350. This balance is 8.5% of net revenue expenditure (previously, 9.80% in 2022/23) and is in the mid part of the range of 6% -10% set by the Council.

In Adur, the level of reserves are in a slightly healthier position, though the planned draw down for the year would use up the majority of the Capacity Issues Reserve. Overall, the value of useable reserves are set out below:-

Adur District Council Available Reserves	Balance at 1.4.23	Projected Transfer In/(Out) 2023/24	Remaining balance
	£	£	£
Capacity Issues Reserve	441,405	(135,122)	306,283
General Fund Working Balance	1,051,497		1,051,497
Property Investment Risk Reserve	375,674		375,674
Insurance Reserve	82,959		82,959
Projected underspend 2023/24		254,317	254,317
Total	3,188,189	119,195	2,070,730

As in Worthing, the Council's established policy to maintain the General Fund Working Balance at between 6 – 10% of net revenue expenditure. The current balance as at 31st June 2023 is £1,051,497. This balance is 9.9% of net revenue expenditure (previously, 9.90% in 2022/23) and is in the top part of the range of 6% -10% set by the Council.

The current commitment on all the General Fund earmarked reserves are set out in appendix 2b and 3b. The council will need to plan for protecting and rebuilding reserve levels into the future to ensure we meet the guideline minimum level.

4.14 Corrective action:

4.14.1 As an organisation we are addressing the forecast overspend by initiating a mid year directorate based spending review. During this period of review the following actions will be taken:

1. Vacancy control - recruitment paused whilst the review is undertaken,
2. Identification of areas where costs could be delayed or reduced to help mitigate unavoidable in year cost pressures,
3. Aligning the spending review with the annual planning work to identify any opportunities to accelerate towards our future state in terms of service model or delivery.

4.14.2 The current budget pressures will continue to be monitored throughout the year, and to identify if any further action is required to bring them back within the set budget.

4.15 Housing Revenue Account

4.15.1 The Adur Housing Revenue Account is a ring fenced account. The HRA forecast is shown in Appendix 4a.

4.15.2 The HRA is forecast to overspend against the budget for 2023/24 by £217,000. The most significant pressures are due to:

- Void properties (including losses in associated service charges and increased Council Tax liabilities) - £713,000
- Delay in implementation of the rent increase by 6-8 weeks - £75,000
- Employee costs in respect of additional repairs and maintenance support now required which means that a budgeted vacancy saving is unlikely to be achievable - £70,000.

- 4.15.3 In contrast, a review of the depreciation policy last financial year has reduced the annual charge to the revenue budget by £630,000. This will offset some of the cost pressures above.

Engagement and Communication

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

Financial Implications

- 6.1 At this stage at the end of the 1st quarter of the revenue budgetary cycle, we continue to see the financial impact of the increase in inflation on the Councils.
- 6.2 Overall the projected outturn positions net of treasury savings, the performance in the strategic property portfolio and reserve transfers is an overspend in Worthing of £2.130m and an overspend in Adur of £0.254m, which includes the councils share of the estimated £0.616m overspend within the Joint Service.
- 6.3 The financial performance of the Councils will continue to be monitored closely against budgets and projections updated as the financial year continues.

Legal Implications

- 7.1 Section 151 of the Local Government Act, 1972 requires the Councils to make arrangements for the proper administration of their financial affairs. Further, Local authorities have a statutory duty under the Local Government Act 2003, to monitor their income and expenditure against their budget, and be ready to take action if overspends or shortfalls in income emerge.
- 7.2 The requirement for financial reserves is acknowledged in statute. Sections 31A, 32, and s42A and 42B of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

- 7.3 There are a range of safeguards in place that help to prevent local authorities overcommitting themselves financially. These include a duty to report on robustness of estimates and adequacy of reserves (under section 25 of the Local Government Act 2003 when the authority is considering its budget requirement).

Background Papers

Joint Overall Budget Estimates 2023/24

https://democracy.adur-worthing.gov.uk/documents/s9818/2023.02.07%20-%20JSC%20-%20Final%20Revenue%20Budget%20Estimates%20for%202023_24.pdf

Adur District Council Budget Estimates 2023/24 and Setting of the 2023/24 Council Tax

https://democracy.adur-worthing.gov.uk/documents/s9812/2023.02.02%20-%20Adur%20Executive%20-%20Revenue%20Budget%202023_24.pdf

Worthing Overall Budget Estimates 2023/24 and Setting of 2023/24 Council Tax

https://democracy.adur-worthing.gov.uk/documents/s9774/2023.02.01%20-%20Worthing%20Exec%20-%20Budget%20Estimates%202023_24%20and%20setting%20of%20the%202023_24%20Council%20Tax.pdf

Financial Performance 2022/23 - Revenue Outturn

https://democracy.adur-worthing.gov.uk/documents/s10814/2023.07.11%20-%20JSC%20-%20agenda%20item%206%20-%20Revenue%20outturn%202022_23.pdf

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Sustainability & Risk Assessment

- 1. Economic**
Matter considered and no issues identified
- 2. Social**
 - 2.1 Social Value**
Matter considered and no issues identified
 - 2.2 Equality Issues**
Matter considered and no issues identified
 - 2.3 Community Safety Issues (Section 17)**
Matter considered and no issues identified
 - 2.4 Human Rights Issues**
Matter considered and no issues identified
- 3. Environmental**
Matter considered and no issues identified
- 4. Governance**
Matter considered and no issues identified

Quarter 1 Budget Monitoring - Commentary on Services with significant outturn forecast to budget variances

This information supplements the information in the 1st Quarter Revenue Monitoring report providing more detail to the service forecast in areas where there are significant variances in the forecast outturn positions than budgeted. The variances are across the organisation but are mostly in the areas that are either volatile in nature or demand led which can make income streams more difficult to predict. There are also some areas where global and national economic activity are impacting causing costs pressures, such as inflation and energy supply.

1.1 Car Parking

Worthing car park income continues to be one of the main income streams that is most impacted by the pandemic's longer term effect of changing behaviour by customers. One of the main reasons for this is that previous town centre workers are choosing to work remotely some or part of the time reducing the levels of town centre worker deal income and season tickets.

Buckingham Road is still closed for refurbishment and not expected to open until December 2023 and there are a number of bays closed at Liverpool gardens while works are completed on the former mobility shop section. Whilst some of these drivers will be displaced to other council owned car parks (particularly High Street and Grafton) the closures will have some impact on income.

In Adur, the parking income is showing a small deficit of £14k.

1.2 Homelessness

There continue to be cost pressures associated with homelessness within both Adur and Worthing, current forecast outturn overspend positions have increased from those in 2022/23 and this is despite an additional £381k (Adur) and £748k (Worthing) 2023/24 budgets respectively. Since 2020/21 the budgets have seen £566k and £1m increases to the respective Adur and Worthing budgets to fund the ongoing additional pressures of people presenting themselves to the Council for support for their housing needs.

The main reasons for these increased pressures on the Council include:-

- Introduction of Homeless Reduction Act

- The Local Housing Allowance does not increased in line with the private sector rent prices
- COVID
- Increasing Interest costs and the change to the Landlord & tenant act, which impacted on smaller landlords resulting in some deciding to sell reducing the number of available rental properties,

Worthing is seeing an increase in demand, the average caseload for 2022/23 was 308 increasing to a projected 334 in 2023/24. The outturn forecast includes an assumed increase in caseload of 2 cases per month for the remainder of the year.

In Adur the average caseload for 2022/23 was 89 increasing to a projected 100 in 2023/24. The outturn forecast includes an assumed increase in caseload of 1 cases per month for the remainder of the year.

The increase in the demand is impacting on the cost pressures in procuring additional accommodation along with increased costs from existing suppliers who are passing on their inflationary cost pressures to customers through their increased accommodation charges. The impact of this is an increase in the average rate being charged from £42 to £46 per night in Worthing and from £46 to £53 in Adur.

1.3 Bereavement Services

Worthing cemetery income is currently expected to exceed the income budget by £40,000 (15% overachievement).

The crematorium is forecasting an overall shortfall against the service income budgets of £712,000.

There is currently no available space in the existing memorial garden. Additional income is expected from the delivery of the new garden which was considered and approved by members in January 2023. The works for this are due to commence in the Autumn, when plots can start to be sold off plan.

Overall the Bereavement Services budget in Worthing is predicting a net deficit against the budget of £672,000, which reflects 20% of the £3.3m Income budget.

In Adur there is a predicted shortfall of Burial income against a budget of £49k.

1.5 Strategic and Commercial Property

Within Worthing investment property and core estate portfolio the forecast is a net income surplus of £491,000 assuming that the transfer of the void allowance of £628,000 to the Property Investment Risk Reserve is not made in 2023/24. This is due to a combination of void periods and the re-letting of some properties with agreed rent free periods. Rent free periods are normal commercial practice and allow us to capture a greater rent in the future whilst the occupier pays business rates and all other outgoings during that period.

In Adur investment property and core estate portfolio the forecast is a net income surplus of £347,000 assuming that the transfer of the void allowance of £750,000 to the Property Investment Risk Reserve is not made in 2023/24. This is due to a couple of void properties (York Road and Eskin Court), whilst empty the Council is responsible for the business rates and all other outgoings until they are relet.

In both Councils the core estate portfolios are forecast to be marginally over budget at this early stage of the year.

1.6 Planning and Development

In Adur and Worthing the projected outturn is an overall net overspend of £189,000 and £230,000 respectively within Planning and Development. A breakdown of the variation in the service budget is provided below:

	Worthing Net Total	Adur Net Total
Building Control	£78,000	£91,000
Development Control	£100,000	£50,000
Land Charges	£52,000	£48,000
Total	£230,000	£189,000

The current financial position with high inflation and mortgage rates together with high construction costs is having a significant impact on the housing market and development industry. This has had an impact on planning, building control and land charges fee income.

For Development Management the first few months of the year have seen a reduction in the number of applications received. This has been compounded by no new major developments being submitted. However, there are some larger schemes that will be submitted; Union Place in Worthing, will boast fee

income as the application will attract large planning fees and will help to reduce the current shortfall.

The Government has also announced a significant increase in planning fees and funding to increase the number of planners to tackle resource issues for planning authorities. Draft regulations to introduce a national fee increase of 35% for major applications and 25% for all other applications were laid on 20 July.

1.7 Place and Economy

Worthing is forecasting an overspend in its concession budget. The Worthing Observation Wheel has not returned to the seafront, instead a Carousel has taken the plot for the summer period but the fee is substantially lower (£65k) than the budget and previous income received from the wheel. In addition, business rates are payable on the site, which the Council has to pick up when there is no operator on the site.

1.9 Treasury- External Borrowing Costs, Investments and Minimum Revenue Provision

The Minimum Revenue Provision (MRP) is a statutory charge to the revenue budget to provide for the repayment of debt. The calculation is based on the level of historic capital spend that has been financed from borrowing. Consequently, once the accounts have been closed and the calculation has been updated for the capital spend in 2023/24, there is certainty about the charge for the forthcoming year.

Worthing Borough Council has net projected overspend in the treasury management budgets of £187k largely due to the impact of the delay in the sale of key sites which were estimated to reduce borrowing costs by £600k. The position is kept under review and if the sales complete earlier the forecasts will be recalculated.

Interest receivable from treasury investments is forecast to be above budget due to the higher than forecast base rates available in the market.

In Adur the position is different with a predicted overall underspend in the treasury management budgets of £298k. The decision to use internal funds rather than borrowing which is reflected in the underachievement in the interest receivable forecast offset by the underspend against the budget for interest payable on borrowing.

The breakdown is provided in the following table.

Treasury Management (under)/overspends	Worthing	Adur
	£000	£000
Minimum Revenue Provision	476	(84)
Interest from Investment Income	(210)	51
Interest payable on borrowing	(79)	(349)
Total	187	(298)

**WORTHING BOROUGH COUNCIL SUMMARY - 1ST
QUARTER PROJECTED OUTTURN 2023/24**

APPENDIX 2a

Actual Previous year 2022/23	WORTHING CABINET MEMBER PORTFOLIOS	Current Estimate 2023/24	Projected Outturn to 31st March 2024	Forecast Over/ (Under)
4,898,300	CM for Environment	3,999,240	4,703,970	704,730
930,829	CM for Community Wellbeing	824,280	824,280	0
5,120,413	CM for Citizen Services	4,304,920	4,945,390	640,470
128,178	CM for Climate Emergency	119,700	119,700	0
4,438,618	CM for Culture & Leisure	3,835,040	3,835,040	0
985,506	Leader	831,510	831,510	0
3,127,961	CM for Regeneration	2,432,060	2,809,950	377,890
(2,724,355)	CM for Resources	(240,010)	(308,841)	(68,831)
0	Holding Accounts	382,350	382,350	0
16,905,450	Total Cabinet Member	16,489,090	18,143,349	1,654,259
(4,198,163)	Credit Back Depreciation	(4,804,180)	(4,804,180)	0
1,693,450	Minimum Revenue Provision	2,417,780	2,893,501	475,721
	Non ring fenced grants	0	0	0
14,400,737		14,102,690	16,232,670	2,129,980
(40,791)	Government Grant funding	0	0	0
	Transfer to/from reserves			
(44,610)	Contribution to/(from reserves)	86,250	86,250	0
(1,308,786)	Transfer from reserves to fund specific expenditure (inc carry forwards)	0	(300,000)	(300,000)
778,101	Net Underspend/(Overspend)	0	(1,829,980)	(1,829,980)
	Recommended For Transfer To/(From) Reserves			
13,784,651	Total Budget requirement before External Support from Government	14,188,940	14,188,940	-

Appendix 2b

Movements in Earmarked Reserve Accounts

	Opening Balance	Estimated Transfers Out	Estimated Transfers in	Projected Closing Balance
WORTHING BOROUGH COUNCIL EARMARKED REVENUE RESERVE ACCOUNTS	2022/23	2022/23	2022/23	2022/23
		£	£	£
REVENUE GRANT RESERVES				
Capacity Issues Reserve including approved Carry Forward budgets	881,673			
Hardship Fund Contribution (11/01/22 JSC/77/21-22)		-100,000		
Foodbank - (£100k from unused Hardship contribution & Treasury)				
Resourcing of community engagement, inclusion and participation activities (JSS-C(W)/4/22-23 5 July 2022) - Big Cleanup		-15,000		
Business Development Fund		-29,080		
Local Plan examination costs		-42,073		
LCR Caravan Club Agreement		-300,000		
Worthing carry forwards from 2022/23 underspends			-	
Budgeted contribution (to)/from revenue			-	
Balance	881,673	-486,153	0	395,520
Insurance Reserve	230,244			230,244
Leisure Lottery & Other Partnerships - 01/02/18				
JSC/092/17-18 for Museum Costume Research Centre	27,766			27,766
Museum reserve	74,899			74,899
Business Rates Smoothing Reserve	2,491,626			2,491,626
Local Tax Income Guarantee	264,949			264,949
Property Investment Risk Reserve	450,000			450,000
Building Maintenance Reserve	176,259			176,259
Place Project	82,711			82,711
Wellbeing Grant funded Employee exit cost reserve	68,150			
Grants & Contributions sub total	754,421	0	0	754,421
Projected Underspend/ (Overspend) (Reserve to be identified at outturn).		-1,829,980		-1,829,980
				0
				0
General Fund Working Balance	1,347,348			1,347,348
TOTAL	7,604,465	-2,316,133	0	4,465,761

**ADUR DISTRICT COUNCIL SUMMARY - 1ST QUARTER
PROJECTED OUTTURN 2023/24**

APPENDIX 3a

Actual Previous year 2021/22	ADUR EXECUTIVE MEMBER PORTFOLIOS	Current Estimate 2022/23	Projected Outturn to 31st March 2023	Forecast Over/ (Under)
3,611,352	CM for Environment & Leisure	3,364,830	3,439,857	75,027
1,531,276	CM for Communities & Wellbeing	1,332,300	1,332,300	0
2,329,295	CM for Adur Homes & Customer Services	1,887,080	2,035,160	148,080
704,985	Leader	704,630	704,630	0
1,982,718	CM for Regeneration & Strategic Planning	2,028,950	1,871,140	(157,810)
721,607	CM for Finance & Resources	681,210	954,563	273,353
0	Holding Accounts	268,270	268,270	0
10,881,233	Total Cabinet Member	10,267,270	10,605,920	338,650
(1,541,257)	Credit Back Depreciation	(1,625,520)	(1,625,520)	0
1,875,637	Minimum Revenue Provision	1,969,970	1,885,637	(84,333)
	Non ring fenced grants	0	0	0
11,215,613		10,611,720	10,866,037	254,317
-470979	Government Grant funding	0	0	0
	Transfer to/from reserves			
0	Contribution to/(from reserves)	0	0	0
0	Budgeted contribution to/(from) Reserves	0	0	-
(992,117)	Transfer from reserves to fund specific expenditure (inc carry forwards)	0	0	0
0	General Fund Working balance	0	0	0
(10,166)	Net Underspend/(Overspend)	0	(254,317)	(254,317)
	Recommended For Transfer To/(From) Reserves			
9,742,351	Total Budget requirement before External Support from Government	10,611,720	10,611,720	-

Movements in Earmarked Reserve Accounts

ADUR DISTRICT COUNCIL EARMARKED REVENUE RESERVE ACCOUNTS	Opening Balance 2023/24	Estimated Transfers Out 2023/24	Estimated Transfers in 2023/24	Projected Closing Balance 2023/24
	£	£	£	£
Capacity Issues Reserve including approved Carry Forward budgets	441,405			
New Salts Farm Lancing (JSC/047/20-21 8 September 2020)		-2,199		
Shoreham Centre Decarbonisation (JSC/34/21-22 7 Sept 2021)		-118,000		
Business Development fund		-14,923	-	
Balance	441,405	-135,122	0	306,283
Insurance Fund	82,959	0	0	82,959
Business Rates Smoothing Reserve	1,765,540	0	0	1,765,540
Local Tax Income Guarantee	59,666	0	0	59,666
Property Investment Risk Reserve	375,674	0	0	375,674
Risk Reserve Exit cost	68,150	0	0	68,150
Grants and Contributions held in Reserves	913,667	0	0	913,667
Projected Underspend/(Overspend) (Reserve to be identified at outturn)		254,317	0	254,317
Projected Underspend/(Overspend) HRA (Reserve to be identified at outturn)		0		0
General Fund Reserve	1,051,497	0	0	1,051,497
TOTALS	5,672,224	119,195	0	5,791,419

HOUSING REVENUE ACCOUNT SUMMARY

Appendix 4a

	ORIGINAL BUDGET	FORECAST ACTUAL	VARIANCE
	£	£	£
EXPENDITURE			
General Management	4,102,590	4,154,060	51,470
Special Services	796,020	823,360	27,340
Rent, Rates, Taxes & Other Charges	64,010	116,250	52,240
Repairs & Maintenance	3,142,880	3,114,952	(27,928)
Bad/Doubtful Debt	50,000	50,000	0
Capital Financing Costs			
Depreciation and Revenue Contribution to Capital	4,421,760	3,788,165	(633,595)
Interest charges	2,304,920	2,304,920	0
TOTAL EXPENDITURE	14,882,180	14,351,707	(530,473)
INCOME			
Dwelling Rents	(13,330,160)	(12,794,000)	536,160
Non-Dwelling Rents	(537,320)	(526,250)	11,070
Heating and Other Service Charges	(706,760)	(506,480)	200,280
Leaseholder's Service Charges	(307,940)	(307,940)	0
Interest Received	0	0	0
TOTAL INCOME	(14,882,180)	(14,134,670)	747,510
NET (SURPLUS)/DEFICIT -TFR (TO)/FROM HRA GENERAL RESERVE	0	217,037	217,037

HRA Major Variances

Appendix 4b

	(Under)/ Over Spends £'000
<u>Variations in Income and Running Costs:</u>	
Dwelling Rent & Service Charge void loss	736
Garage Rent void loss	13
Staff costs	52
Council Tax - increased costs due to extended void periods.	52
Repairs & Maintenance - responsive and void works	(28)
Repairs & Maintenance - planned maintenance contracts	0
Leasehold Service charges	0
Provision for Bad Debts	0
Other	25
TOTAL VARIATION IN RUNNING COSTS:	851
<u>Variations in Treasury Management and Capital Costs:</u>	
Interest payable	0
Depreciation	(634)
Interest receivable	0
TOTAL VARIATION IN TREASURY MANAGEMENT AND CAPITAL COSTS:	(634)
TOTAL VARIATION:	217

1.0 Budget Context

The HRA budget for 2023/24 was set as a balanced budget, i.e. with the assumption that in-year expenditure would equal in-year income and neither a surplus nor deficit would be added to nor drawn from reserves.

This net zero budget for 2023/24 is based on the following key assumptions:

1.1 Income

- Rental Income was increased by the maximum allowable by central government - 7% for General Needs properties and 11.1% for Sheltered properties.
- Dwelling void loss budget for 83 properties (3.3% of total stock) vacant for the full year, in addition to the decanted Ashcroft flats and further decants for Inner Rooms fire safety works.
- Garage void loss budget of 340 units (32% of total stock) vacant for the full year, to allow for Small Sites developments.
- Removal of £28k investment interest income budget due to depletion of reserve levels.

1.2 Repairs

- A further £135k was added to the budget for planned maintenance and compliance requirements, with general inflation assumed at 8%.

1.3 Staffing Costs

- A pay award estimated at 4.5% (£129k).
- A vacancy provision of 5% (£126k)
- Additional temporary staff budget approved for repair & maintenance works (£98k).

1.4 Other

- Reduction in central support costs charged to the HRA (£79k).
- The Depreciation budget was set at the same level as 2022/23. At the time of setting this budget, work was underway to review the depreciation policy with the expectation that a reduction in cost may be seen. As the outcome of that review was as yet unknown, the budget was neither increased or decreased for 2023/24. We now know that the outcome of the review is a significant reduction in costs.

2.0 Current Year Potential Variances

The table below provides a summary of and indicative figures for the main HRA budget variances.

Service Area	Budget Assumption	Latest Estimate	Forecast Variance
Rental Income	General Needs 7% increase Sheltered 11.1% increase	Delay in implementation of rent increase due to system and administration issues.	£ 75,000
Dwelling Voids (excl. decants)	83 voids per year (3.3% of total stock) Average loss of £9,000/wk	Current voids at end Aug = 122 (4.8% of total stock) Average loss of £13,200/wk	£ 360,000
Garage Voids	340 voids per year Average loss of £4,200/wk	Current voids at end Aug = 354 Average loss of £4,400/wk	£ 10,000
Service Charges	Proportionate to rental income	Void loss has a proportionate effect on service charge income.	£ 200,000
Repairs & Maintenance	Contract inflation of 8%	Continued higher volume of Fire Risk Assessments than budgeted.	£ 23,000
Staffing Costs	Pay award of 4.5% = £129k	Most recent proposal was a flat rate increase of £1,925 per head. Likely to equate to an average of 6% = £172k. However due to vacancies a material variance is not expected.	£ 0
Staffing Costs	Vacancy provision of 5% = £126k	This is unlikely to be achieved due to the recruitment of temporary repairs & maintenance staff which are additional to the establishment.	£ 126,000
Capital Financing	Depreciation Budget = £4,422k	The depreciation policy review was completed in 2022/23 and agreed with external auditors. Annual costs are now expected to be £3,788k.	(£ 634,000)
Other		Other minor variations	£ 57,000
POTENTIAL OVER SPEND			£ 217,000
BALANCED BUDGET			£ 0
POTENTIAL IMPACT ON RESERVES			£ 217,000

3.0 Reserve Balances

- The HRA general and earmarked reserves have been drawn upon in recent years in order to maintain service levels when the government's rent reduction policy required a 1% per annum reduction between 2016/17 and 2019/20.
- Since the 2020/21 budget, rents can be increased by a maximum of CPI + 1%. However, for the 2023/24 budget, central government capped the CPI+1% regulation to 7% for General Needs properties. This was in response to higher than expected inflation rates (10.1% at Sep22) and concerns over cost of living pressures. Despite this, 2023/24 is the first year since 2016/17 that a balanced budget could be set.
- These rent policies and ongoing cost pressures have reduced the level of reserves significantly over the last seven years. The table below sets out the reserve balances as at 1st April 2023. These amounts have been revised following the backdated effect of the amended depreciation policy, which has increased the level of revenue reserves available.

HRA Reserves	Opening Balance 23/24	Spent & Committed to date	Latest Balance
General Reserve	£ 1,079,418	£ 0	£ 1,079,418
Discretionary Assistance Fund	£ 1,471	£ 0	£ 1,471
New Development Reserve [committed to Southwick development]	£ 30,900	£ 30,900	£ 0
Business Improvement Reserve	£ 84,176	£ 0	£ 84,176
	£ 1,195,965	£ 23,490	£ 1,165,065

Q1 Variations

Appendix 5

Service Area	Joint £000s (under)/ over spend	Adur £000s (under)/ over spend	Worthing £000s (under)/ over spend	Description of Significant Variations
Director of Housing & Communities				
Housing Needs		148	640	Homelessness cost pressures continue to increase
	-	148	640	
Director of Sustainability and Resources				
Parking Services		14	274	Delay in price increases (to June) plus decision to not progress free car park charging
Environmental Services (Waste)	30			Mainly due to Agency staff costs in Cleansing plus increased costs from the Medisort Clinical contract (offset partly by Contingency budget In CM)
Bereavement Services (Cemeteries & Crematorium)		49	687	Continuing pressure on income -- budget reset in progress and £500k being built into next year's budget for Worthing
Insurance		135	161	New contract tenders were higher than budgeted
Finance: Treasury Interest		(298)	(288)	Interest from Investment income due to higher Interest Rates
Finance: Treasury MRP		(84)	476	Shortfall largely due to the impact of the delay in the sale of key sites which were estimated to reduce borrowing costs
	30	(185)	1,309	

Director for Place				
Regeneration (IP & Estates)		(347)	(491)	Net impact of the position in Investment Properties income which is showing a slight shortfall, offset by the budgeted void allowance to contribute towards reserves
Regeneration (Major Projects)			300	Unwinding of LCR agreement
Place and Economy (Economic Development)			65	Concession income previously Worthing Wheel replaced by the current Carousel contract which receives a lower value of rental income
Planning and Development (Building Control)		91	78	Shortfall projected to continue in Building Control fee income in line with 22/23
Planning and Development (Development Control)		50	100	Current projections for Planning fee income is lower than the budget due to fewer large scale development planning application being received / expected to be received
Planning and Development (Land Charges)		48	52	Shortfall projected to continue in Land Charges fee income in line with 22/23
	-	(158)	104	
Cross Cutting services				
Maintenance				
Pay Award - Latest offer	586	188	215	Pay award over the budgeted amount plus increased costs re post regradings following commitment to review all posts upto a Grade 5
Other Income		15	(508)	
	586	202	(294)	
Allocation of Joint Variance		247	370	Share of joint services allocated 40:60 to Councils
Total Variance	616	254	2,130	



ADUR & WORTHING
COUNCILS

Adur Joint Strategic Sub-Committee
27 September 2023

Key Decision : No

Ward(s) Affected: All

1st Quarter Capital Investment Programme & Projects Monitoring 2023/24

Report by the Director for Digital, Sustainability and Resources

EXECUTIVE SUMMARY

1. PURPOSE

- 1.1 This report updates the Sub-Committee on the progress made on the delivery of the 2023/24 Capital Investment Programme for Adur District Council. The programme includes schemes which support the delivery of services by the Joint Services Committee.
- 1.2 Included within the report is information about the prudential indicators which provide a link between the Council's revenue budget and capital budget. Quarterly monitoring of these indicators is a new requirement introduced as part of the refreshed prudential code.
- 1.2 The following appendices have been attached to this report:
 - Appendix 1:** Adur District Council Capital Monitoring Summary
 - Appendix 2:** Adur District Council Reprofiled Budgets
 - Appendix 3:** 1st Quarter Treasury Management Update 2023
 - Appendix 4:** Revised 2023/24 Adur Homes maintenance programme

2. RECOMMENDATIONS

2.1 The Adur Sub Committee of the Joint Strategic Committee is asked to:

- i) To note the reprofiling of the Adur District capital schemes as advised in paragraph 6.1 and appendix 2
- ii). To note the 1st Quarter Treasury Management Activity Update as set out in appendix 3
- iii) To approve the changes to the current schemes as set out in section 6.2 report.
- iv) To approve a revised Housing Investment Programme as set out in Appendix 4

3. CONTEXT

3.1 In accordance with the Councils' Capital Strategy, the Capital Working Group oversees the implementation and progress of both Councils' Capital Investment Programmes.

3.2 The Capital Working Group meets quarterly and monitors the programmes' progress and finance, seeking to address any problems at an early stage in order for schemes to be completed within budget and timescales. Where problems are highlighted the Group considers possible remedies including virements between schemes, reprofiling of budgets between years and the withdrawal of schemes from the programme when schemes are unable to proceed. This could be due to resourcing problems, time delays or other factors beyond the Councils' control.

3.3 Full summaries of the progress of all the schemes in the 2023/24 Capital Investment Programmes are prepared each quarter highlighting:

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

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

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

4. PROGRESS OF THE ADUR DISTRICT COUNCIL 2023/24 CAPITAL INVESTMENT PROGRAMME – JUNE 2023

4.1 There are 77 schemes in the 2023/24 current capital investment programme which are progressing as follows:

	Number of schemes	Percentage %
Schemes which are progressing satisfactorily or have completed	67	87
Schemes where progress is being closely monitored	10	13
Schemes with significant challenges	0	0

4.2 A summary of the financial movements of the 2023/24 Capital Investment Programme is attached as Appendix 1 to this report. A summary of the progress of all the schemes in the 2023/24 Capital Investment Programme is available from the Council's Intranet.

5.0 SUCCESSES AND CHALLENGES IN THE 2023/24 ADUR DISTRICT COUNCIL CAPITAL INVESTMENT PROGRAMME

5.1. The following schemes are progressing well:

5.1.1. Adur Homes Capital Investment Programme

The Adur Homes Capital Investment Programme for 2023/24 was initially approved by Council in February 2023. Following the appointment of a new Head of Property, the proposed programme has been fully reviewed and the focus of the current planned spend for 2023/24 will be on health and safety issues as well as addressing the current backlog in void property. The new proposed programme is included at Appendix 3 for approval

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

5.1.2 Adur Homes External Works Programme

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

- The original project to undertake external works to Rocks Close and Locks Court has been reviewed and the scheme will now include the wider Southwick Estate. A prioritised package of interim works is being compiled to address essential structural works required to keep the

Estate in good repair for the next 10 years. The proposed programme of works is currently being consulted on.

- A programme of roof replacements has been compiled and will commence in 2023. Additional roof replacements are also planned for 2024/25.
- Preparatory works for a window / door replacement programme are in progress for works to commence this financial year.
- Preparatory works are also being undertaken for external works at the following sites in future years:
 - i) Millfield
 - ii) Manor Court
 - iii) Rafa Balconies and external fire exits.
- A series of fire safety works programmes are underway and will continue throughout the financial year 2023/2024.

5.1.3 Housing Development and Acquisition Programme

Albion Street New Build

The redevelopment of Albion Street to provide 49 new affordable homes has progressed. The project has progressed well and was expected to finish in September 2023, however the contractor has (on 12th September) filed a notice of intention to appoint administrators, effectively providing the company with 10 working protection from creditors to find an alternative to administration. This will likely cause some delay to the completion of the project, more will be known in the next few weeks.

Small Sites (Hidden Homes)

Following approval of the small sites programme to deliver 56 new homes, the Council is progressing with 8 sites, 5 of these have begun construction works and the remaining sites are in progress. The scheme should be successfully delivered by the end of the 2024/25 financial year.

Ashcroft

A budget of £540,000 was approved for RIBA Stages 1 - 3 and to gain planning approval by Summer 2022. The Council has successfully applied for Brownfield Land Release Funding of £407,000. Members are asked to approve an increase to the overall budget in section 6.2 of this report.

A further report will be submitted for the release of the full cost of the development and will require a Homes England grant to be used to part-fund the project.

South Street - Temporary Accommodation

The scheme is currently out to tender. An application to the Brownfield Land Release Fund has been successfully made and a grant of £126,100 has been secured.

5.1.4 Information and Communications Technology - Digital Programme (Partnership Scheme with Worthing Borough Council)

The following projects are progressing well:

- i) Ultrafast Network / Gigabit Project
- ii) Wifi Upgrade / Network Refresh
- iii) Storage Area Networks have been replaced
- iv) Data migration to the Cloud.

5.1.5 Commerce Way - Refurbishment works

- i) Upgrades of the female facilities have now been completed.
- ii) Upgrade of the male showers is scheduled for 2023/24.
- iii) Refurbishment work is in hand to create improved office and hot desking space on the ground floor is completed with works now focused on replacing the roofing.

5.2. Challenges in the 2023/24 Capital Investment Programme:

5.2.1 There continues to be challenges to the delivery of a number of schemes due to a number of factors outside the Councils controls:

Delays have been encountered as follows:

- i) In obtaining quotes and estimates from suppliers.
- ii) Long lead in times for deliveries due to supply issues.
- iii) Escalating costs due to significant inflation within the construction industry

In addition there are staffing shortages in the Technical Services Department and projects have had to be prioritised and non urgent works deferred to 2023/24.

These issues have directly impacted on a number of projects which have required additional financial support which are set out below.

5.2.3 Shoreham Harbour Walls Coast Protection Scheme

Final testing of the permeability of the water flows has been completed and the data has been reviewed. This will inform the final drainage designs for the scheme. Issues regarding the byways were raised at JSC in June which resulted in minor amendments being required to designs at RB3156 prior to going out to public consultation on the extinguishment of RB3157. When all the above is agreed a final costing report will be presented to the JSC committee to enable tendering and construction works to commence in 2023/4.

6. ISSUES FOR CONSIDERATION

6.1 Budgets totalling £10,425,080 have been reprofiled to 2024/25 and future years, where the original project plan has changed and the schemes are not

expected to complete in 2023/24. A list of schemes reprofiled is attached as Appendix 2 to this report.

6.2 The following amendments to the Adur District Council 2023/24 Capital Investment Programmes are recommended:

6.2.1 **Waste Services - urgent replacement of vehicles**

Lead in times for the purchase of new vehicles are very long at the moment. Despite ordering new vehicles at the start of the year, these new vehicles are unlikely to be delivered until towards the end of the year. Early in the year, three vehicles failed and were unable to be repaired; and so the contingency budgets were used to fund replacement second-hand vehicles which ensure continuity of service using officer delegated powers. These vehicles will be used to bolster the reserve fleet once the new vehicles are delivered and give the councils greater resilience against future vehicle failures.

The cost of these vehicles was £100k split as follows between the two Councils:

- Adur - £36,000
- Worthing - £64,000

6.2.2 **Replacement of key systems:**

The costs associated with the replacement of two key systems has been reviewed and it has been identified that the costs have increased substantially since the bids were originally made to the capital programme.

6.2.2.1 **Burial and Crematorium system**

Crematorium and cemeteries system now has an expected cost of £140,160 against an original budget of £102,560 and requires funding of £37,600.

The implementation of the system will enable the service to digitise maps of graves and improve the administration of the burial and crematorium service.

It is proposed to fund the additional cost from the contingency budgets held by both councils. The additional costs are split as follows:

- Adur District Council £7,560 (20%)
- Worthing Borough Council £30,080 (80%)

6.2.2.2 **Planning system**

The Planning and Building Control Services have faced challenges due to the outdated and inflexible nature of the Uniform system. Poor integration with the Council's Document Management System (DMS), and the inability to integrate with Google have also led to significant inefficiencies. For instance, saving a plan or email received in Gmail requires several steps,

including opening Outlook, Office Connect, and saving to our DMS, often resulting in time-consuming downloads for each document. This process hampers productivity as staff cannot perform other tasks during this period.

To resolve some of these issues your Officers had explored the option of migrating to an embedded DMS provided by Idox and a cost of £95,040 was included in the current programme. However, after further investigation it was identified that this would have still left the inefficiencies of using an increasingly outdated Idox product with high maintenance costs. Alternatively by migrating to the new cloud based solution (being rolled out by Idox) there would be scope to unlock significant efficiency savings both in terms of staff time and on-going maintenance costs. It is expected that the implementation of the system will reduce the Council's annual costs by around £50,000.

However, the replacement planning and building control system would be a much larger project and now has an expected cost of £214,670 against a budget of £95,040 consequently additional resources of £119,630 are required. It is proposed to fund the additional resources from the contingency budgets of the Councils split as follows:

- Adur District Council £47,850 (40%)
- Worthing Borough Council £71,780 (60%)

6.2.3 Ashcroft

Contained within the capital programme is £540,000 for the initial work associated with the redevelopment of the site. The Council has successfully sought funding from the Brownfield Land Release Fund of £407,000 which will be used to fund the demolition of the existing building and preparation of the site. Early site preparation will be financially beneficial to the Council as we will lose liability for any Council Tax payments and will help with public safety.

Members are asked to approve an increase to the budget of £407,000 funded from external funding.

7. ENGAGEMENT AND COMMUNICATION

- 7.1 The purpose of this report is to communicate with stakeholders on the progress of the Adur District Council 2023/24 Capital Investment Programmes. Officers of the Council have been consulted on the progress of the schemes which they are responsible for delivering.
- 7.2 Specific schemes are subject to public consultation (e.g new playgrounds) to ensure that they meet community needs.

8. FINANCIAL IMPLICATIONS

- 8.1 There are no unbudgeted financial implications arising from this report as the Adur District Council 2023/24 Capital Investment Programmes were approved

by the Council in February 2023. Subsequent changes have been reported to and approved by the Joint Strategic Committee or by Officers where a delegation exists. The issues considered in this report can be funded from within existing resources or through external funding.

9. LEGAL IMPLICATIONS

- 9.1 Section 28 Local Government Act 2003, as amended by the Localism Act 2011, provides that where in relation to a financial year, a Local Authority has made the calculations required by sections required by sections 31A 32, 42A and 42B of the Local Government Finance Act 1992, it must review them from time to time during the year. If it appears that there has been a deterioration in its financial position it must take such action, if any, as it considers is necessary to deal with the situation.
- 9.2 Section 151 of the Local Government Act 1972 requires the Councils to make arrangements for the proper administration of their financial affairs.
- 9.3 Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

Background Papers

- Capital Investment Programme 2022/23 – 2025/26 Adur District Council
- Capital Strategy 2023/26.

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SUSTAINABILITY AND RISK ASSESSMENT

1. ECONOMIC

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

2. SOCIAL

2.1 Social Value

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

2.2 Equality Issues

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

3. ENVIRONMENTAL

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

4. GOVERNANCE

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

CAPITAL MONITORING SUMMARY 2023/24
1st Quarter

Executive Portfolios	(1) Total ADC Scheme Budgets £	(2) Previous Years' Spend £	(3) 2023/24 Original Budget £	(4) Net budget b/f from 2023/24 £	(5) Approved Changes to Original Budget £	(6) 2023/24 Budget Reprofiles to and (from) 2024/25 £	(7) 2023/24 Current Budget £	(8) 2023/24 Spend to Date £	(9) Spend % of Current Budget
Adur Homes and Customer Services	74,967,835	17,327,815	34,440,830	4,796,690	2,250,000	10,425,080	31,062,440	3,076,311	9.90%
Environment and Leisure	3,933,480	538,630	1,728,840	459,550	185,640		2,374,030	86,788	3.66%
Communities and Wellbeing	987,510	990	607,050	137,470	-		744,520	-	0.00%
Regeneration and Strategic Planning	7,085,750	4,354,560	2,241,270	206,570	-		2,447,840	192,260	7.85%
Resources	132,884,560	84,970,260	45,854,190	537,750	(69,650)		46,322,290	70,827	0.15%
TOTALS	219,859,135	107,192,255	84,872,180	6,138,030	2,365,990	10,425,080	82,951,120	3,426,186	4.13%

Financing of 2023/24 Programme:

Adur Homes Capital Programme:	£'000
Capital Receipts:	1,000
Major Repairs Reserve:	4,940
Capital Grants:	268
Prudential Borrowing:	20,844
	<u>27,052</u>

General Fund Capital Programme:	£'000
Prudential Borrowing:	53,047
Capital Receipts:	79
Government Grants:	1,447
Revenue Reserves and Contributions	197
S106 Receipts	277
Other Contributions	852
	<u>55,899</u>

Summary of Progress:

Schemes with significant challenges:	0
Schemes where progress is being closely monitored:	10
Schemes progressing well or completed:	<u>67</u>
Total Schemes:	<u>77</u>



ADUR DISTRICT COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
1. Schemes in Progress where the completion has been delayed beyond 31st March 2023		
Adur Homes Capital Investment Programme		
Development of Properties	8,253,330	i) Small Sites Programme - Construction expected to begin on a number of sites. Some sites to begin in 2024/25. Budget reprofiled in line with anticipated expenditure.
General Fund Schemes		
Housing Development - South Street Car Park	2,171,750	Currently in the design phase. Construction expected to begin in 24/25. Budget profiled in line with anticipated expenditure.
Total Reprofiled Budgets:	10,425,080	

Appendix 3

1st Quarter Treasury Management Update Report Quarter ended 30th June 2023

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021 recommends that members be updated on treasury management activities at least quarterly. This report, therefore, ensures this Council is implementing best practice in accordance with the Code.

1. Economic Backdrop

1.1 Members will be fully updated on the economic backdrop to the start of the financial year as part of the Joint Treasury Management Review to be presented at the Joint Audit and Governance Committee on 26th September 2023, and subsequently the Joint Strategic Committee on 3rd October 2023. Much of this information will remain relevant for quarter one, however the following economic events are specific to Quarter one of the 2023/24 year:

- CPI inflation fell from 10.1% to 8.7% in April, but remained at 8.7% in May, this was the highest of the G7 nations;
- Core CPI inflation rose in both April and May reaching a 31 year high of 7.1%;
- The labour market remained tight with 3 month year average earnings growth rising from 6.1% to 6.5% in April data;
- The Bank of England Base rate has risen a further 75 bps over the quarter from 4.25% to 5.00%;
- Gilt yields, an instrument which underpins PWLB borrowing costs for councils, are approaching the peaks of the Autumn 2022. Largely caused by higher than anticipated core inflation figures.

1.2 The UK economy has continued to weather the pressures of rising inflation and the drag of increased interest rates, showing surprising resilience. The 0.2% month on month GDP rise in April will further raise hopes that the UK economy may avoid recession this calendar year.

1.3 MPC Meetings During Quarter 1

1.3.1 11th of May 2023 - 0.25% rise

At the 11th May, the Bank of England's Monetary Policy Committee (MPC) increased the Bank Rate by 25 basis points to 4.50%.

1.3.2 22nd of June 2023 - 0.50% rise

At the 22nd June meeting the MPC moved rates up a further 50 basis points to 5.00%.

Both increases reflected a split vote – seven members voting for an increase and two for none.

2. Interest Rate Forecast

- 2.1 The Council has appointed Link Group as treasury advisors and part of their service is to assist in formulating a view on interest rates. The latest forecast, made on the 26th of June, sets the view that both short and long-dated interest rates will be elevated for some while. In part due to the Bank of England efforts to bring inflation within the economy under control, against a backdrop of a stubbornly robust economy and strong labour market.
- 2.2 Below are the current and previous 2 versions of the Bank Rate and PWLB rate forecasts, note the upward revision between each PWLB forecast. This is representative of the continued surprise upsides in data releases and increased domestic inflationary pressures which have driven markets to demand higher returns on fixed income instruments such as Gilts which have a direct impact on the cost of PWLB borrowing for local authorities.

Link Group Interest Rate View 26.06.23													
	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
BANK RATE	5.00	5.50	5.50	5.50	5.25	4.75	4.25	3.75	3.25	2.75	2.75	2.50	2.50
3 month ave earnings	5.30	5.60	5.50	5.30	5.00	4.50	4.00	3.50	3.00	2.70	2.60	2.50	2.50
6 month ave earnings	5.80	5.90	5.70	5.50	5.10	4.60	4.00	3.50	3.00	2.70	2.60	2.60	2.60
12 month ave earnings	6.30	6.20	6.00	5.70	5.30	4.80	4.10	3.60	3.10	2.80	2.70	2.70	2.70
5 yr PWLB	5.50	5.60	5.30	5.10	4.80	4.50	4.20	3.90	3.60	3.40	3.30	3.30	3.20
10 yr PWLB	5.10	5.20	5.00	4.90	4.70	4.40	4.20	3.90	3.70	3.50	3.50	3.50	3.40
25 yr PWLB	5.30	5.40	5.20	5.10	4.90	4.70	4.50	4.20	4.00	3.90	3.80	3.80	3.70
50 yr PWLB	5.00	5.10	5.00	4.90	4.70	4.50	4.30	4.00	3.80	3.60	3.60	3.50	3.50

Link Group Interest Rate View 24.05.23													
	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
BANK RATE	4.75	5.00	5.00	4.75	4.50	4.00	3.50	3.25	2.75	2.50	2.50	2.50	2.50
3 month ave earnings	4.80	5.00	5.00	4.80	4.50	4.00	3.50	3.30	2.80	2.50	2.50	2.50	2.50
6 month ave earnings	5.10	5.20	5.10	4.90	4.50	3.90	3.40	3.20	2.90	2.60	2.60	2.60	2.60
12 month ave earnings	5.40	5.40	5.30	5.00	4.50	3.90	3.40	3.20	2.90	2.70	2.70	2.70	2.70
5 yr PWLB	5.00	5.00	5.00	4.80	4.50	4.10	3.70	3.50	3.30	3.20	3.20	3.10	3.10
10 yr PWLB	5.00	5.00	5.00	4.80	4.40	4.10	3.80	3.60	3.50	3.40	3.30	3.30	3.30
25 yr PWLB	5.30	5.30	5.20	5.10	4.80	4.50	4.20	4.00	3.80	3.70	3.60	3.60	3.60
50 yr PWLB	5.10	5.10	5.00	4.90	4.60	4.30	4.00	3.80	3.60	3.50	3.40	3.40	3.40

Link Group Interest Rate View 27.03.23													
	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
BANK RATE	4.50	4.50	4.25	4.00	3.50	3.25	3.00	2.75	2.75	2.50	2.50	2.50	2.50
3 month ave earnings	4.50	4.50	4.30	4.00	3.50	3.30	3.00	2.80	2.80	2.50	2.50	2.50	2.50
6 month ave earnings	4.50	4.40	4.20	3.90	3.40	3.20	2.90	2.80	2.80	2.60	2.60	2.60	2.60
12 month ave earnings	4.50	4.40	4.20	3.80	3.30	3.10	2.70	2.70	2.70	2.70	2.70	2.70	2.70
5 yr PWLB	4.10	4.10	3.90	3.80	3.70	3.60	3.50	3.40	3.30	3.20	3.20	3.10	3.10
10 yr PWLB	4.20	4.20	4.00	3.90	3.80	3.70	3.50	3.50	3.40	3.30	3.30	3.30	3.20
25 yr PWLB	4.60	4.50	4.40	4.20	4.10	4.00	3.80	3.70	3.60	3.50	3.50	3.50	3.40
50 yr PWLB	4.30	4.20	4.10	3.90	3.80	3.70	3.50	3.50	3.30	3.20	3.20	3.20	3.10

3. Annual Investment Strategy

- 3.1 The Treasury Management Strategy Statement (TMSS) for 2023/24, which includes the Annual investment Strategy, was approved by the full Council on 23rd of February 2023. In accordance with the CIPFA Treasury Management Code of Practice it sets both Councils investment priorities as being security of capital, liquidity and yield in that order.

3.2 Creditworthiness

There have been no changes in credit ratings for institutions which are considered significant during quarter one. However, officers continue to monitor rating agency releases and other subjective measures of creditworthiness to ensure that only appropriate counterparties are considered for investment purposes.

3.2 Investment Counterparty Criteria

The current investment counterparty criteria selection approved in the TMSS is meeting the operational requirements of the treasury management function.

3.3 Investment Balances

Below is a summary of the Council's portfolio as at 30th June 2023. The portfolio balances have decreased during the quarter, this is a strategic decision, intended to extend gaps between when borrowing is needed, shielding the Council from elevated borrowing rates. Capital expenditure in the quarter has been financed by internal borrowing where possible meaning the cash balances of the council have been utilised in lieu of borrowing.

Portfolio position as at 30th June 2023:

Counterparty	Issue Date	Maturity Date	Principal	Interest Rate	Long Term Rating
Black Rock MMF	n/a	n/a	£1,490,000	var	AAAmmf
CCLA MMF	n/a	n/a	£1,330,000	var	AAAmmf
Federated Investors MMF	n/a	n/a	£10,000	var	AAAmmf
HSBC ESG MMF	n/a	n/a	£2,560,000	var	AAAmmf
Invesco MMF	n/a	n/a	£10,000	var	AAAmmf
Lloyds Call Account	n/a	n/a	£660,000	4.90%	AA
Close Brothers Limited	09.08.22	09.08.23	£1,000,000	2.80%	A-
Close Brothers Limited	19.04.23	19.01.24	£1,000,000	4.95%	A-
Close Brothers Limited	09.08.22	09.08.24	£1,000,000	3.20%	A-
Local Authority Property Fund	25.04.17	n/a	£3,000,000	var	n/a
Boom Credit Union	06.03.15	n/a	£25,000	n/a	n/a
TOTAL			£12,085,000		

Note 1: Investments are given with "var" in the interest rate detail in order to indicate that they are variable rate investments the rate of which changes frequently.

3.4 Approved Limits

The chief financial officer can confirm that the approved limits within the Annual Investment Strategy were not breached during the quarter ended 30th June 2023.

3.5 Prudential Indicators

During the quarter ended 30th June 2023 there has been no material changes or reprofiling of the capital programme which give rise to a review of prudential indicators. Members will be updated in subsequent quarterly reports if material changes occur. In the meantime, members will be updated on the current and projected prudential indicators as part of the end of year Joint Treasury Management Review to be presented at the Joint Audit and Governance Committee on 26th September 2023 and subsequently the Joint Strategic Committee on 3rd October 2023.

EXECUTIVE MEMBER FOR ADUR HOMES AND CUSTOMER SERVICES

CAPITAL INVESTMENT PROGRAMME 2023/24 - 2026/27

Scheme	CAPITAL ESTIMATES					
	Total	Prior to	2023/2024 Approved budget		2023/24	2024/2025 Indicative
	Estimate £	01/04/ 2023 £	Original £	Current £	Revised budget £	Programme £
ADUR HOMES - HOUSING INVESTMENT PROGRAMME						
1 Disability Adaptations for Homes On-going programme providing access and home facilities for Council tenants with disabilities	800,000	336,120	250,000	163,880	300,000	300,000
2 External Structural Works	12,675,360	167,030	6,941,480	7,911,330		
i) Replacement roofs programme					1,430,000	1,680,000
ii) Balcony improvements					300,000	300,000
iii) Replacement of double glazed windows, external doors and timber frames					200,000	750,000
iv) Replacement/Upgrade of door entry systems					100,000	100,000
v) Southwick estate external works programme					789,900	1,935,100
vi) Manor Court - improvement works					50,000	650,000
vi) Loney Court					100,000	200,000
vii) RAFA block - structural works						1,010,000
viii) Millfield Court						1,850,000

Scheme		CAPITAL ESTIMATES						
		Total	Prior to	2023/2024		2023/24	2024/2025	
				Approved budget				Indicative
		Estimate	01/04/2023	Original	Current	Revised budget	Programme	
		£	£	£	£	£	£	
3	Carbon Reduction Schemes Invest to Save Scheme. Funding to be released on submission of a business case to the Executive Member for Resources	100,000	-	100,000	100,000			
4	Electrical Safety Works Rolling programme of works to ensure electrical compliance. Works include testing and replacement of electrical wiring	1,750,000		400,000	600,000	650,000	650,000	
5	Fire Safety Order Works Rolling programme of works to meet Regulatory Reform (Fire Safety) Order 2005 identified from Fire Risk Assessments	8,912,910	1,728,830	4,200,000	4,884,080			
	i) Inner Rooms project					900,000	350,000	
	ii) Fire door project					2,447,000	336,000	
	ii) General fire safety works					1,048,480	1,048,480	
6	Heating and Energy Efficiency Schemes	925,805	266,985	75,000	3,820			
	i) Carbon reduction works including retrofit						400,000	
	ii) Boiler replacement programme					150,000	75,000	

Scheme	CAPITAL ESTIMATES					
	Total	Prior to	2023/2024 Approved budget		2023/24	2024/2025 Indicative
	Estimate	01/04/ 2023	Original	Current	Revised budget	Programme
	£	£	£	£	£	£
6 Stock Condition Survey To inform a planned programme of works.	575,000	10,620	200,000	254,380	135,000	45,000
7 Asbestos Management Management and removal of asbestos.	326,440	8,790	75,000	167,650	150,000	75,000
8 Responsive Capital Repairs Urgent capital repairs identified in advance of planned capital works	620,000	389,500	100,000	-	250,000	200,000
9 Capital Works on Empty Properties Approximately 120 Council dwellings are vacant and require capital works before they can be re-let.	600,000	347,750	200,000	52,250	1,680,000	300,000
10 Professional and Consultancy Services	2,963,350	387,600	1,220,000	1,487,750	1,281,650	1,470,550
11 Building Services Vehicle replacements	48,000	-	48,000	48,000	48,000	
Total major repairs programme	30,296,865	3,643,225	13,809,480	15,673,140	12,010,030	13,725,130

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ADUR DISTRICT C O U N C I L

Adur Joint Strategic Sub-Committee
27 September 2023

Key Decision No

Ward(s) Affected:
Cabinet Portfolio:

Strategic Priorities for Adur District Council: 2022/3 Progress Update Report and New Priorities for 2023/24.

Report by the Chief Executive Officer

Officer Contact Details

Richard Tuset,

Chief Executive's Policy Lead
richard.tuset@adur-worthing.gov.uk

Executive Summary

1. Purpose

1.1. At the 29th of September 2022 Adur Joint Strategic Sub-Committee the Adur Cabinet set out a new set of priorities for the Council to achieve its vision, deliver change and further improve the lives of all who live and work in Adur. This report describes the work started and the strong progress made in delivering these actions and ambitions.

1.2. The report also sets out Adur Council's Priorities for 2023/24.

2. Recommendations

That Members of the Joint Strategic Sub-Committee are asked to:

2.1. Review and note the progress made by Adur District Council in delivering its ambitions and priorities in 2022/23.

- | |
|--|
| <p>2.2. Review and agree the strategic priorities for 2023/24.</p> <p>2.3. For Officers to use these priorities to shape and develop plans for 24/25 for review later in the year.</p> |
|--|

3. Context

- 3.1.** At the September 2022 Adur Joint Strategic Sub-Committee meeting the Adur Cabinet agreed a new set of priorities for the Council around the theme of community resilience, economic development, housing and sustainability.
- 3.2.** In identifying and agreeing these priorities the Cabinet worked with officers to develop the necessary plans and identify resources to support the required delivery. Where plans involve a shared service, the District has worked in partnership with Worthing Borough Council as appropriate, through the Partnership Agreement and the associated corporate plan called 'Our Plan'.
- 3.3.** Strong progress has been made in the past year despite the significant pressures placed on the Council through inflation and increases in the cost of living. The Council has incrementally reviewed progress through the year and updated its priorities to reflect this learning.
- 3.4.** This report also sets out the Council's priorities for 2023/24, building on the work undertaken in 2022/23 as described above.
- 3.5.** The Council priorities of particular focus in 2023/24 include:
- Continuing to lead an ambitious climate programme, focused on protecting and enhancing biodiversity and reducing the Council's contribution to climate change.
 - Ensuring our places are clean, safe and fit for intended purpose
 - Preventing homelessness and building new affordable homes to reduce homelessness.
 - Improving Adur Homes so that our housing stock meets decent homes standards and we involve residents in this programme.
 - Making sure new development benefits the whole community and ensuring that residents are not adversely impacted and that local infrastructure is improved.

- Collaborating with local community partners to work more locally in neighbourhoods, starting with Fishersgate and Lancing.
- Supporting the improved wellbeing for our residents, helping them to thrive and be more resilient in the face of challenges such as the rising cost of living.
- Developing a strategic focus on young people across Adur, focusing on increasing young people's voice, inclusion and participation in the work of the Council.

4. Adur District Council: Our Place Based Approach

Our Places

Over the last year we have continued to develop our place based approach and work with our communities. We continue to develop the story of Adur, as a story of smaller and unique places that are acting as centres of regeneration and development. Going forward the council wishes to strengthen this approach, ensuring our places are better networked and connected together so that the whole is greater than the sum of the parts.

In working with Members, communities, businesses and partners we will work to agree priorities and develop roadmaps for each place and critically the connections between them. Our progress in our places is as follows:

- 4.1. For **Shoreham** the priority is about making sure development of the Western Harbour Arm is able to both meet the housing needs of the area and deliver real benefits of the regeneration activity to local communities with the right infrastructure in place. Ongoing support for the market, the visitor economy and the highstreet is another area of priority. The Council has established a review of the Western Harbour Arm and a separate report will be discussed in October 2023 that outlines more targeted work.
- 4.2. For **Southwick**, this is a story of a bustling town where our priority is about investing in the town centre, realising the benefit of some of the work ongoing in Southwick Square and starting to draw in the regeneration of the Southwick Estate, a major piece of regeneration in Adur. Public Realm improvements at Southwick Square are due to complete in October 2023.
- 4.3. **Sompting** and **Lancing** are in many ways an untapped jewel in the crown of Adur. The council is keen to explore how improvements could be made to better link the station to the sea. As the focus of the Levelling Up bid for

Adur, Lancing is a place where there is considerable opportunity to develop cultural and economic capital. The approach being taken will seek to ensure everybody in Lancing sees the benefits of what more economic activity could mean in terms of a bustling high street, thriving village centre and market, improved public realm and increased connectivity with a growing Lancing Business Park. The development of New Monks Farm and the new country park provides another opportunity to create opportunities for Lancing and the surrounding area.

- 4.4. For **Fishersgate** the key areas of focus have been supporting the development of a 'civic campus' around Eastbrook Manor which has real potential to become a community hub, with a focus on wellbeing, housing, young people, links into the local economy and employment, the site is strategically well placed in it's location. The Council holds the current management of the manor, whilst we take time to assess how the site can provide the greatest potential to the Community. An example of this is the Youth Investment Fund application being made which has progressed to stage 2. Additionally, work is being undertaken to ensure residents of Fishersgate are able to benefit from the growth and energy of Shoreham Port which is just on its doorstep.
- 4.5. We have been undertaking much of this work through a number of place-based partners, including the Port, Airport, Traders Associations, key businesses, Lancing BID (Industrial Site) and finally West Sussex County Council under the '**Adur Growth Deal**'. The Growth Deal is an ambitious partnership programme of regeneration designed to attract investment and combine resources with the county and others to deliver local economic growth, enabling the development of new homes and creating employment opportunities and community facilities. We anticipate finalising and agreeing the Growth Deal in 2023/24.
- 4.6. **Adur's Local Plan**, adopted in 2017, forms a key overarching framework for the development and implementation of transport, housing and regeneration projects in the Local Plan area. As the Council looks to update that plan work is being undertaken to develop the evidence base (a Strategic Flood Risk Assessment, transport study, and air quality study are underway. We are in the process of commissioning employment and retail studies, and others such as an updated Strategic Housing Market Assessment will follow). We are in the process of developing a participation strategy for the Local Plan update. A 'Local Development Scheme (3 year timetable) has been taken to the Adur Planning Committee and the results are now published.

- 4.7.** In addition, the Council will take this opportunity for further engagement with residents with regard to the **Western Harbour Arm** development (see below), ensuring infrastructure implications are fully understood and residents can fully benefit from the regeneration activity. A review and analysis of permissions granted to date, setting out what has been granted permission so far; what infrastructure has been secured (including the role of s106 agreements), and any differences from adopted policy, including sustainability policies, in the Adur Local Plan 2017 has been undertaken. (See 'Permissions to Date' document). A range of infrastructure 'topic papers' will also be published soon. Further work on the Western Harbour Arm will be commissioned shortly to undertake a 'place-making' approach to looking at the remaining sites at Western Harbour Arm which have not yet come forward for development. This design-based work will look at issues including building heights in relation to existing and proposed developments in the vicinity, taking into consideration the townscape of Shoreham and Southwick, and how design approaches can be used to create a sense of identity and place. This will include assessment of alternative options (such as greater amounts of open space, different mixes of homes such as townhouses and flats). Outputs from this study will inform the Local Plan update.
- 4.8.** For both the Western Harbour Arm and Local Plan, conversations with infrastructure providers have commenced and will continue throughout the Local Plan process to develop an 'Infrastructure Delivery Plan' to set out how the infrastructure needs arising from the Local Plan will be addressed.

5. Our Communities and the cost of living crisis

- 5.1.** A very significant focus of the Council in 2022/23 has been to respond quickly and effectively to rises in the cost of living affecting every household in the district. During 2022 and into 2023 inflation has been at its highest for many decades and has most visibly been seen in the sharp rise in energy bills and soaring food prices. Whilst many households and businesses have been struggling, the living standards and wellbeing of our most vulnerable residents has been prioritised.
- 5.2.** The Council has worked with partners to create a roadmap of interventions in order to support our residents through this difficult time and includes the following priority areas for action:

- Enabling residents to access No Interest Loans through community banking;
- Supporting our food banks as the frontline of community action
- Supporting the provision of warm spaces as accessible spaces for residents to use over the winter months
- Maximising ways to address fuel poverty
- Keeping people in their homes safely
- Targeting financial support where its most effective
- Create person centred pathways with a focus on prevention
- A whole system approach to support through partnership working
- Funding and resources to support delivery of the support needed.

5.3. As a Council, Adur believes in supporting our most vulnerable residents and as such continues to provide Council Tax Support for the poorest, combined with other improvements including changes to make it easier for residents to claim Council Tax support when they apply for Universal Credit. This work has delivered meaningful financial support for our low income and most vulnerable residents. Reflecting the strength of this approach, significant investment has been secured from the UK Shared Prosperity Fund for the Road Map until 2025.

5.4. Actions delivered in the Road Map Work include supporting Food Groups, developing Warm Spaces and prioritising the work of our Local Community Network to address related health inequalities. As part of this work the Council in November 2022 adopted a new corporate debt policy, seeking to improve support for residents experiencing financial vulnerability by creating fair debt recovery arrangements, and effective signposting for those in need of further support. Design work has commenced across housing, revenues and benefits and customer services to implement this approach. Work on our cost of living roadmap is underpinned by the proactive approach outlined below.

6. Our Communities - supporting the most vulnerable

6.1. To help us in this work we have continued to invest in our **Proactive Programme** that enables us to identify households with low financial resilience and through our Customer Service team, contact these households to explore ways of increasing household income, reduce household debt and also address issues such as depression, anxiety and loneliness that often accompany financial exclusion. Further details on Proactive are provided later in the report.

- 6.2.** As part of the overall 'safety net' offered we have continued to invest in our **Cost of living programme** working with our community partners to develop support in neighbourhoods.
- 6.3.** As part of our proactive and preventative approach, we have continued to invest in the delivery of our **Health and Wellbeing Strategy**, enabling our communities to thrive, focusing on health inequities across the following three priorities:
- **Priority 1** - To improve health and wellbeing for all, focusing on our communities with the poorest health and wellbeing.
 - **Priority 2** - To create places, spaces, and environments that are sustainable and promote and enable good health and wellbeing
 - **Priority 3** - To promote stronger community resilience in our communities and our workforce
- 6.4.** With a focus on building resilience, the following services and activities have been delivered through the plan, helping those struggling with the cost of living and the impact of the pandemic:
- 6.5. Going Local and Social Prescribing** - Our social prescribing service that gives residents a safe place to get support around health and wellbeing and find out about other mental health and wellbeing services available in Adur. Across the last quarter of 2022/23 (January - March) 374 people were referred into the team. This saw a 30% increase compared with previous quarters. During this quarter 906 referrals were made into local services and support - including help with mental health, social isolation, finances and housing.
- 6.6. Wellbeing Hubs and Alcohol Service** - A range of services that help residents with a number of concerns including alcohol consumption, weight management, eating healthier, mental health needs, feelings of isolation, money worries and bereavement. The Hub has been receiving significant increases in referrals, for example referrals for healthy weight management in Adur have doubled compared to the previous year.
- 6.7. Local Community Network (LCN)** - The delivery of mental health partnership services for young people. A survey of residents in Lancing was carried out in 2022/23 designed to gather views of services and emotional resilience and there were 185 respondents (144 young people) to this survey identifying some key areas for service development around communication, anxiety and self esteem. The Strategic LCN group have agreed that the overall priorities for the year ahead (2023-2024) focus on the impact of the increased cost living pressures on health; this has resulted in clearly defined workstreams,

these are; mental health, safeguarding, food and physical activity

- 6.8. To deliver this work, multidisciplinary teams have been established which are working collaboratively across common goals via different contributions. Our skills, expertise and understanding of using a participatory approach is being embedded: a recent example being the work in Lancing and the development of Lancing Now & into the Future which has increased participation of residents, and partners in the delivery and leadership of these activities.
- 6.9. Work has continued to develop our “**Good Work Programme**” assisting people back into work, whilst also helping to address wellbeing issues such as debt, mental health, domestic violence, vulnerable housing and addiction. This work is delivered with and through the Going Local Social Prescribing service, OneStop, Health and Wellbeing Team, and through our Proactive approach. Further development of the service is underway to ensure our good work approach supports those affected by Domestic Violence.
- 6.10. A review into the effectiveness of the Strategy and the funding formula for our Safer Community Partnerships is underway and completion of this will be a key action in 2023/24.
- 6.11. Through the above work it is apparent that the pandemic and the ongoing impacts of the cost of living emergency have affected young people in many ways, including access to education and training, homelessness, social isolation and wellbeing, including mental health. In response to these concerns a **Young People’s Strategy** was approved by the Adur cabinet in June 2023, seeking to ensure young people in Adur are supported, encouraged and better able to achieve their potential.

7. Our communities: Creating opportunities for all

- 7.1. **Sport and leisure:** The council in 2022/23 worked in partnership with South Downs Leisure Trust to improve the facilities and opportunities available at our two sports centres and Wadurs Swimming Pool. We continued to support community groups, clubs and societies in the provision of leisure and sports facilities across our parks and open spaces.
- 7.2. In 2023/24 we will progress plans for the replacement of the **Buckingham Park Pavilion** to assist local sports clubs. We will continue to work with the Russell Martin Foundation to bring **Southwick Football Ground** back into use as an

important local facility and we will begin to work with Shoreham Football Club to help facilitate the Club's plans for the future.

- 7.3. **Parks and open spaces:** In partnership with Worthing, Adur District Council will seek to prepare a Parks and Open Green Spaces Management Strategy helping to re-nature our green and open spaces, making them cleaner, greener and safer.
- 7.4. We will review our investments in play equipment, planting schemes, seating and sport and leisure facilities (see above). Working with WSCC and other partners, we will continue to improve the **defence of exposed sites** to illegal encampment. The Council will seek to increase tree planting as part of this work we will continue to build on a successful pilot scheme where Parish Councils and residents identify locations for possible **new street trees** and then help to fund, water and take care of them.

8. Housing and Adur Homes

8.1. Adur Homes Improvement

- 8.2. 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. 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 a report to the [Adur Joint Strategic Sub Committee](#) on the 7th of March and the [Joint Audit and Governance Committee on 23 March 2023](#).
- 8.3. Having referred itself to the Housing Regulator Adur Council received formal notice from them 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. 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.

8.4. 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. Progress on this work is being reported to this Committee in a separate paper: Adur Homes Improvement Plan: Progress Report.

8.5. Linked to this improvement work in 2023/4 we will review and agree a new key housing strategies for the district including the:

- Housing Strategy, which will include the Homelessness Prevention and Rough Sleeping Strategy
- Temporary Accommodation Placement and Procurement Strategy

8.6. It should be noted that this work however takes place in the context of a challenging HRA budget (as reported to Cabinet in February 2023) and unprecedented housing demands. The rent limitation measures announced by the Chancellor in 2015 has had a profound impact on the HRA and still continues to impact on the HRA's future financial sustainability. Over the period of the reduction, the Council has lost and continues to lose a substantial amount of annual rental income of around £2m per year. This lost income has compromised the financial stability of the HRA, and more importantly, affected the amount that can be invested both in existing homes and in the development of new homes. Our impaired ability to invest in the current stock has significant implications for the Council's ability to meet condition surveys and health and safety requirements.

8.7. Housing Provision

Much work is underway to improve and increase housing provision in the district. In Shoreham, work to redevelop **Ashcroft** with the new scheme consisting of 44 new one bed sheltered housing apartments, designed with generous internal common space and landscaped gardens continues. The project will also see the main block at Ashcroft demolished and the bungalows on the site upgraded to meet modern standards of energy efficiency. The Council is currently reviewing this scheme in light of the issues around accessing Homes England funding (due to the current Regulatory Notice for Adur Homes).

Work to develop two new blocks of housing on **Albion Street** totalling 49 units for social rent is almost complete. Work at the **Civic Centre** also continues, having secured planning permission for 170 affordable homes in April 2022. Work to progress the development of the **Western Harbour Arm** through the implementation of the Joint Area Action Plan with West Sussex County Council and Brighton & Hove City Council has continued. A number of schemes are progressing to deliver homes for local people including at **Free Wharf and Kingston Wharf**. As described elsewhere in this report, the council in progressing this work, is taking the opportunity to further engage with residents, ensuring infrastructure implications are fully understood and incorporated into development plans. Following the granting of permission for 467 dwellings work will commence on site at **West Sompting**.

- 8.8.** The Council continues to develop its **small sites programme** with five schemes totalling 19 homes nearing completion on old garage sites; six new homes in Sompting, two in Lancing, ten in Shoreham and two in Fishersgate. These homes will be let at affordable rent levels, with rents set at or below the Local Housing Allowance. Two other schemes are set to begin imminently, both in Lancing, which will provide 16, 2- and 3-bedroom houses. These additional homes should be complete by Autumn 2024. We are undertaking feasibility and capacity studies of a number of other underutilised, brownfield sites which will potentially make up a second round of small sites development.

8.9. Rough Sleeping and Homelessness

Our focus on reducing **rough sleeping and homelessness** has continued at pace as we seek to meet the challenges of increased demand. We have recently re-launched the Adur and Worthing Homelessness Prevention and Rough Sleeping Partnership, bringing together key local partners focusing on how we can collaborate to address this issue. Our approach to achieve an 'Everyone In' approach by working with a range of landlords to make offers of accommodation to everyone who is in need has progressed well. This approach is being actively supported by our "**Opening Doors**" scheme which includes a range of incentives (such as no commission or fees and a guaranteed rent for up to two years), and is increasingly transforming our ability to help families most in need. We will seek to increase our stock of housing for **Emergency and Temporary Accommodation** including the scheme planned for South Street, Lancing.

9. Responding to the Climate Emergency

- 9.1. Adur District Council declared a climate emergency in 2019, setting a target to be carbon neutral for its own estate and fleet by 2030. A carbon reduction plan has provided a strong guide to action, with multiple projects delivered through successfully securing external funds.
- 9.2. At the same time, the Councils' leadership on the nature restoration agenda is recognised nationally, with purchases of land on the Adur River for nature restoration leading to a £500k DEFRA backed Landscape Scale Pilot project for the whole Adur River. To underpin the Councils' commitment to nature, an ecological crisis was declared in March 2023.

9.3. Carbon emissions reduction

ADC's carbon footprint is jointly shared with WBC with the exception of emissions from Adur Homes. The carbon footprint of Adur & Worthing last year was 2,417 tonnes. Adur Homes contributed another additional 450 tonnes.

In 2020/21 the council secured £1.7m of **Public Sector Decarbonisation Scheme** funds. Through these funds Ground Source Heat Pumps are now installed at Shadwells Court and Tollbridge House, fully removing gas from these sites and reducing carbon emissions from heating by over 80%. The Shoreham Centre now uses a large bank of Air Source Heat Pumps to provide heating and hot water to the building. The Council has also utilised Low Carbon Skills Funding to develop heat decarbonisation plans for the majority of its fossil-fuel fired boilers. Working with support from Ricardo, a fleet strategy is being developed to decarbonise and future proof our fleet, charging and maintenance facilities.

- 9.4. The Council have worked in partnership with WSCC to install Phase 1 of a series of **EV on-street charging points** across Adur. In addition, the Council has supported the latest **Active Travel** consultation which is examining the introduction of north-south corridors, as well as continuing to investigate the delivery of interventions on the A259 (Western Harbour Arm). The **Donkey Bike Scheme** was extended in Adur in 2023, delivering hubs in Shoreham, Lancing and Southwick.

9.5. Nature restoration

The Sussex Bay initiative - to restore river, coastal and marine habitats across Sussex - has grown and built momentum over the last two years, receiving funding from the DEFRA Natural Environment Investment Readiness Fund and Coast to Capital LEP. Proposals totalling £4m are in development through a unique support partnership with The Crown Estate, and working with local universities. Strong partnership working with Shoreham Port and West Sussex County Council has also led to a bid to Innovate UK for a 5G buoy network to support innovation in marine research and other maritime uses.

A feasibility study regarding potential to restore intertidal habitat at Pad Farm has identified a range of options being taken forward and presented in a business case to share with partners, including EA and SDNPA to help unlock development funding to progress the scheme.

Proposals for renaturing acquired land are advancing, with high levels of community engagement, working as part of the wider Adur River Restoration in partnership with the Ouse and Adur Rivers Trust and Sussex Wildlife Trust. We are currently working through options for New Salts Farm, as well as working with a range of partners to further protect the Adur SSSI from the negative impacts of leisure users on the sensitive site through information and education.

- 9.6.** The Council was recently awarded Green Council of the Year in the iESE Public Sector Transformation Awards 2023 for its work on Sussex Bay, and recruitment for its first postholder, the Head of Blue Natural Capital is currently underway with funding support from Esme Fairbairn Foundation.

Work will commence soon with West Sussex County Council and the Sussex Local Nature Partnership on the development of a Local Nature Restoration Strategy, and there will be scope to broaden the strategy's aims by examining the potential for mapping more open spaces and domestic gardens in a larger effort with the community.

9.7. Waste, Recycling and the Circular Economy

The national Resources and Waste Strategy set out ambitions to introduce consistent recycling collections across England with a focus on separate food

waste collection and source segregation, the introduction of a Deposit Return Scheme (DRS) for plastic drinks bottles and cans, and changes to the Extended Producer Responsibility (EPR) legislation which will move the full cost of dealing with packaging waste away from households, local taxpayers and councils and on to its producer. The details of how the requirements will have to be implemented, and any announcements on funding, have been delayed by central government. EPR is delayed until October 2025 and consistency in collection/ food waste and DRS will follow at some point after that. Despite the delays, we have commissioned a feasibility study on food waste collection for Adur which identifies different collection options and models their costs and performance. The work was carried out by Eunomia Research and funded by WRAP. This work puts us in a good position as and when government funding is made available. Whilst food waste collections will help, a project is currently being scoped to focus on minimising food waste arising in the first instance, and where possible composting at home and in the community. We will continue to focus our communication and engagement work in this area, and aim to expand our network of community composters.

- 9.8. Since the introduction of the kerbside small WEEE collections in October we have collected a total of 12.50 tonnes of material across Adur.

10. A focus on regeneration

- 10.1. The place based approach described in this report is continuing to renew infrastructure, stimulate economic development, improve sustainable travel and build new homes. Ongoing collaboration with local, regional and national partners will support this work, helping to drive areas of significant innovation including the potential development of local **hydrogen-based solutions** at Shoreham Port. Our pioneering investment in **gigabit** ultrafast infrastructure continues to be rolled out with CityFibre, making Adur District one of the most digitally connected places in the south east. **Citizen WiFi** is being procured for Shoreham Town Centre and should be in place in the Autumn / Winter 2023. In addition, the council is proactively working to influence the outcome of a major land sale to secure high quality employment opportunities on the site formally identified for the Ikea store.
- 10.2. **Markets** are a key feature of our places. With active support from the Council, markets have recovered well since the Pandemic and have been relocated to their original positions following temporary locations, such as Tarmount

surface car park. The markets have seen steady growth over the last couple of months with the ambition to further grow the trader base to provide a greater variety of local produce. Following the Southwick Square redevelopment works, we will explore the potential of delivering a regular market in this location to complement those existing in Shoreham and Lancing.

- 10.3.** The development of the **Western Harbour Arm** at Shoreham Harbour has reached a significant stage with a considerable amount of development activity underway with more than 1100 new homes being delivered, the majority of which are affordable and a significant proportion of which will be occupied by people currently on the council's waiting list for a home. Regeneration of the Western Harbour Arm is vital for the well being of the Port and has unlocked the opportunity for major industrial and commercial activity to locate on the south eastern arm where facilities for modern shipping are more readily provided.
- 10.4.** Development at **New Monks Farm** has reached an advanced stage with 174 new homes constructed and work recently commenced on the further 385 homes (as part of Phase 2). The new Country Park is nearly complete and will be left for 12 months to establish before opening to the public next summer. The new road system to support the Airport and access to wider site is also at an advanced stage and work is underway on the final arm leading from the new roundabout on the A27 to access Lancing College and Coombes Road. However, it should be noted that at the time of writing the Council remains in close dialogue with stakeholders regarding the current situation regarding the contractor. At Shoreham Airport work has now started on the construction of 25,000 sq metres of commercial floorspace. The Council remains committed to ensuring that the site owned by IKEA is developed in a responsible manner for the benefit of the local economy.
- 10.5.** Following the purchase of the **Old Police Station** site in Lancing, a 'meanwhile use' has been developed for the site called Fabric, in partnership with the tenant Freedom Works. Fabric offers space to create sustainable jobs but also to encourage the tenants to work together on ideas that can bring new opportunities to Lancing village. Over the part year, Fabric has been used for a series of the 'Lancing Now and into the Future' sessions, which has created a number of Aspirations for Lancing. Those aspirations are now being used to help guide a number of projects, mostly in relation to a Levelling Up bid due for submission in the Autumn 2023. The focus on the bid is built on these community principles and will focus on upgrading and bringing a 'new lease of life' to the village centre.

- 10.6.** A project team is working with residents to review options including refurbishment, improvements, infill, or partial or full redevelopment of the **Southwick Estate**. The preferred option following this engagement approach is for a full redevelopment that has the potential to deliver approximately 700 new homes, a mix of council homes and private sale. Essential maintenance work in Southwick to address residents' concerns is continuing to take place whilst this process is being undertaken and includes a significant interim works package.
- 10.7.** To support the overall place in Southwick, the Council, in partnership with WSCC, are in the process of delivering an upgraded public realm experience at **Southwick Square**. The new Square, due for completion in October 2023, will include new seating and park area by the east parade, making the area more inviting and accessible to visitors and allowing people to sit and eat, while a larger open space will be able to host community events, performances and markets. There will also be new pedestrian lighting, additional seating and attractive gardens, as well as space for the community Christmas tree.

11. Building our organisational capabilities

Much of what we want to achieve relies on our organisation being set up to deliver in the right way. In terms of delivering Our Plan, we are focusing on the building of the following organisational capabilities in partnership with Worthing:

11.1 Investing in digital

We will continue to invest in digital technologies in order to improve our customer experience and increase our organisational resilience by improving process design and effectiveness. We will focus on where there is a need to increase staff capacity to work directly with citizens so that we can continue to develop our proactive work.

11.2 Developing our data led practice

As part of the organisational redesign which is driven by Our Plan we will develop our internal planning and prioritisation capabilities and develop performance dashboards to support our delivery ambitions. We will continue

to develop our use of predictive analytics in our proactive work in order to increase our ability to reach people before they are in crisis.

11.3 A shift to proactive

Our proactive work is about more than just the data and we will work to redesign frontline services to respond to the evidence we are seeing of the benefits of working in a more proactive way. We are focused on hardwiring a more proactive approach into how we collect income and recover debt, ensuring that this is aligned to our new corporate debt policy, which is premised on being fair, consistent and sensitive to people's needs. We are also designing more capacity into our teams to enable us to become more proactive in our approach to citizens that need help and support early, to enable them to manage and become more resilient. Working alongside our community partners, we want to continue to develop proactive working within our neighbourhoods and places, building strong community capacity to ensure that communities have what they need to help each other during difficult times.

11.4 Working in place

As part of the organisational redesign work we will develop our ability to work in place. This means we will develop a shared 'map of place' so that all teams have a common footprint for delivery and experiment with forming multidisciplinary teams which support each other's work in these places. In addition, it's important the Council has a proactive connection into 'place' whether convening conversations, project design or programme delivery, therefore a new team of **Place Officers** are being created to ensure clear and consistent presence in the communities of Adur.

11.5 New modern organisational design

In response to Our Plan, the Council will look to redesign services in order to reflect the three principles identified in Our Plan making the Council. The means we will:

- Focus on **resilience** rather than just efficiency
- Make change and **adaptation** part of how we work all the time
- Create the context for **participation** so we always be doing things with and not to people

12. Making sure we have the capacity to deliver

Local government finance is under huge pressure and Adur will continue to take a prudent and future focused approach to making sure the council has the capacity to deliver on its priorities.

12.1 Ongoing review of our assets

We will take a structured review of all of our assets with a view to determining how best they can be utilised to support our local communities. This will involve being open and transparent about the land and buildings that we own; ensuring that our relationships with tenants are strong; and that we maintain safe and well managed assets. Where it makes sense to do so, we will dispose of land and buildings to achieve our wider objectives.

12.2 Developing our use of external funding

We will review our current use of external funding and consolidate it as well as reviewing opportunities to expand our work with appropriate partners and funders who share our vision and purpose.

We are leveraging external resources wisely to deliver our ambitions, such as the use of the Shared Prosperity Fund to focus on key priorities including the costs of living crisis and Proactive.

12.3 Working more effectively with our partners

We will review our current partnerships and ensure that we are making the most of the strengths and opportunities that these bring. We will look where possible to combine efforts with partners in order to make a greater impact across our priorities.

13. Engagement and Communication

Engagement and communication; leading to more inclusive participation is central to the overall approach of the Council.

Delivery of specific projects will be communicated through the Council's communication channels, press releases, social media etc as appropriate but

we will also use these channels to amplify community voices and to invite new ideas and contributions to the work of the Council.

14. Financial Implications

The cost of delivering most of these priorities are accommodated in the existing 2023/24 budget. Where this is not possible, funding will be sought from members to support the delivery of individual initiatives.

15. Legal Implications

Part 1 of the Local Government Act 2000 provides all local authorities with the power to take any steps which are likely to promote the economic, social and environmental wellbeing of their area and residents. It also places a duty on authorities to develop a community strategy, together with other local bodies, for this purpose, and is a strategy that also contributes to the achievement of sustainable development in the UK

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

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

Specific legal implications arising from any of the commitments referred to in this report, will be reported to Members, in each commitment specific report delivered as part of the usual decision making process.

Background Papers

- [Priorities for Adur District Council](#) (last year's report)
- [Our Plan for Adur and Worthing Council's](#)
- [Western Harbour Arm, Permission to Date.](#)
- [Adur homes report](#)

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Sustainability & Risk Assessment

1. Economic

This document describes the Council's approach to economic activity which reflects the objectives and priorities of the Administration. As such it is intended to have an ongoing effect on the district's economic activity.

2. Social

- 2.1 Social Value** - The work outlined in this report is expressly designed to increase social outcomes - building participatory infrastructure and capability in order to help our communities thrive. Key priorities set out in the report include being responsive to the needs of the community by undertaking more engagement and participation work. In response to the cost of living crisis, for example, the Council has worked with residents, businesses and partners in the creation of an action plan to immediately start addressing needs. Actions include how the authority can help prevent households entering crisis as well as helping those who are already struggling. The action plan and its associated engagement processes are enabling the Council to better understand the scale of need, identifying who most needs support and how best this support can be given.

2.2 Equality Issues - The Council is subject to the general Equality Duty set out in section 149 of the Equality Act 2010. The actions set out in this paper explain how the Council is meeting its legal duties by supporting further engagement with communities; helping to ensure services are designed and delivered in ways that better meet specific needs and address areas of historic and ongoing disadvantage and inequality.

2.3 Community Safety Issues (Section 17)

There are specific commitments in the report which relate to the promotion of communities as safe places. Delivery of these commitments by working in partnership through multidisciplinary teams is in progress and being strengthened.

2.4 Human Rights Issues

The programme of work set out in the report enables the Council to identify solutions with other partners that will enable our residents, communities and neighbourhoods to flourish.

3. Environmental

Developing the Council's role in responding to the climate emergency and in protecting and developing the natural environment are key priorities for the Council and its ambitions. This report explains the approach being taken and progress made.

4. Governance

The Council's key priorities include being more responsive to the needs of the community and undertaking more engagement and participation work.

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ADUR DISTRICT
COUNCIL

Adur Joint Strategic Sub Committee
27 September 2023

Key Decision Yes

Ward(s) Affected: Mash Barn

Release of s106 money for the Replacement of the Play Area at Shadwells Road Open Space

Report by the Director of Place

Officer Contact Details

Fiona Burn
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Email: fiona.burn@adur-worthing.gov.uk

Executive Summary

1. Purpose

- 1.1.** This report seeks to approve the release of s106 contributions received from the development of land at Mash Barn Estate for the replacement of play equipment at Shadwells Road open space.
- 1.2.** The existing open space play equipment in Shadwells Road has been prioritised for upgrading and replacement by officers in the Parks & Foreshore team.
- 1.3.** Use of Mash Barn s106 in Shadwell Road directly benefits the nearest community and residencies for which the allocation was intended.

2. Recommendations

- 2.1.** The Adur Joint Strategic Subcommittee is recommended to:

- 2.1.1.** Approve the release of £104,150 of s106 monies and approve an amendment to the capital programme for the new playground improvement scheme.
- 2.1.2.** To delegate to the Director of Place, in consultation with the Adur Cabinet Member for the Environment and Leisure, the authority to approve and award a contract for the construction work required to deliver new play equipment at Shadwells Road subject to the development of a procurement strategy; the outcome of a compliant procurement process; and, ensuring that the project is within the authorised budget envelope.

3. Context

- 3.1** The current play area at Shadwell Road is in a poor condition and has come to the end of its life. It has been assessed by officers as inadequate, and outdated, and no longer addresses the needs of local children.
- 3.2** The Council is seeking to select and install equipment which meets the play and developmental needs of as wide a range of children as possible, including children living with disabilities and provide high play value to a wide range of child age groups.
- 3.3** There is a need and demand for better and higher quality play equipment, linked to a better quality service for the local community, especially meeting children's needs and encouraging exercise. This can all be achieved at Shadwells Road by adopting a community partnership redesign of their local playground.
- 3.4** Encouraging positive play reduces antisocial behaviour and helps to deliver improved health in our communities. Evidentially poor play equipment located in public areas in need of replacement and/or improvement can quickly lead to increased anti-social behaviour.
- 3.5** Use of outdoor play areas encourage community interaction, relieving loneliness and offering a free leisure activity, particularly important to those on lower incomes and during the current cost of living crisis.

4. Issues for consideration

- 4.1** Shadwells Road open area was prioritised for s106 improvements due to the poor condition of its play equipment in relation to the other six Council managed parks in Lancing. Four have benefited from recent replacements of equipment (Hamble 2017, Larkfield 2022, Lancing Manor 2022, Elm Grove 2018) and the remaining two, Sompting Rec and Halewick are in better condition overall. Shadwells Road play area was also highlighted due to its close proximity to the land at Mash Barn, the development responsible for the s106 funds.
- 4.2** The procurement and installation of the new play scheme will be managed by the Council's Engineers team in liaison with the Park Rangers team. The Engineers have significant experience of delivering this type and level of project.
- 4.3** The procurement ITT documentation will include a quality weighting for local/district suppliers, as well the need for suppliers to utilise sustainable materials.
- 4.4** The Council's Park Rangers have already conducted a consultation with stakeholders and the results will be included within tender documentation. Tender returns will be assessed and as part of the process stakeholders will be asked to rate their preference on the shortlisted tendered schemes
- 4.5** The current playground equipment is more than 15 years old and is beyond economic repair and many of the parts and materials required to carry out repairs are discontinued. The impact of this results in additional resources being required to maintain the equipment or equipment being removed as it is unsafe. Where possible useful components from the old scheme at Shadwells Road will be used as 'donor' parts for existing parks equipment although due to their condition this is a limited supply.
- 4.6** All playground equipment must be maintained to the guidelines set out by the Royal Society for the Prevention of Accidents (RoSPA). All playground equipment installed must meet EN1176, BS7188 and EN1177. This is the regulatory standard looked for as standard evidence of good practice. There are a number of Acts which the Council is required to comply with in respect of play grounds and these include Occupiers Liability Act and The Children's

Act as well as government guidance including published Playground Safety Guidance 1998 and Managing Risk in Play Provision.

- 4.7** It should be noted that renewing old play equipment keeps maintenance costs lower, improves quality and increases usage, giving the community a greater feeling of resources being spent on their needs. Including the community in the decision-making and the choice of new equipment gives a feeling of local ownership of their open spaces.
- 4.8** Adur & Worthing Councils corporate framework, *Our Plan*, identifies four missions, Thriving People, Thriving Places, Thriving Environment & Thriving Economy with twelve key ambitions, the replacement of play equipment in Shadwells Road aligns to:
- **People** - Everyone is able to enjoy a wide range of cultural, leisure and sporting activities
 - **Places** - Places are designed for people and nature. They are clean, safe and feel looked after
 - **Places** - People feel a sense of belonging to places and communities. They can influence how places change
 - **Economy** - Economic growth regenerates places, and high streets, helping communities to prosper

5. Engagement and Communication

- 5.1** In November 2022 Park Rangers undertook an online and in person consultation with the local community and park users. Feedback from this and an additional consultation, relating to preferred play equipment, will form the basis of concept designs for Shadwell Road open space.
- 5.2** *Lancing: Now and into the future* (2022) project, conducted by Adur District Council, Participation Lead officers spanned the full breadth of Lancing' demographic in an extensive programme of engagement. Among the project conclusions were the following statements which support the use of s106 in a community environment:
- "People in Lancing want leisure opportunities that they can afford, enjoy and access."
 - "People in Lancing want to see the fair use of resources for the benefit of local people."
 - "People in Lancing are active and resourceful."

- 5.3** Within the *Lancing: Now and into the future* among 12 key actions 'Better, safer green spaces' was voted 6th (in order of priority) by an action group invited to vote. This prioritised list was preceded by extensive community consultation, including events at a number of venues across Lancing, as well as an online questionnaire.
- 5.4** Working alongside local community groups, the Council, via its Park Rangers team, will continue to engage with users of the Shadwells Road play area during the installation process and answer any questions relating to the build and final product.
- 5.5** It's important that the local community are made aware of any improvements in their locality, therefore the Council will ensure w social media and press releases in relation to the new, improved play area are in place.

6. Financial Implications

- 6.1** The Council has a Section 106 agreement relating to land east of Shadwells Road, Mash Barn Estate, Lancing Planning reference AWDM/0961/17 which totals £104,145.26. Therefore, funding is available for the proposed playground works..
- 6.2** Under the Council's financial regulations, the release of S106 funds of over £100,000 must be approved by the Joint Strategic Committee (or a sub-committee thereof).
- 6.3** The procurement will include the supply of equipment and installation of the new play scheme which is expected to be contained within the approved budget which also includes a provision for professional fees, inflation and contingency.

Finance Officer: Sarah Gobey

Date: 16th August 2023

7. Legal Implications

- 7.1** Section 106 Agreements are entered into between the developer and the local planning authority to mitigate the impacts of a development proposal.

- 7.2** This Section 106 Agreement is dated 4th February 2020. One of the obligations is the Play Area Contribution of £100,000.00 (index linked) which was payable prior to occupation of the first dwelling towards improvements to the local equipped area of play on Shadwells Road.

Legal Officer: Caroline Perry

Date: 16th August 2023.

Background Papers

- [Lancing: Now and into the Future, Communities Report June 2023](#)
- [Planning Reference: AWDM/0961/17](#)

Sustainability & Risk Assessment

1. Economic

- Matters considered and no issues identified

2. Social

2.1 Social Value

- Improvements to our parks and open spaces are important in creating vibrant and well cared for facilities.
- Outdoor play increases well-being, helps to prevent loneliness and reconnects people with nature.
- All elements of a new play area combine to improve the attractiveness of Mash Barn and Shadwells Road.

2.2 Equality Issues

- Public play areas are free to use and provide a vital social environment for children, young people, adults and seniors alike.

2.3 Community Safety Issues (Section 17)

- Poorly maintained public areas and old and/or broken play equipment heightens the risk of anti-social behaviour.

2.4 Human Rights Issues

- Matter considered and no issues identified.

3. Environmental

- Use of local suppliers and sustainable materials will be prioritised within the procurement process.

4. Governance

- Matter considered and no issues identified

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ADUR DISTRICT
C O U N C I L

Adur Joint Strategic Sub Committee
27 September 2023

Key Decision [Yes/No]

Ward(s) Affected:
Cabinet Portfolio:

Delivering a Business Support Package for Adur and Worthing (2024 - 2025)

Report by the Director for Place

Officer Contact Details

Angela Crane
Economy & Skills Project Manager
Email: angela.crane@adur-worthing.gov.uk

Executive Summary

1. Purpose

- 1.1. The purpose of this report is to seek authorisation to procure services to deliver a bespoke business support package (BSP) across Adur and Worthing. To note, this is a joint programme of support with Worthing Borough Council.
- 1.2. To signal the rationale for the support package and outline how a number of funded regional business support programmes are coming to an end, leaving a gap in provision for businesses seeking information, advice and guidance relating to business issues including how to achieve business growth.
- 1.3. To provide assurance that the business support package is being developed as part of measures to help local businesses grow and contribute to the growth of the local economy. Specific areas to

support businesses include innovation, sustainability, leadership and management and start up / micro business advice.

- 1.4. To indicate the preferred method of pooling external funding sources to deliver the business support package, including the utilisation of UK Shared Prosperity Funding (UKSPF) and S106 contributions, specifically referencing economic development or business support.

2. Recommendations

Members are requested to:

- 2.1. To note the business support landscape and the current limitations regarding resources currently available for start ups, micro, small, medium and large businesses.
- 2.2. To approve the release and pooling of external funding pots to deliver the Business Support Package, including UK Shared Prosperity Funding, Pooled Business Rates and Section 106 monies.
- 2.3. To approve the creation of a budget of £470,500 across Adur District Council and Worthing Borough Council for the specific purposes as outlined in this report.
- 2.4. To delegate authority to the Director for Place, in consultation with the Executive Member for Resources (Worthing) and Executive Member for Regeneration & Strategic Planning (Adur), the authority to approve and award contracts for the staff / consultancy work required to deliver the Business Support Package, subject to the development of a procurement strategy and the outcome of a compliant procurement process; and ensuring that the overall programme is within the authorised budget.

3. Context

- 3.1. Following two once-in-a-generation shocks (the pandemic, followed by the Ukraine War), the global economy, including that of the UK, continues to adjust. Whilst the Bank of England no longer expects the

UK to enter a recession in 2023, the UK economy remains vulnerable. Stubbornly high inflation rates and labour market shortages continue to hold back growth.

3.2. To date business support across the area has been provided by a mixture of membership organisations (e.g. Worthing & Adur Chamber of Commerce, Federation of Small Business etc), independent projects funded by European Social Funding, as well as general business advice via third parties (e.g. Barclays Eagle Labs, provided by Barclays Bank).

3.3. The most comprehensive and specialist of the support packages were three regionally funded projects, via European funding. These were;

1.) **Business Hothouse:** This was delivered by the University of Chichester Business School and its free support was available to any sole trader, business owner, freelancer or pre-start entrepreneur in the coast-to-capital area. The Business Hothouse programme was launched with the aim of creating:

- Increased entrepreneurship
- An increased growth capacity in SMEs

The programme was highly successful and achievements included support to 625 enterprises, support to 496 pre-start entrepreneurs, 64 enterprises introducing new-to-firm products and 97 businesses supported through brokerage

2.) **RISE:** The RISE project was established to provide an open door for Sussex-based small and medium enterprises (SMEs) to access support from two of their main local research and innovation-led universities: University of Brighton and University of Sussex.

RISE – Research and Innovation in Sussex Excellence – is a completely free-of-charge innovation service for eligible businesses due to funding from the European Regional Development Fund (ERDF), with support from West Sussex County Council and the West Sussex District and Borough Councils.

3.) **LoCASE:** The Low Carbon Across the South and East (LoCASE) programme was supported by the European Regional Development Fund to provide a free business support programme in the South and East. The aim was for businesses to become more competitive and profitable while protecting the environment and encouraging low carbon solutions.

To do this, LoCASE provided grants for businesses as well as training workshops and fully funded events. Targeted business support was on offer for companies who offered “green” or low carbon goods and services.

These programmes have either now come to an end, or are due to cease in the coming months, therefore leaving a gap in how and where local businesses seek support.

- 3.4. In addition to the above, the Councils are aware of the work of the Coast to Capital Growth Hub, however due to the government’s Local Enterprise Partnership (LEP) Review, and the redaction of core funding from LEP’s from 2024, this also poses a risk as to whether the Growth Hub will exist beyond April 2024.
- 3.5. It should be noted that there are other forms of business support available, including a number of strands from West Sussex County Council (via their Business Hub) however those coordinated and centralised programmes of work are now coming to end, mostly due to the removal of European funding, as a result of Brexit. There is also no direct support for Adur and Worthing businesses only, beyond the work of Worthing and Adur Chamber of Commerce and the Adur & Worthing Business Partnership.
- 3.6. In relation to 3.5, the government has supported the funding transition by providing Councils with UK Shared Prosperity funding (UKSPF). This has provided Councils with the opportunity to assess their local areas and determine local interventions across a number of Levelling Up policy areas, business support being one. UKSPF is the most significant funding contribution towards the package and as such the Council needs to be mindful of targets associated with this funding. This funding will be available from April 2024.
- 3.7. However, given the challenging economic conditions and the reduction in fully funded business support (as outlined in 3.3), it’s important Adur

and Worthing businesses continue to have access to effective information, advice and guidance. This will ensure our local business owners can access sound advice, helping them to make better decisions about their organisations and the staff they employ.

- 3.8. It should also be noted that both Adur District Council and Worthing Borough Council have committed to continuing to support local businesses and have included such support in their Priorities for 23/24 and beyond. It is recommended that this is a joint programme of work between the Local Authorities, although local nuances will be taken into consideration.

4. Design thinking and evidence gathering

- 4.1. Due to the emerging landscape, Officers have undertaken a design process over the last 6 months to determine what a 'good' support package would look like, based on the funding available for this purpose. Whilst the level of funding is good, Officers took into consideration the need to ensure as many businesses as possible from across Adur and Worthing have the opportunity to engage with the support.
- 4.2. Early design thinking was generated by the fact that the Councils hold a number of business-related funding and that UKSPF funding, directly for business support, would come into effect from April 2024. Taking lessons learned from previous business schemes, the design started to look at what a comprehensive package of support might look like rather than piecemeal projects, which in the past have provided low impacts and limited outcomes.
- 4.3. To understand the local landscape and risks to our local economy, the Councils launched a business cost of living survey early in 2023 to gain greater insight into how local businesses were fairing with the challenging economic conditions. Whilst the return was low, in comparison to the overall business base, this insight has informed the development of the package.
- 4.4. In addition to the survey, and to ensure the design of the package is participative, Officers have also engaged directly with businesses, as well as partner organisations through the design phase including:

- Lancing Business Park BID
- Worthing and Adur Chamber of Commerce
- Adur & Worthing Business Partnership
- Local Traders Associations (Southwick, Shoreham and Lancing)
- Worthing Town Centre BID
- Federation of Small Businesses
- Local District and Borough Economic Development Teams
- West Sussex County Council

This engagement has brought about a number of changes as Officers felt strongly that the final package needed to provide added value and not seek to duplicate any other support being provided, either by these organisations or others.

- 4.5. Akin to 3.3, following the end of the [Business Hothouse Programme](#) (BHH), the Councils also met with the BHH Programme Manager to review the programmes' final summative assessment report including learnings and outputs from the project. The Councils also reviewed the [Impact Report](#) following the conclusion of the Rise Innovation scheme. Together, the learnings provided a basis to generate discussion on how best to help the businesses of Adur and Worthing.
- 4.6. Key findings from the above, as well as liaison with the local business community, identified key actions and drivers that are likely to facilitate and work towards a healthy economy. The key drivers for the programme are;
 - Provide sound information, advice, guidance and intervention to help businesses grow and thrive
 - Support and advise on innovation practices
 - Develop the skills of staff, especially in leadership and management
 - Help businesses with carbon reduction/sustainability measures
 - Ensure businesses are more grounded in community
- 4.7. The research findings, coupled with lessons learnt from delivering in-house schemes, including the successful Small Business Growth Grants and the Covid-19 Business Grants, led to the design of a comprehensive package, however split into two areas:
 - Mentoring / consultancy support (linked to the key drivers in 4.6)
 - Match-funding grants

- 4.8. The funding available has meant the Councils have had to streamline their approach to business support, weighing up the different outcomes. Pure grant funding continues to be a top request from businesses, however the impact of small funds is unlikely to create the wider community wealth building outputs required for the area.
- 4.9. Engagement with local traders associations, businesses and business representative organisations has not provided any viable alternatives to the model proposed. Furthermore, discussion with BHH has provided up to date, real time information on current business engagement levels and their topics of interest. This leads the Councils to believe the Business Support Package proposed is the best fit for the current economic landscape and business enquiry levels.

5. Recommended Business Support Package

- 5.1. The Business Support Package, which is intended to run from January 2024 - December 2025 (timings are subject to change), will include both direct consultancy / mentoring / staffing and provide direct grants. The detailed financial breakdown is outlined in 5.8, however broadly, and across both Councils, the split on resource is recommended to be:

- Consultancy / Staffing - £280,500 (60% of total pot)
- Grants - £190,000 (40% of total pot)

It should be noted that there might be some variance in the final programme, depending on timings and market conditions.

- 5.2. The consultancy / mentoring element will include 1-2-1 support (ideally onsite), as well as one-to-many workshops. Based on the evidence signalled in Section 4, it's recommended that the package will provide targeted support against the following strands:

- Pre start/Start UpInnovation
- Sustainability/Decarbonisation
-
- Leadership & Management

- 5.3. The intention is to procure either a headline consultant or organisation or, due to the speciality of the subject areas, a team of consultant /

mentors to deliver the programme. This will be through a detailed and specific tender brief and process. It's anticipated this will take place between October - December.

- 5.4. The amount provided to consultancy has been carefully considered and designed to align with the grant element but also giving as many businesses the opportunity to engage with this support. The current intention is businesses will be able to choose from a workshop experience, 3.5 hour session or a 7 hour session depending on their requirements. The time-bound sessions are expected to be split however the business wishes - for example, the 7 hours could be split over 7 weeks with 1 hour sessions. Currently, all businesses will have the opportunity to engage rather than targeting specific business sectors.
- 5.5. In addition, it's recommended that the package of support will also provide grants of up to £1,000 aligned to the targeted interventions as set out in 5.1. Whilst the grant value may seem low, this is being seen as an enabler to engage with businesses, allowing them to come into the wider support package and beyond. This level of funding will see 190 businesses from across Adur and Worthing having access to this support.
- 5.6. The current intention is the grants system and criteria will be built in-house as the Councils already have significant experience distributing grant funding, for example the Small Business Growth funding from the last few years. Aligned to the procurement process for the consultant/s this software and criteria will be built between October and December, in readiness for the launch of the programme in January 2024.
- 5.7. As outlined in 5.1, the intention is for the package to be provided over a 2 year period, January 2024 - December 2025. Given the nature of the engagement strands, the package will have in-built flexibility in its delivery as it's important that the Councils and subsequent consultants / mentors align with ongoing local economic changes and needs. If further funding is sought then this programme could be extended beyond December 2025.
- 5.8. The proposed programme is to be funded by the following pots of funding, which are either currently already held in accounts or have been committed by external providers:

Fund	Total Amount	Adur Share	Worthing Share
UKSPF	£300,000	£150,000	£150,000
Section 106	£76,000	£0	£76,000
Pooled Business Rates	£73,000	£34,000	£39,000
Other	£21,500	£15,750	£5,750
TOTALS	£470,500	£199,750	£270,750

*As outlined previously in the report, the figures above have been specifically assigned to business support and economic development work only.

- 5.9. Due to the different funding levels, it's important to note that the consultancy support and grant distribution will be proportionate to the amount funding each authority will be putting into the programme. In broad terms, the split is approximately 60% in Worthing and 40% in Adur, akin to the current resourcing ratios based on geography and population density. The consultancy and grant split is outlined under 5.1 but each authority can expect the following:

Type	Adur District Council	Worthing Borough Council
Consultancy / Staffing (60%)	£119,850	£162,450
Grants (40%)	£79,900	£108,300
TOTALS	£199,750	£270,750

It's recommended that the Business Support Package is a joint programme due to the economies of scale that can be achieved.

- 5.10. To support both the consultancy and grant elements, the Councils' has been building a Customer Relationship Management Tool for the business community to improve interactions and communications. Whilst this is in its infancy, the plan is to utilise this platform and will be the first point of contact for any businesses who are interested in the support above. This will allow Officers the ability to work with and triage the initial enquiries, meaning the Councils builds rapport, identifies any

social value and listens to the business community ahead of recommendation to the programme.

- 5.11. In terms of marketing of the programme, it's anticipated the Council will work with local stakeholders to publicise the offer. Whilst any branding is yet to be determined (this will be reviewed in October to December) Officers are aware of the importance of publicising to the whole business community, ideally ensuring those that haven't engaged before are targeted. It will also be the responsibility of the consultant/s to also assist with both the publicity but also developing those community and local connections.
- 5.12. In reference to expected outcomes and outputs, due to a large part of the financing coming from central government, via UKSPF, the Councils have a series of targets to deliver against and, again, these were in mind as part of the design of the programme. The table below provides the top level targets and the minimum level of intervention associated with these targets, however it's anticipated a number of these will be exceeded as a result of the programme:

	Intervention	Target
1	Number of businesses receiving non-financial support	75
2	Number of businesses receiving grants	30
3	Number of decarbonisation plans developed	50
4	Number of businesses engaged	100
5	Increased number of businesses supported	10%

**targets set across Adur and Worthing*

- 5.13. As outlined in Section 4, the scoping of the Business Support Package consisted of multiple engagement opportunities and feedback with those stakeholders outlined. The feedback provided was considered extremely relevant and amendments have been incorporated into the final proposed support package as outlined above. The Council feels the evidence based approach, coupled with recent experience, has led to a comprehensive support package that will support and assist a large number of businesses across Adur and Worthing for the 2-year period.

6. Financial Implications

- 6.1. As set out in section 5.8 of the report the proposals set out above are to be met through external funding streams. There are no other financial implications to Adur District Council and Worthing Borough Council.

Finance Officer: Emma Thomas

Date: 1st September 2023

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. Section 1 Local Government (Contracts) Act 1997 confers power on the Council to enter into a contract for the provision of making available assets or services for the purposes of, or in connection with, the discharge of the function by the Council.
- 7.5. When entering into a public contract, the authority is required to comply with the Councils' Contract Standing Orders found at Part 4 of the Councils' constitution.
- 7.6. In allocating grant funding to third parties, the Council is to ensure that consideration is given to the rules relating to Subsidies and that the award of the grant does not create public works or service contracts for which a procurement process ought reasonably to have been carried out under the Council's Contract Standing Orders.

Legal Officer: Eruoma Sakpere

Date: 22/08/2023

Background Papers

- Adur Priorities 2023 - 2024 (JSC Paper September 2023)

Sustainability & Risk Assessment

1. Economic

- The Business Support Package will directly support the local economy and, more specifically, those businesses therein. The health of our businesses is vitally important as not only do they supply goods and services locally, they are also integral in providing jobs and financial security.

2. Social

2.1 Social Value

- Matter considered and no issues identified.

2.2 Equality Issues

- Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

- Matter considered and no issues identified.

2.4 Human Rights Issues

- Matter considered and no issues identified.

3. Environmental

- A fundamental part of the programme is to support businesses wishing to decarbonise or become more environmentally friendly. One of the key outputs is a number of businesses establishing Decarbonisation Plans, therefore providing a showcase and, hopefully, a ripple effect through the Adur and Worthing business community.

4. Governance

- The Council will undertake a thorough procurement exercise to select appropriate consultants and mentors to deliver the consultancy element of the programme. It's important that these companies and individuals are of good quality and ensure they are impactful in the business community.

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ADUR DISTRICT
C O U N C I L

Adur Joint Strategic Sub Committee
27 September 2023

Ward(s) Affected:

Western Harbour Arm Review

Report by the Director of Place

Officer Contact Details

Moira Hayes, Adur Planning Policy Manager
moira.hayes@adur-worthing.gov.uk

Executive Summary

1. Purpose

- 1.1. The Adur Local Plan (adopted 2017) and Shoreham Harbour Joint Area Action Plan (adopted 2019) set a planning policy framework for the regeneration of the Shoreham Harbour Regeneration Area, a defined area from Adur Ferry bridge to Hove Lagoon and straddling the local authority boundaries of Adur District and Brighton and Hove City Council. The JAAP identified seven 'character areas', one of which, the Western Harbour Arm, is located entirely within Adur and was identified within the Adur Local Plan 2017 a strategic mixed use area suitable for the development of a minimum of 1,100 homes.
- 1.2. Sites are coming forward for development, although at higher densities than predicted. As a result the overall number of dwellings delivered across the JAAP area could significantly exceed the minimum figure allocated in the Adur Local Plan (ALP) and Shoreham Harbour Joint Area Action Plan (JAAP). Although this will help address housing shortfalls, this has resulted in concerns from the local community and District Councillors regarding infrastructure delivery and that increased densities would not accord with the JAAP in terms of layout, open space and place making.

- 1.3. As such a 'review' is being undertaken to consider delivery at the Western Harbour Arm. This report sets out key elements of that review for information.

2. Recommendations

- 2.1. Members are asked to:
- i) Note the publication of the Position Statement Topic Papers, Delivery Map etc.
 - ii) Note the consultants report and its findings.
 - iii) Note the appointment of a dedicated Shoreham Harbour Delivery Officer for a period of six months;
 - iv) Note the creation of a Developer's Forum for the Western Harbour Arm and a wider Adur Infrastructure Delivery Group
 - v) Note the proposed appointment of Consultants to prepare a place based study/design code for the Western Harbour arm and related sites
 - vi) Note work being undertaken to highlight the economic impacts of the regeneration of the Western Harbour Arm

3. Review

- 3.1. The Adur Local Plan (adopted 2017) and Shoreham Harbour Joint Area Action Plan (adopted 2019) set a planning policy framework for the regeneration of the Shoreham Harbour Regeneration Area, a defined area. The Joint Area Action Plan was prepared by the the Shoreham Harbour Regeneration Partnership, comprising Adur District Council, West Sussex County Council, Brighton and Hove City Council and Shoreham Port Authority.
- 3.2. The JAAP sets a clear vision for the Regeneration Area:

By 2032, Shoreham Harbour Regeneration Area will be transformed into a vibrant, thriving, waterfront destination comprising a series of

sustainable, mixed-use developments alongside a consolidated and enhanced Shoreham Port which will continue to play a vital role in the local economy. The redevelopment of key areas of the harbour will provide benefits for the local community, natural environment and economy through increased investment, improved leisure opportunities, enhanced public realm and the delivery of critical infrastructure that will help respond positively to climate change.

- 3.3. The JAAP identified seven ‘character areas’, one of which, the Western Harbour Arm, is located entirely within Adur and was identified within the Adur Local Plan 2017 a strategic mixed use area suitable for the development of a minimum of 1100 homes. (The area was originally allocated in the South East Plan 2009 for potentially ‘up to 10,000 dwellings’; the number was reduced through testing matters including capacity and viability). This brownfield allocation formed a key component of the Local Plan strategy to address housing needs in the period up to 2032, due to a lack of other suitable sites.
- 3.4. Sites within Western Harbour Arm are coming forward for development, earlier in the plan period, and at greater densities than previously anticipated. These are positive indications in terms of demonstrating the demand for the sites, and bringing new homes of various tenures forward; however there are some community concerns regarding the provision of infrastructure given the higher levels of housing and the design and ‘placemaking’ aspects of the new development. Furthermore there have been changes to national policy since the adoption of the JAAP.
- 3.5. The factors indicated above give rise to need for a ‘sense check’ as to:
1. whether previous infrastructure requirements are still appropriate given policy changes/level of development; and if not, to determine the updated requirements and means of delivery.
 2. Implications of higher dwelling numbers (and resulting higher developments) on sense of place, visual impact, place shaping, delivery of open space etc.
 3. To inform the emerging Adur Local Plan update and/or refreshed planning guidance, ensuring that individual developments are contributing to delivering the vision to transform the regeneration

area into a vibrant, thriving waterside destination; and the area priorities for the Western Harbour Arm, including:

- The comprehensive redevelopment to become an exemplar sustainable mixed use area.
- High quality building design, townscape and public realm
- Maximising the intensification and redevelopment opportunities

Impact of the Shoreham Harbour Regeneration Project on Shoreham Port.

- 3.6. One aim of the JAAP was to facilitate the consolidation of sites in Port ownership, by relocating some commercial activities to create a more attractive urban environment and an improved interface between the Port and the rest of Adur, and allowing delivery of proposals within the Port Authority's own Port Masterplan.
- 3.7. The JAAP safeguards part of the harbour for port operational uses and as the focus for port commercial activity. Recent projects delivered by the Port as a result have included the Lady Bee Enterprise Centre providing a total of 14 individual business units and the Adur Dock Development -a multiuse workshop, commercial office space and cafe. These developments are providing valuable space for a range of small and medium sized businesses. The Port continues to progress work on its Green Energy Hub, reflecting its role as a certified Eco Port.

4. Progress of the Review

Consultants report

- 4.1. A report was commissioned from an external consultant to review the progress of delivery at the WHA. The report found that although there was a 'clear and consistent policy framework' in place, (the Adur Local Plan and Shoreham Harbour Joint Area Action Plan) *'Once adopted, these Corporate Policy Documents have not been actively promoted by the Council as a whole. Coordinated, active promotion of the allocation as a whole, would benefit the delivery of high-quality development on site, the provision of infrastructure and coordination of public open space.'*
- 4.2. Recommendations include:
- *Corporate ownership and oversight of this high profile and long-term programme of regeneration. Clear strategic vision and narrative*

articulated and understood across the council and an in-depth understanding of “what success looks like” at WHA by all teams with specific engagement and involvement in delivery of the programme.

- *Ensuring that those leading delivery maintain a strategic view of development at WHA. There must be constant review/checking of the cumulative impact of proposals on the allocation as a whole; place-making and coherence of “place” and coordination of infrastructure provision including green infrastructure.*
- ▣ *A clear understanding and communication of the vision and aims of the regeneration of WHA. This must be clearly understood within the Council to ensure the messaging externally is clear and consistent. The purpose/justification as well as the benefits and progress towards the vision will need to be regularly (and consistently) communicated.*

Recommended Actions included:

- Articulation of the long-term vision for the area
- Corporate ownership - engagement of additional teams with the promotion of the placemaking agenda
- Positive long-term promotion - in-house communications strategy provide key information - (see below)
- Coordination of allocated areas - use of a Developers Forum or similar (see below); exploration of additional funding opportunities with Homes England;
- Coordination with external partners; clarity regarding use of financial contributions; communication regarding collection of infrastructure payments and timescales for delivery.
- Exploration of external funding opportunities via public sector grants or loans
- Planning policy - use of the Developer Forum to explore changes to policy position; provide Planning Policy Statements setting out current adopted policy and changes in national policy (see topic papers below); use of a collaborative agreement.
- Development Management: proposals include creation of a Infrastructure Panel (see below)

The report and recommendations in full can be found at Appendix 1 of this report.

Communications

- 4.3. The Councils' Communications Team is developing a communications package to support the Western Harbour Arm in line with other developments across Adur.

Planning Policy Statements/ Position Papers:

- 4.4. This has comprised a review and analysis of permissions granted to 1st April 2023 within the Western Harbour Arm, setting out what has been granted permission so far; what infrastructure has been secured (including the role of s106 agreements), and any differences from adopted policy, including sustainability policies, in the Adur Local Plan 2017. A 'Permissions to Date' document has been published on the Council website to give an overview of those developments granted permission, and includes information such as densities, mix of dwellings, proportion of affordable homes, and summaries of on-site and off-site infrastructure. <https://www.adur-worthing.gov.uk/media/Media,169972.smxx.pdf>
- 4.5. In addition a series of topic papers have been published addressing a range of matters including open space, air quality, retail and employment, and water (including flood risk management). Again explain and assess how developments secured have addressed the policy requirements of the Adur Local Plan 2017 and the Shoreham Harbour Joint Area Action Plan 2019. Outcomes from these papers have included highlighting the Kingston Beach Village green improvement; this was indicated in the JAAP as a priority for the Harbour Mouth character area. The Joint Area Action Plan to enhance the public realm environment of Kingston Beach. Opportunities exist to enhance the recreational use of the area, consider the future of the Customs House building, undertake environmental improvements, address parking issues, improve access to the water and provide flood defences and connection to the proposed A259 cyclepath.
- 4.6. The review of air quality has led to modelling work being commissioned to assess future development scenarios within the Western Harbour Arm. This will provide up-to-date information on likely future levels of nitrogen dioxide and particulates to assess whether any limitations need to be placed on future development at the western harbour Arm in terms of air quality; to provide up-to-date information for the assessment of planning applications in the Western Harbour Arm area; and to support the emerging Adur Local Plan update.

Shoreham Harbour Delivery Manager

- 4.7. A dedicated Shoreham Harbour Delivery Manager has been appointed for an initial period of six months. As recommended by the consultants report referred to above, the Delivery Manager will work to set up and manage a Developers Forum for sites within the Western Harbour Arm (both those sites with planning permission, and those yet to come forward), to facilitate the delivery of collective infrastructure and ensure closer cooperation between developers on the implementation of sites and ensure consistent approaches are taken to facilitate the delivery of a coherent vision for the area.
- 4.8. Linked to this, the Delivery Manager will bring together key infrastructure providers and form an Infrastructure Delivery Group (also recommended by the consultant's report) to facilitate the planning and delivery of infrastructure in both the Western Harbour Arm and wider Adur Local Plan area. (This will also feed into the development of the Infrastructure Delivery Plan which will accompany the emerging Adur Local Plan update).
- 4.9. The postholder will also liaise with Homes England to explore opportunities to secure funding to deliver collective infrastructure onsite such as the flood defence wall. If such additional funding is secured, this would reduce the viability impact on individual developers and potentially increase opportunities for other, lower value uses such as open space to be delivered within those sites at the Western Harbour Arm which have not yet come forward for development.

Infrastructure Provision

- 4.10. Ongoing liaison with key infrastructure providers is undertaken as part of both the planning applications process and through the early stages of the Adur Local Plan update. The Infrastructure Delivery Plan which accompanied the Adur Local Plan at examination set out a range of requirements for development at the WHA, including for transport, active travel, and health. (A Shoreham Harbour Transport Strategy was also developed to support the JAAP) The Shoreham Harbour Transport Sub-group (a joint WSCC/BHCC/ADC Officer Group) is working together to facilitate delivery and to address implementation issues.
- 4.11. The outcomes of a Clinical Review being undertaken by the Sussex Integrated Care Board which will subsequently inform an Estates Review (estimated to be published in Autumn this year) is awaited. As such, work

on this matter has been put on hold to ensure that up-to-date information regarding health requirements is available to inform emerging policy and develop an implementation plan.

- 4.12. Similarly, although liaison with WSCC Education is ongoing, further appraisal of education needs will need to be undertaken in due course when site assessment work for the Adur Local Plan update has progressed further and can more accurately inform an assessment of future needs in the wider Shoreham/Adur area.
- 4.13. The Shoreham Harbour Delivery Manager will manage the above liaison and ensure these requirements are fed into an emerging Infrastructure Delivery Plan.

Western Harbour Arm Part 2 - Placemaking Study/Design Code

- 4.14. The Shoreham Harbour Delivery Manager will also be responsible for the procurement and project management of a design based study to consider the remaining sites at the Western Harbour Arm which have not yet come forward for development, and how these can contribute to the objectives of meeting housing needs, and delivering a high quality 'place,'
- 4.15. The JAAP indicative masterplan envisaged development incorporating areas of open space. However as a result of viability issues and development coming forward in a piecemeal fashion the permitted schemes have been at a far greater density than envisaged. This has resulted in local residents and Members being concerned about the cumulative impact of high density development on the townscape and the perceived lack of supporting infrastructure for higher levels of development than the JAAP envisaged.
- 4.16. A key element of this study will be to undertake an overview of permitted schemes, the combined effect of different layouts, heights and architectural styles on the townscape and its relationship to the wider landscape setting of the town and harbour. An assessment of the cumulative impact of approved schemes can then help 'test' scenarios of varying density and form of development on the remaining narrower Western Harbour Arm sites. This will include the testing of a mix of townhouses and lower scale apartment buildings. The development of a Design Code will ensure that remaining sites are developed in a consistent way and ensure that the overarching objectives of the JAAP can be delivered.

- 4.17. This Part 2 review work will need to assess the scope for potential for additional dwellings at the WHA and how many (over and above the minimum 1100 figure in the ALP 2017 and JAAP) should contribute towards meeting Adur's ongoing housing needs. If so, these would be addressed through the emerging Local Plan update which could also include policy guidance around design, heights etc also arising from the WHA Part 2 process to guide and shape the form of development. In addition, there is an opportunity to produce informal guidance in advance of the emerging Local Plan). and integrating the Western Harbour Arm with the wider Shoreham and Southwick areas.
- 4.18. The Council will also expect to see a clear participation process integrated into the methodology of this design-based study ensuring that the local community is engaged in the process at each stage of its development. In parallel with the Study Consultants have been appointed to undertake viability work regarding the remaining undeveloped sites to inform the placemaking study and to assist negotiations with Homes England to assess the scope for infrastructure funding..

Economic and Employment Impact Assessment

- 4.19. Work has recently been commissioned to undertake a high level assessment of the economic and employment impacts of the Shoreham Harbour Regeneration project, including the Western Harbour Arm. This work will help to illustrate the inward investment and economic benefits of the wider regeneration project including the employment developments undertaken at the Port and the potential range of economic and employment benefits that could be secured from the remaining sites depending on the density of housing and employment delivered. The study will, amongst other things, take into account private sector investment, temporary jobs secured during construction; potential spend by new residents, and additional public sector receipts.

Adur Local Plan update

- 4.20. As members will be aware, the Adur Local Plan is currently being updated. This creates an opportunity to update the planning policy framework and vision for the Western Harbour Arm through the Local Plan, should the measures above indicate that this is necessary. This might include updated housing targets, design code/ masterplanning, etc. In the interim, as the Plan is progressed through the statutory process, there is potential to produce interim guidance.

5. Engagement and Communication

- Both the Adur Local Plan 2017 and Shoreham Harbour Joint Area Action Plan 2019 undertook a range of public consultation as part of the statutory plan-making process.
- The proposed place-making study will also be required to integrate public participation and help to start the engagement process on the Local Plan review.
- An engagement strategy is being prepared to help ensure that the local community is fully involved in the preparation of the Local Plan review.

6. Financial Implications

- 6.1 As part of the development of the 2023/24 revenue budget allowance was made for a Shoreham Harbour Delivery Manager (£60k per annum) and the costs associated with the delivery of the Local Plan (£150k).

Finance Officer: Sarah Gobey

Date: 16th August 2023

7. Legal Implications

- 7.1 The Planning and Compulsory Purchase Act 2004, the Localism Act 2011 and associated regulations (in particular the Town and Country Planning (Local Planning) (England) Regulations 2012 provide the statutory framework for the review of the Local Plan and the updating of policies.
- 7.2 Paragraph 33 of the revised National Planning Policy Framework requires that “Policies in Local Plans should be reviewed to assess whether they need updating at least once every five years, and should then be updated as necessary”

Legal Officer: Caroline Perry

Date: 16 August 2023

Background Papers

- Adur Local Plan 2017, Shoreham Harbour Joint Area Action Plan 2019

Sustainability & Risk Assessment

1. Economic

- Developments in the Western Harbour Arm are provisioning opportunities for employment through the construction phase, and through the delivery of employment floorspace. New residents will also bring increased spending into the local area. As referred to in the report, work has been commissioned to evaluate the scale and impact of this.

2. Social

2.1 Social Value

- Development at the Western Harbour Arm is providing affordable housing to address needs in the area, in accordance with policies in the Adur Local Plan and Shoreham Harbour Joint Area Action Plan.

2.2 Equality Issues

- Equalities Impacts were addressed in assessments accompanying the Adur Local Plan 2017 and Shoreham Harbour Joint Area Action Plan 2019.

2.3 Community Safety Issues (Section 17)

- No specific issues identified

2.4 Human Rights Issues

- No specific issues identified

3. Environmental

- There are a range of environmental policies within the Adur Local plan and Shoreham Harbour Joint Area Action Plan 2019 which any planning applications within the Western Harbour Arm allocation must address.

4. Governance

- The Adur Local Plan 2017 and Shoreham Harbour Joint Area Action Plan 2018 have been adopted by the relevant Councils and constitute the policy framework for the relevant areas.
- This work indicated above is responding to concerns raised by the community; the proposed placemaking study will incorporate elements of

public participation and is therefore consistent with the adaptive and participative principles.



Western Harbour Arm – Delivering A Corporate Priority

The review of Western Harbour Arm (WHA) requests a place-based review of what has been delivered and what could be delivered in the future to complete the delivery of the allocation to achieve a high quality outcome. Considerable progress has been made, the number of new units approved already coming close to the minimum 1100 units described in the Adur Local Plan (and Joint Area Action Plan). It is clear that demand, in itself is not the issue.

Since 2017, when the Adur Local Plan was adopted, there has been a clear and consistent planning policy framework in place. This was further supported by the Joint Area Action Plan (JAAP) which detailed area specific policies for this key regeneration area. Again, given the levels of existing new units delivered/approved, the planning policy position does not appear to be preventing or putting off delivery.

Having reviewed the process of delivery at WHA, it is clear that there is a gap between the delivery of policy and the determination of applications, where active, positive promotion of Western Harbour Arm as a single coherent new area and community is not happening. The issue, I believe, is that whilst Adur District Council officers have produced well executed policy documents (both the Adur Local Plan and the Joint Area Action Plan). Once adopted, these Corporate Policy Documents have not been actively promoted by the Council as a whole. Coordinated, active promotion of the allocation as a whole, would benefit the delivery of high-quality development on site, the provision of infrastructure and coordination of public open space. This approach has been taken in neighbouring Worthing Borough and is delivering results on a number of high-profile sites across the Town Centre.

The delivery of 1100 new homes at Western Harbour Arm is a high profile, largescale project for Adur District and as such, requires a strong, long-term and coordinated approach to promoting its development. There has been a significant change in the approach to how largescale regeneration is approached and promoted in Worthing and this would be a useful model to adopt in Adur. By increasing the breadth of teams or service areas that are engaged in site promotion and the place-making agenda at WHA, it will inevitably increase the resource and therefore capacity to pursue a more coordinated and desirable outcome at this significant allocation. It will require focussed leadership to ensure communications, resource and effort is aligned across these teams/service areas.

The communications released about Western Harbour Arm are focussed on individual applications or sites. Much of this relates to the increasingly controversial applications that are being refused at planning committee. At this time, with consideration of the overall development, there is an opportunity to re-set the communications for the Western Harbour Arm in a more positive way, re-establishing the wider aims and vision for the regeneration of the Port/Harbour. Reminding the public about why the regeneration is happening, that WHA is only a part of it and that it supports the wider economic sustainability of the area would be positive and change the approach from only being spoken about when it is about an individual, and increasingly controversial, application, to the wider Port/Harbour and the overall – long-term – vision for the area.

If wider corporate support is not possible or available, the limited resources of the Planning Policy team should be focussed on the required review of the local plan. As well as placing additional pressure on a small team, the preparation of a further document that is not promoted and supported by the wider teams may well do reputational damage to the Council.

Key Recommendations

- ② Corporate ownership and oversight of this high profile and long-term programme of regeneration. Clear strategic vision and narrative articulated and understood across the council and an in depth understanding of “what success looks like” at WHA by all teams with specific engagement and involvement in delivery of the programme.
- ② Ensuring that those leading delivery maintain a strategic view of development at WHA. There must be constant review/checking of the cumulative impact of proposals on the allocation as a whole; place-making and coherence of “place” and, coordination of infrastructure provision including green infrastructure.
- ② A clear understanding and communication the vision and aims of the regeneration of WHA. This must be clearly understood within the Council to ensure the messaging externally is clear and consistent. The purpose/justification as well as the benefits and progress towards the vision will need to be regularly (and consistently) communicated.

Planning Considerations for Delivery of Western Harbour Arm

The Adur Local Plan is currently under review. It is therefore appropriate to consider what, if any changes to the local planning framework could be to address concerns within the community and Council regarding the scale of development and the timing of infrastructure provision, in a timely manner.

Key Drivers

● Timing/Influence

- The Western Harbour Arm is allocated for housing
- The situation is “live” with development on the ground and applications being submitted “in real time”
- For actions taken by the Council to influence future development, there needs to be a rapid response

● Material Weight

- Perception that existing community not being listened to and burdened with high levels of development and the lagging infrastructure provision
- How can these concerns be given greater weight, such that developments must respond/take into account these concerns
- Impact/ability to influence is greater at the earlier stages of design/development

Critical Timing

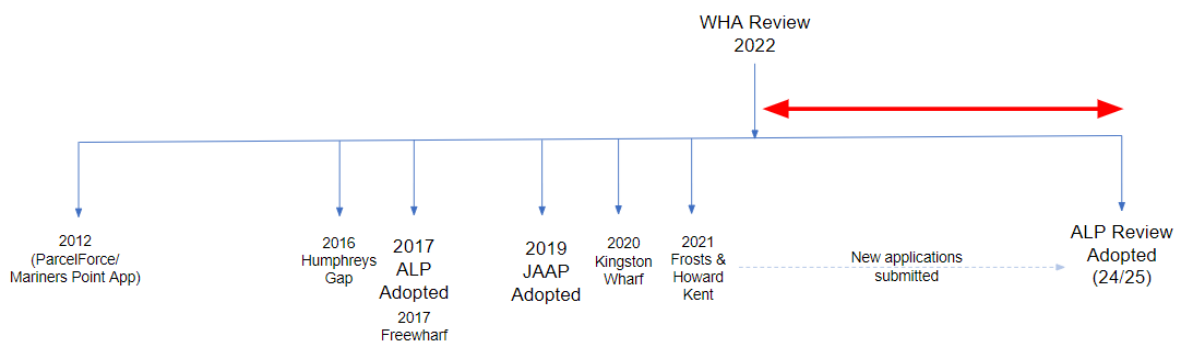


Fig. 1: Timeline of Policy adoption and planning application determination at Western Harbour Arm.

Planning Options Considered

Option	Process/Issues	Timing & Weight
Do Minimum	Continue to pursue changes to applications in pre-app and post submission	Short & Low
Policy Position Statement	Provide guide of existing policy tools	Short & Medium
Collaborative Agreement	Jointly prepared and agreed “statement of intent”, developed in collaboration	Medium & Medium
Development briefs masterplan	Site specific briefs for future development	Long & High
WHA Design Code	Policy Development, led by ADC, requires engagement/consultation	Long & High
Supplementary Planning Document	Policy Development, led by ADC, requires engagement/consultation	Long & High
Amend Existing Policies	Policy Development, led by ADC, requires examination/adoption	Long & High
Neighbourhood Plan	Policy Development, led by forum/parish, requires examination/adoption	Long & High

Table 1: Planning Options considered

Do Minimum (Maintain current protocol) – Continue to pursue changes to applications in pre-app and post submission. This relies on existing resource and requires minimal changes (may not be considered a “response” by the community). This would technically be “immediate with regards to timing, in terms of weight it would continue at the current level (low in terms of change/increasing weight).

Policy Position Statement – Since adoption of the Adur Local Plan (2017) and the Joint Area Action Plan (2019) there have been and continue to be significant changes to the planning system in England. Changes to the National Planning Policy Framework are currently being consulted on which could significantly change the planning policy requirements. This option therefore constitutes a two-part approach. Firstly, to assist in familiarising new members of the Adur Planning Committee with existing policy. Secondly, to review existing adopted policy against new (current) national policy and guidance and establish compliance. (Short term timescale and high material weight as, if local adopted policy superseded, would likely revert to National Policy which carries high material weight).

Collaborative Agreement (Delivery Statement) – If the Council requires developers (or landowners) to deliver more in addition to local adopted policy (or due to changes in National Policy) then they could work with developers (and landowners) to pursue these different/higher requirements. In order to increase the weight of these discussions, a statement of intent (MOU, SoCG) could be agreed which sets out the intentions of all parties on what they will deliver. (This would take time and consistency and clarity of message so likely medium term, with medium weight).

Development Brief/Masterplan – There is an existing Western Harbour Arm Development Brief (Allies and Morrison Urban Practitioners, July 2013) The brief has been informed by a large body of technical background work, public consultation and engagement and has been subject to Sustainability Appraisal.

Western Harbour Arm Design Code – The draft revisions to the National Planning Policy Framework strongly advocate for area wide design codes. Whilst this will take a considerable amount of time to prepare, it seems unavoidable that a Design Code should be prepared for Western Harbour Arm, as a minimum. It may be beneficial to include the areas immediately surrounding WHA. Beyond that the character of the areas changes significantly and there should be consideration of the need for separate design codes for other specific character areas.

Supplementary Planning Document – A Supplementary Planning Document should flow from and build on policies in the primary policy document. An SPD would therefore need to be developed subsequent to the Adur Local Plan (review) document.

Amend Existing Policies – This is listed as it is an option. This process is already underway. The Adur Local Plan is reviewing the status of all policies in the adopted plan. It will amend or update any policies as required.

Neighbourhood Plan – This is an option within the sphere of planning. The allocation of this major development is right to be dealt with in the Adur Local Plan. The Joint Area Action Plan provides focussed and detailed policies covering all areas of development. There is no local forum or parish in this area.

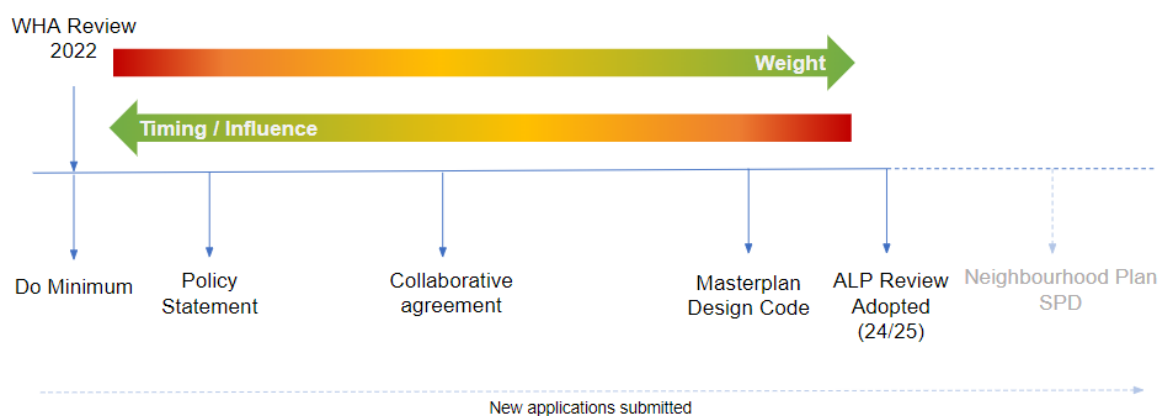


Fig.2: Showing Planning Options against both Key Drivers.

Recommended Actions / Next Steps

Theme	Issue	Recommendation
Set and articulate/ promote long-term Vision	The Council has created and adopted a Vision for the regeneration of Shoreham Port and WHA as part of that.	As it is a long-term project/ programme, this will need to be repeated regularly to ensure that the vision is understood by all. It is a long-term goal and needs to be clearly articulated to all relevant people/ teams both inside and outside of the Council.
Corporate Ownership	Limited engagement from wider corporate body. Overreliance on Planning function to deliver new community	Engagement of additional teams with the promotion and placemaking agenda of WHA
Positive Long-term promotion	Information going out about WHA is focussed on individual applications which are increasingly controversial.	Develop an in-house communications strategy which provides key information such as headline statements about the Vision and aims of regeneration at WHA, key achievements, delivery to date. Provide similar key information to partners / work with partners to develop key wording for their own communications where they relate to WHA
Co-ordination of Allocated Area	Whilst the time has past for consolidation of land ownership and financially it is not viable. There needs to be coordination and bringing together of landowners/ developers/ infrastructure providers/ decision makers in order to increase and improve the delivery of important placemaking elements (greenspace, play space, renewable energy production, pedestrian & cycle routes) across the area.	Encourage (require?) all relevant parties to come together e.g. Developer Forum / WHA Regeneration Forum Gain written agreement across parties that supports the vision and goals that the Council is seeking to achieve e.g. more public open space within the allocation area. Through conversations with Homes England there is an opportunity to bid for significant levels of funding to support delivery of the required infrastructure at WHA. Again, this level of funding bid in Worthing is

		carried out by specific investment teams/officers. This approach is recommend for funding bids in Adur.
Co-ordination with external partners	There is a perception that infrastructure to support the new housing is not being delivered and perhaps that it is not going to be delivered at all which will add significant, and unsustainable pressure on existing services and infrastructure.	<p>Use or revive existing mechanisms (e.g. Growth Deal/Board, Major Projects Board)</p> <p>Clarity of what will be delivered through the use of financial contributions and when. This clear structure needs to be reiterated and considered each time a part of this infrastructure is being delivered.</p> <p>Communication with ADC and the wider community of how much has been collected (£ and % of total required) and timescales for delivery.</p> <p>Recognition of where the funding came from.</p>
External Funding Opportunities	The significant infrastructure costs, most notably flood defence requirements, along with increasing cost due to rising inflation are challenging the viability of delivery on the remaining sites.	Explore sources of additional funding, including but not limited to, public sector grants or loans (e.g. Homes England)
Planning Policy	The current national planning system is going through a period of upheaval which is and will be for some time disruptive. However, there is a clear, adopted policy framework in place for WHA which has been stable since adoption in 2017.	<p>Be clear of any changes that are going to be made to the policy position of the area (could use developer forum for these conversations).</p> <p>Provide Members with a Policy Position Statement which sets out the status of current adopted policy and changes in the national policy environment.</p> <p>Work collaboratively with interested parties working towards a Collaborative Agreement.</p>

		<p>Provide additional support to prepare an area specific design code for WHA.</p> <p>A Green Infrastructure Plan should be developed. This must include consideration of WHA, but for greatest benefit GI needs to be considered at a large scale, ideally district level.</p>
Development Management	<p>This allocation covers more than one site and is creating a new community/area. There needs to be greater awareness of the overall placemaking of the area/community.</p> <p>Infrastructure provision across the area needs to be developed and delivery in a coordinated and coherent manner.</p>	<p>Understanding of the cumulative impacts of developments across the site is required and this needs to be modelled as a priority.</p> <p>To facilitate coordinated and timely delivery of infrastructure a more proactive approach needs to be taken at district level which includes monitoring and reporting of funds received/spent to date. This could include</p> <ul style="list-style-type: none"> - the development of an Western Harbour Arm specific infrastructure delivery plan, - introducing an Infrastructure Panel (similar peer review process like the Design Review Panel model) to provide pre-application advice/review applications - inclusion of strategic infrastructure considerations in a specific section in DM reports - requiring comments on applications from statutory bodies/infrastructure providers

Appendix 1

The Brief: The Context of the Review

The review is to address concerns regarding the overall quantum and density of development coming forward and the level of supporting infrastructure. The review will include an analysis of undeveloped sites and how a revised 'place-based' approach is taken to the regeneration of the area to help inform the update of the Adur Local Plan.

Part 1: an internal analysis and review of permissions granted to date setting out what has been granted permission so far; what infrastructure has been secured, and any differences from adopted policy. This will also need to take into account the changing viability context since the adoption of the Adur Local Plan. It will also incorporate 'scenario modelling' of those sites within the WHA which are not currently being promoted/progressed through the planning system. These scenarios will be undertaken at various densities to assess potential dwelling numbers and associated infrastructure implications. Liaison will be undertaken with these landowners to ascertain their intentions for these sites. The brief sets out the particular infrastructure types which will be addressed.

Part 2 - a 'place-making' and design-based consideration of the remaining Western Harbour Arm sites. This will include an assessment of the visual implications of higher density forms of development (taking into account existing evidence relating to tall buildings), and will consider whether additional design guidance would be beneficial.

There is scope to provide some external assistance and a Project Manager is looking to be appointed to assist the Part 2 work. This work would also need to appoint consultants who specialise in masterplanning and urban design as well public engagement.

Response to Brief

Following appointment, a Stage 2 project inception discussions would take place with Officers to establish baseline of evidence. A gap analysis would be undertaken to identify where further work may be required or of benefit to the project.

Discussions (for example, in the form of workshops) would be undertaken with Councillors from Adur District to confirm the scope of the work to be undertaken as part of the Place-making element and identify key areas of focus for the project.

A draft scope would be developed, following discussions with officers and Members, to be agreed. This would include a timetable for the place-making analysis of WHA regeneration area and recommendations for the development of planning policies, specific design guidance, design guides, or other.

Based on the agreed brief, work would be carried out to deliver an appropriate place-making analysis and to facilitate the development of policy or guidance. This includes supporting officers with the procurement of external consultants as required.

Appendix 2

Policy Context

Adur Local Plan (Adopted 2017) The Adur Local Plan (adopted 2017) allocated a broad area for development and specific sites at the Western Harbour Arm (see map at Appendix 2). The Adur Local Plan allocates sites at the Western Harbour Arm for a minimum of 1100 dwellings (as well as 16,000 sqm of employment floorspace).

Joint Area Action Plan (Adopted 2019) The Shoreham Harbour Joint Area Action Plan 2019 (prepared jointly with Brighton and Hove City Council and West Sussex County Council) provided a more detailed policy framework and allocations for the wider Shoreham Harbour Regeneration Area (including that part which lies within Brighton and Hove City Council). The JAAP also allocates sites at the Western Harbour Arm for a minimum of 1100 dwellings (as well as 16,000 sqm of employment floorspace).

Adur Local Plan Review (ongoing) A review of the Adur Local Plan is currently underway. This review of the Western Harbour Arm will support and inform the ALP review.

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ADUR & WORTHING
COUNCILS

Joint Audit and Governance Committee

26 September 2023

Adur Joint Strategic Sub-Committee

27 September 2023

Key Decision [No]

Ward(s) Affected: All Adur

Housing Improvement Plan: September Progress Report

Report by the Director for Housing and Communities and the Monitoring Officer

Executive Summary

1. Purpose

- 1.1. This report provides a progress overview of the Housing Improvement Plan to both the Adur Joint Strategic Sub-Committee and the Joint Audit and Governance Committee, following the self-referral to the Regulator for Social Housing earlier this year.
- 1.2. Previous reports shared with both these Committees have detailed the rationale for the self-referral, the response from the Regulator, and the scope of the work planned to address these issues in Adur Homes. This report sets out a summary of the work underway, the early progress being made to improve performance and meet the required standards, and the issues that remain. The purpose and focus of all of this work is about delivering the Council's mission to ensure that everyone has a safe, secure and sustainable home.
- 1.3. For the specific purposes of the Joint Audit and Governance Committee, this report provides an update on the progress being made on the outstanding Audit Actions, which have been integrated into the Improvement Plan. This includes an update on work being done to address outstanding Freedom of Information Act requests.

- 1.4. For Members of the Joint Audit and Governance Committee, this report also complies with the Monitoring Officer's statutory duty under s5 and s5A of the Local Government & Housing Act 1989 to report on a finding of maladministration by the Housing Ombudsman.

2. Recommendations

- 2.1. The Joint Audit and Governance Committee is asked to:
- 2.1.1. Note the good progress being made to ensure that Adur Homes becomes fully compliant with regulatory standards and the wider programme of transformation to create safe, secure and sustainable homes for our residents.
- 2.1.2. Consider the progress being made on the outstanding audit actions as captured in paragraph (4.21, 7).
- 2.1.3. Note the progress being made with the overdue Freedom of Information Request at paragraph 2.1 (12) of this Report
- 2.1.4. Approve the Cabinet Member for Health and Wellbeing to act as the Member to oversee the Complaints Culture role as part of the new national changes as set out within the report (4.21, 11).
- 2.1.5. Note the fact and circumstances surrounding the Housing Ombudsman's findings of maladministration at Paragraph 5 of this Report and attached redacted Appendices 6 & 7 and consider the proposed remedial actions.
- 2.1.6. Consider the contents of this report and provide any comments for consideration to the Adur Joint Strategic Sub-Committee.
- 2.2. The Adur Joint Strategic Sub-Committee is asked to:
- 2.2.1. Note the good progress being made to ensure that Adur Homes becomes fully compliant with regulatory standards and the wider programme of transformation to create safe, secure and sustainable homes for our residents.
- 2.2.2. Approve the change in the terms of reference for the Adur Homes 'Advisory' Board to clarify and strengthen the purpose and remit of this group (Paragraph 4.21, 2, C, Appendix 4).

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| <ul style="list-style-type: none">2.2.3. Approve the changes to the Compensation Policy (4.21, 7).2.2.4. Consider any comments received from the Joint Audit & Government Committee. |
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3. Background context

3.1. Self-Referral to the Regulator

- 3.1.1. This Council has established a clear ambition to ensure that everyone has a safe, secure and sustainable home. Our residents' safety and wellbeing is paramount and there is a strong commitment to ensuring that the management of our housing provides homes for people that are good places to live and that the management of this service is deeply influenced and shaped by residents.
- 3.1.2. We know that we are not yet providing this for all of our residents. Members will recall that a diagnostic review of Adur Homes was carried out in 2022/23, the results of which were shared with both of these Committees, set out in these reports:

[Adur Homes Compliance with Housing Regulator Standards - Joint Audit and Governance Committee 23 March 2023](#)
[Regulatory Compliance Notice for Adur Homes - Joint Audit and Governance Committee 30 May 2023 and Adur Joint Strategic Sub-Committee 15 June 2023](#)
- 3.1.3. The Notice issued to the Council on May 10th 2023 confirmed a breach of two sections of the Home Standard. For clarity, 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.
- 3.1.4. The draft Regulator's decision was accepted in full by the Council.
- 3.1.5. In addition to the specific areas of concern, the Regulator also requested regular reports and meetings to update on the progress being made on the journey to improvement.
- 3.1.6. Members are also reminded that there is significant legislative change underway through the new Social Housing (Regulation) Act (a summary is provided below) which has now been passed into law. The purpose of

this is about driving significant change in landlord behaviour, providing more tenants with greater powers and improving and strengthening the powers of the Regulator of Social Housing.

- 3.1.7. Following the Regulatory Notice, Officers have met with the Regulator a number of times, progress of which is detailed below.

3.2. **Outstanding audit issues for Housing for the JACG Committee**

- 3.2.1. Previous reports to the Joint Audit and Governance Committee have highlighted a number of outstanding audit issues and Freedom of Information Requests (FOI) for Housing. In order to align reporting, these outstanding issues are addressed within this report and have been aligned to the work in our Improvement Plan (please see section 4.21 paragraph 12 below).

4. **Adur Homes road to improvement and transformation**

4.1. Adur Homes Improvement Plan

- 4.1.1. The Adur Homes Improvement Plan sets out a number of key priorities for the service, which primarily address the concerns of the Regulator (around compliance and decent homes) and also include wider-ranging priorities to ensure the whole service is transformed, including: workforce, governance, asset management, health and safety compliance issues, tenancy management and engagement, complaints and FOIs.
- 4.1.2. Phased over a 24-month period, this is a relatively high level plan, which sets out clear accountable leadership and delivery, against challenging but realistic timeframes. Whilst this plan will deliver the work to address issues in the short to medium term, we recognise that the road to transformation of Adur Homes will require a longer-term approach and this is referenced within the plan.
- 4.1.3. Importantly, the plan also includes a high level risk assessment and an environment scan highlighting issues on the horizon that the service needs to plan for and adapt to.

4.2. Summary of progress against the Improvement Plan

- 4.2.1. The full Improvement Plan is set out below as a set of actions (Appendix 1) and a risk assessment (Appendix 2). Each of these

priorities is being tracked and regularly reviewed to drive forward progress through a new Housing Improvement Board. Below are some key areas to highlight for Members of these Committees. Each summary area referenced the relevant priority area (referenced as P):

1. Establishing the right leadership and workforce (Ps 26 and 32)

Securing good leadership and management for this programme of work is essential. We have now appointed an Assistant Director for Housing and Homelessness Prevention, who will start their position in early November. The Head of Property Services (focusing on property) - a new post - started in May this year and the Interim Head of Housing (focusing on tenancy management and engagement) started in April.

We have also recently appointed a new Compliance Manager, to focus on health and safety and the development of a cyclical maintenance programme, and we have created a new Asset Management post (currently being recruited to). We have enhanced the Voids Team and successfully recruited a Tenant Engagement Lead.

There remain some significant gaps in the rest of the team including neighbourhood services (providing tenancy management), systems and wider infrastructure to support our work on complaints for example. Work is underway to address these issues and provide the right skills/capabilities, some of which is waiting for the new Assistant Director for Housing to join the Council.

It should also be noted that there are significant challenges in recruiting housing workforces (nationwide) and the new legislation will be bringing in new requirements around training and qualifications.

2. Reviewing and strengthening governance (P 29)

We have established a new approach to governance including:

- a. Creating a new officer-led Housing Improvement Board, led by the Director for Housing and Communities, which is providing regular progress reports to the Corporate Leadership Team.
- b. Developing a new set of performance indicators for (the whole of) housing, to track progress. These are included in this report

(Appendix 3). It should be noted that not all of this data can be captured at this time due to system issues.

- c. A proposal for the Adur Joint Strategic Sub-Committee to agree to a change in the terms of reference for the Adur Homes Management Board to become the Adur Homes Advisory Board, which was agreed by this Board on 21 June 2023. The changes proposed are aimed at clarifying and strengthening the purpose and remit of this group (see Appendix 4).

3. Compliance and health and safety (Ps 10.11)

This has been the significant area of focus given the Regulatory Notice.

To date Adur Homes has not met its statutory requirements in a number of different areas across compliance and the spectrum of health and safety measures including electrical tests (EICR), fire safety actions and the installation of smoke/CO2 alarms.

The focus of the initial work has been to concentrate on ensuring the work is being programmed and completed with suitable and relevant contractors to identify, undertake and manage the work and record the data to meet Adur Homes standards as well as the statutory and legal requirements. Over the last 3 months the focus has been placed on changing operations and on data and systems to ensure that this work is planned, recorded and evidenced.

Performance data (Appendix 3) illustrates the progress being made, starting with June through to August. This shows good direction of travel over these first few months. The focus and attention to both operational and contractual arrangements has created a positive momentum and a confidence that we will be able to meet all of our compliance targets and standards within the reasonable and realistic timeframe of the Improvement Plan, with some sooner than others.

4. Improving data and systems (Ps3, 4)

This is a critical area of work to ensure that the team can work effectively, evidence and prioritise work and identify and programme relevant works. It is important to state that we have poor legacy systems throughout Adur Homes which do not enable our teams to do their work efficiently. This is deeply frustrating for staff and residents and contributes to many of the issues which Members will

be aware of.

Our Digital Team has been supporting Adur Homes, starting with compliance systems and data and moving into the requisite system to manage our assets, capital works programme, repairs service and tenancy management. We have been making good progress with our compliance system in the short term and this is now starting to provide the data we require to record progress.

We have critical issues with the system that serves our tenancy management, arising from an old legacy system and a lack of support provided by the supplier, which causes issues with functionality and integration with other Council systems. This has been highlighted as a corporate risk and work is underway to upgrade this system in the short term and to move into longer-term solutions.

We don't yet have the right systems capacity or skills in the team and this is also being addressed through our workforce programme.

Nevertheless, the performance data set that has been established will start to provide Members with the ability to oversee and scrutinise the work of Adur Homes.

5. Achieving "Decent Homes" (P1)

The Government has defined what Decent Homes means (see below) and Members should note that this will be amended over the course of this year through the changes to the Regulatory Standards.

For now however, 'decent homes' is one area of concern under our Regulatory Notice. In order to evidence that our homes are decent, housing authorities must have up-to-date stock condition data.

The focus for our Improvement Plan is to use the data from our compliance / health and safety programme and the stock condition data gathered following an extensive survey in 2017. This data has enabled the team to develop a draft short/medium-term programme of works, detailing the improvements required to bring the housing stock up to Decent Homes standards. This is enabling officers to work up a clear plan and associated costs to be used to procure a cyclical stock condition surveying programme that will continually update the information we hold on our homes. This will provide us

with the ability to identify and deliver a programme of works that will ensure all homes reach the Decent Homes standard within a reasonable and acceptable timeframe.

6. Management of void properties (P 7)

The number of void properties has increased significantly over the last several years and this has impacted Adur Homes in two ways. Firstly, it has caused a loss of rental income and the need to meet associated costs, thereby reducing the money available for reinvestment. Secondly, it has reduced the homes available for local people of Adur to rent to help alleviate homelessness in the local area and increased emergency accommodation costs for the Council.

The void properties are being monitored in two categories - one to keep track of the old backlog of properties (those that have been empty since before April 2023) and one for those that have become vacant this financial year. This is mainly to ensure that the older ones are not neglected any longer than necessary and to prevent further deterioration within the properties due to the lack of occupancy, but also to monitor the numbers of more recent properties becoming vacant so that demand for homes in Adur is correctly monitored.

There is the urgent need to be able to increase the work undertaken on the outstanding void properties to bring them back into the rental market as quickly as possible.

To reduce the backlog of void properties and to return the properties back to enable re-let, the approach being taken is to employ two contractors to support the process of completing this work within this financial year and increasing the staff resources to manage this process until the backlog of void properties is cleared. In addition to this, their efforts are concentrating on the quick turnaround properties, those that do not need a lot of work and can be re-let quicker.

7. Policies and Procedures(P 10)

As part of the improvement plan preparations, a set of revised interim and operational policies and procedures were presented to the Joint Strategic Sub-Committee on 7th March. These policies will be further refined and updated in the coming months through engagement with the Adur Homes Management/Advisory Board (and tenants).

For the purposes of this Joint Strategic Sub-Committee, Members are asked to review and approve one policy, which is the revised Compensation Policy (Appendix 5).

8. Damp and mould (P13)

Damp and mould are a key national concern since the Housing Ombudsman released its report two years ago following the tragic event in Rochdale and changes have started to be implemented on this subject.

Adur has significant issues due to its ageing stock, with certain archetype and construction methods used not lending themselves to managing the moisture levels within the buildings. Linked to this, the living environment and habits of residents can also contribute to problems.

When a property is identified with damp and mould either from our own surveys or reported by the resident, Adur Homes undertakes a thorough investigation at the property including, but not limited to, the walls, floors and structure; identifying, arranging and managing any work that is needed.

In addition to the above works, usually the start of the process involves cleaning away any existing mould. Following the inspection and monitoring of the property the contributing factors are usually identified that could be the main causes influencing the build-up of moisture/condensation that ultimately leads to the growth of mould.

From this the relevant repair/improvements are made or the resident advised on suggested changes to their living habits with relevant advice being provided e.g. around ventilation and heating.

Additional resources are being employed to tackle the backlog of properties being dealt with to ensure that when the winter arrives there is a more manageable level of damp and mould cases to deal with.

The monitoring and undertakings in this area of work will continually result in improvements being made to the process and these will only benefit the residents and Adur Homes as the Landlord.

9. Tenant communication and engagement (P20-23)

This Council has big ambitions around participation and involving residents in the development of the service.

To this end, work has been underway over this year to start to engage with residents across Adur. A full round of engagement sessions have been held in Southwick, Fishersgate, Lancing, Shoreham and Sompting. The Director for Housing and Communities has attended all of these sessions with members of the team and Elected Members. Their purpose has been to meet with, listen to and engage with residents as well as inform them about the work underway.

Through these sessions, residents have expressed a range of frustration around a lack of communication and engagement, lack of responsiveness, poor services and issues and some delays in dealing with complaints. However a number of residents have turned up to these sessions and have expressed a willingness to be informed, engaged and involved in the work going forward.

We are pleased to note that the new Tenant Engagement Lead has now started her position and has hit the ground running, supporting these sessions and starting to build a programme of resident engagement that is so desperately needed for this service.

Tenant empowerment is of course a key part of the new legislative changes to promote transparency and accountability in housing. The Adur Tenants' Forum, which had been active for some time, has been dormant over the last few years due to this Council pausing the work. This has been frustrating for those involved who have shown such passion and energy to get on with this work. Part of the Tenant Engagement Lead's role will be to work with residents to re-form this group and build more formal mechanisms for involvement, including representation on the Adur Homes Management/Advisory Board.

Part of the new regulatory requirements require housing authorities to survey all their residents annually around a range of satisfaction measures. Adur Council has partnered with Runnymede & Tandridge councils to deliver the TSM (tenant satisfaction measures) survey. We are working with a provider that has extensive experience of accessible and inclusive surveys and are planning to survey residents of Adur Homes between October and November, with a

final report to Members in January 2024. Officers have begun work on a communications plan to promote this work during September and Members are asked to note and help communicate this to our residents.

In addition to this, the Communications Team have also been supporting the team by creating the [Adur Together newsletter](#). Each newsletter includes updates on key issues affecting Adur Homes tenants and leaseholders, including action we'd like our residents to take. Three editions of the newsletter have been published to date, the most recent of them at the beginning of September 2023.

10. Managing outstanding audit recommendations (P31)

Members of the Joint Audit and Governance Committee will recall the issues with progress against a number of outstanding audit areas for housing.

Work has been carried out on each of these outstanding audit actions as part of the Improvement Plan (not including complaints which is detailed below under 11), identified between 2017/18 and the present time.

Of the outstanding audit actions for Adur Homes:

- 14 have now been completed
- 17 remain outstanding but are 'on track' and each of these has been integrated into the Improvement Plan to be progressed by the relevant lead and tracked as part of the programme.

For the rest of housing (not including Adur Homes)

- 4 have been completed
- 1 is outstanding

Officers will now be working to ensure that each of these actions is progressed as part of the core priorities and this will be reviewed by the Improvement Board and reported back to this Committee.

11. Managing complaints

How we manage and respond to complaints is very important to the service, our residents and the ongoing improvement journey.

Officers have been working to address new complaints alongside a significant and longstanding backlog, in line with the outstanding audit by Mazars and the Housing Ombudsman. We currently have 138 outstanding complaints for Adur Homes over the period between

January 2020 and July 2023. Of the 138 outstanding, 84 are pre-2023 and 54 are from this year.

Our work to address this includes:

- An Ombudsman self assessment which has informed our Action Plan
- A significant and renewed focus on complaints and developing a clear process for the team
- Developing a new Housing Complaints Policy and an action plan, which was agreed earlier this year and now requires updating to reflect the Housing Ombudsman's Code of Practice
- Updating all our communications to publicise the Housing Ombudsman's contact details and role in complaints intervention
- Developing a new approach as required by the Ombudsman to agree resolutions with tenants before sending a formal response.

It should be noted that there are significant capacity issues in the team which are impacting this work and service improvement work is required to develop the right size team with the requisite capabilities and capacity. This will be carried out when the new Assistant Director for Housing and Homelessness Prevention and the new Head of Resident Services (who holds the corporate lead for complaints policy) start their roles.

As part of the national changes a new Member role for 'complaints' is required for housing authorities, to hold responsibility for complaints and to support a 'positive culture'. Regular reports are also required to show volume, categories and outcomes of complaints and performance/compliance with Housing Ombudsman Orders.

To this end it is proposed that the Cabinet Member for Health and Wellbeing fulfils this Member role, given that they are currently overseeing the Improvement Plan on behalf of the Joint Audit and Governance Committee Member. More detailed reporting on complaints can then be provided to the Joint Audit and Governance Committee as part of this Improvement Plan progress update going forward.

12. Freedom of Information Requests (P 19)

Under the Freedom of Information Act 2000 there is a statutory process for dealing with Freedom of Information Act requests within

a statutory timeframe, which is 20 working days from receipt of the request. A snapshot of the state of play was taken on 28/4/23 when there was a total of 49 outstanding FOIs for the service dating back to 2021, including:

- 17 for Adur Homes, of which 13 have been completed and 4 remain outstanding
- 32 for the rest of Housing, of which 28 have been completed and 4 remain outstanding

It is anticipated that these will all be completed by October 2023

As of 30/8/23 there were 28 open requests for information across Housing, including the 8 mentioned above. These are 3 Subject Access Requests and 25 Freedom of Information requests. Of the 28 open requests for information, 17 have passed the deadline of 20 working days. In addition to the FOIs recorded on 28/4/23, there have been a further 16 requests completed, 13 of which were within the deadline.

As confirmed above, progress continues to be made to respond to outstanding requests. Officers are continuing to monitor performance with Housing to help mitigate the issues and drive forward compliance.

4.3. Working with the Regulator in a changing legislative context

- 4.3.1. To monitor progress towards regulatory compliance the Regulator has stipulated that there will be 'intensive engagement' until Adur Homes is deemed to be compliant. The Regulator has reviewed our Improvement Plan and some of our early performance in relation to compliance and safety. It has expressed satisfaction with the plan, the scope of the work, direction of travel and the timelines that we have proposed.
- 4.3.2. Officers have been informed that the Regulator will want to receive third party assurance of rectification as we work towards the conclusion of this improvement plan, through an external consultant audit. This will be required prior to the removal of the notice.
- 4.3.3. It is important to note that the scrutiny of Adur Homes by the Regulator falls under the current regulatory standards. As previously reported, this year will see these standards change through the assent of the new [Social Housing Regulator Act 2023](#), which has now received Royal Assent. This will provide greater powers for tenants against serious

hazards in their homes, ensure a better quality of service and quality of life.

- 4.3.4. This new legislation will enact the reforms outlined in the [Social Housing White Paper](#) aimed at improving the regulation of social housing, strengthening tenants' rights and ensuring better quality and safer homes for residents. This is currently out to consultation.
- 4.3.5. This sets out a new charter outlining what every social housing resident should expect from their landlord:
- **To be safe in your home:** Landlords will be required to ensure every home is safe and secure
 - **To know how your landlord is performing:** Landlords will be held to account regarding repairs, complaints, safety, and how they spend their HRA money
 - **To have your complaints dealt with promptly and fairly:** The Ombudsman will be strengthened, giving swift and fair redress for tenants when needed
 - **To be treated with respect:** The Regulator of Social Housing will be strengthened and there will be improved consumer standards
 - **To have your voice heard by your landlord:** Tenant voice will be increased, for example, through regular meetings, scrutiny panels or being on housing boards
 - **To have a good quality home and neighbourhood to live in:** Landlords will be required to keep homes in good repair and the Decent Homes Standard will be reviewed
 - **To be supported to take your first step to ownership:** Increasing the supply of good quality social homes, and working to give as many residents as possible the right to purchase their own home.
- 4.3.6. As we work with the Regulator over the coming year, there will be a focus on the transition to these new standards to ensure that compliance is adapted to meet these.

5. Finding of Maladministration by the Housing Ombudsman Service

- 5.1. Members of the Joint Audit and Governance Committee are asked to note that following a resident complaint to the Housing Ombudsman (regarding an infestation of mice at a property), the Ombudsman has determined that:-

- In accordance with paragraph 52 of the Housing Ombudsman Scheme there was maladministration by the landlord in respect of the resident's report of an infestation of mice; and
- In accordance with paragraph 52 of the Housing Ombudsman Scheme there was severe maladministration by the landlord in respect of its complaints handling.

A redacted copy of the Ombudsman's investigative report is attached to this Report at Appendix 6 and Members are referred to pages 17 and 18. At Appendix 7 is the Ombudsman's Determination Letter dated 29th August 2023 which confirms the Orders made by the Ombudsman and the Ombudsman's next steps.

5.2. The Director for Housing and Communities has taken the following remedial steps to avoid further incidents of maladministration by the Council:

- Reviewed the complaints process and the system in place to support this work, focusing on early intervention.
- Developed a complaints action plan setting out a number of key actions required to improve the process of complaint and our responses to residents.
- Provided a clear direction to staff to ensure:
 - There is clarity around identifying key staff to manage and coordinate complaints;
 - All managers are trained to deal with and manage complaints effectively on behalf of their service area;
 - Contractors are informed of the importance of regular and consistent communications with residents during works;
 - Contractors are quality checked especially on larger schemes;
 - Other agencies are identified to support as soon as possible;
 - Officers accept responsibility where appropriate and put things right on behalf of the Council;
 - That we learn from mistakes and review outcomes to ensure they are not repeated;
 - We manage services with regard to equality and equity and respect to our residents.

In addition to the above remedial measures the newly appointed Head of Resident Services will, working closely with the Director for Housing & Communities, be leading on a thorough review and assessment of resident complaints handling and procedures.

6. Engagement and Communication

- 6.1. In undertaking this work a range of engagement and communication has been carried out, as referenced above as part of the Improvement Plan. In addition, Members have been briefed about this work throughout.
- 6.2. A communication and engagement plan has been developed and a new newsletter developed to inform residents about the work underway.

7. Financial Implications

- 7.1. 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.
- 7.2. However, to improve financial capacity to deliver any additional requirements arising which cannot be accommodated with the existing approved revenue budget the Council has re-engineered the depreciation calculation for Adur Homes. The calculation has been reviewed and the proportion of the overall valuation on council dwellings applied to residual value has been increased from 30% to 40%, residual value is not depreciated. The proportion applied is a matter for professional judgement and given the scarcity of land within the South East of England, we believe that this is appropriate. In addition to this change the council Instituted a de minimis value for componentisation where components are less than £10,000 in value are depreciated with the main structure, components are depreciated. This followed some benchmarking which identified that our depreciation charge per dwelling was significantly higher than other similarly sized Councils. The annual depreciation charge is transferred to the Major Repairs Reserve. This has built additional capacity into the HRA of around £400,000 a year.

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

- 7.3. 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.

8. Legal Implications

- 8.1. 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.
- 8.2. 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.
- 8.3. 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.
- 8.4. 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.
- 8.5. The Monitoring Officer has a duty to report on a finding of maladministration by the Ombudsman under s5 and 5A Local Government and Housing Act 1989

Background Papers

- [Adur Homes Compliance with Housing Regulator Standards - Joint Audit and Governance Committee 23 March 2023](#)
- [Regulatory Compliance Notice for Adur Homes - Joint Audit and Governance Committee 30 May 2023 and Adur Joint Strategic Sub-Committee 15 June 2023](#)
- [Newsletter for tenants and leaseholders - Adur & Worthing Councils](#)
- [Regulatory Standards](#)
- [Decent Homes Standards](#)
- [Housing Strategy: Enabling communities to thrive in their own home” 2020-2023;](#)
- [Social Housing Act summary](#)
- [The Charter for Social Housing Residents - Social Housing White Paper](#)

- [Landmark Social Housing Act receives Royal Assent to become law](#)
- [Adur District Council Constitution](#)
- [Our Plan](#)

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Sustainability & Risk Assessment

1. 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 to enter and 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 the Decent Homes Standard (and the other housing standards linked to tenant participation) 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 Council's 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 see to keep the neighbourhood and communal areas associated with the Adur Homes clean and safe, co-operate with relevant partners to promote the 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 to note and comment. Additional engagement has been undertaken with the Adur Joint Strategic Sub-Committee and the Adur Homes Management Board.
- 4.2 Further updates, including the improvement plan will be brought to the Joint Audit and Governance Committee on a quarterly basis.

Appendix 1 - Improvement Plan

Appendix 2 - Risk Assessment

Appendix 3 - Performance Indicators

Appendix 4 - Adur Homes Advisory Board amendments

Appendix 5 - Revised Compensation Policy

Appendix 6 - Maladministration report

Appendix 7 - Maladministration Determination Letter

Pri ori ty nu mb er	Relevant Standard to be addressed	Delivery outcome <i>This is the overall change we want to make</i>	Description of Activity 2023/24	Type of Initiative	Service Area accountable	Sponsor	Accountable Delivery Lead	Start date
1	Home Standard - Quality of Accommodati on	All properties meet the 'decent homes' standard	Review of assets and data that will enable informed decisions regarding the investment opportunities and future requirements for homes and ensure suitable systems are in place to support this work	Service/ efficiency improvement	Property and Technical Services	Head of Property Services	Asset Manager/HoP	01/05/23
2		A clear set of priorities for planned and cyclical maintenance and compliance work	Review current position and develop programme to meet regularity and legislative standards	Service/ efficiency improvement	Property and Technical Services	Head of Property Services	Asset Manager/Compli ance Manager/HoP	01/05/23
3		Develop a clear performance framework	Establish KPIs for each performance area that address regulatory standards and provide a common set of data for regular reporting	Service/ efficiency improvement	Property and Technical Services	Director for Housing & Communities	Strategy and Policy Manager	01/04/23

Pri ori ty nu mb er	Relevant Standard to be addressed	Delivery outcome <i>This is the overall change we want to make</i>	Description of Activity 2023/24	Type of Initiative	Service Area accountable	Sponsor	Accountable Delivery Lead	Start date
4		Effective integrated IT system supporting all housing activity	Deliver a programme of system improvements, upgrades and procurement, focusing on delivering asset management with an updated tenancy management system	Service/efficiency improvement	Property, Tenancy and Digital Services	Director for Housing & Communities	Digital Applications and Innovations Manager	01/05/23
5		Consolidated asset management stock condition data	Enhance IT capacity to manage stock condition data	Service/efficiency improvement	Property and Technical Services	Head of Property Services	Asset Manager/HoP	01/05/23
6		Stock condition audit programme	Improve asset information to inform investment decisions including identified work and budget costs	Service/efficiency improvement	Property and Technical Services	Head of Property Services	Asset Manager/HoP	01/06/23

Pri ori ty nu mb er	Relevant Standard to be addressed	Delivery outcome <i>This is the overall change we want to make</i>	Description of Activity 2023/24	Type of Initiative	Service Area accountable	Sponsor	Accountable Delivery Lead	Start date
7		Voids managed effectively	Review processes for managing voids to reduce cost and improve turn around time	Service/ efficiency improvement	Property and Housing Services	Head of Property Services	Compliance Manager/HoP	01/04/23
8	Home Standard - Repairs and Maintenance	Repairs service delivers first time fix - quality outcomes, value for money, and tenant satisfaction	Undertake a 'rapid review' of the repairs service and implement changes to the service as required	Service/ efficiency improvement	Property and Technical Services	Head of Property Services	Repairs Manager	01/05/23
9		Effective contracts in place for asset programmes	Review and where necessary reissue contracts for asset programmes	Service/ efficiency improvement	Property and Technical Services	Head of Property Services	Asset Manager/Compli ance Manager	01/05/23

Pri ori ty nu mb er	Relevant Standard to be addressed	Delivery outcome <i>This is the overall change we want to make</i>	Description of Activity 2023/24	Type of Initiative	Service Area accountable	Sponsor	Accountable Delivery Lead	Start date
10		Clarity and compliance with health and safety, compliance policies and procedures	Review and update all health and safety compliance policies and procedures to ensure effective control - develop a compliance dashboard	Legislative/ Regulatory Change	Property and Housing Services	Interim Head of Housing Head of Property Services	Service Managers	01/01/23
11		Clarity of data around compliance issues/progress	Review data to identify areas that require compliance action and initiate action to address this	Legislative/ Regulatory Change	Property and Housing Services	Head of Property Services	Compliance Manager/HoP	01/05/23

Pri ori ty nu mb er	Relevant Standard to be addressed	Delivery outcome <i>This is the overall change we want to make</i>	Description of Activity 2023/24	Type of Initiative	Service Area accountable	Sponsor	Accountable Delivery Lead	Start date
12		All health and safety compliance requirements are met	Ensure compliance with all legislative requirements for; <ul style="list-style-type: none"> - gas - fire safety - electrical safety (including EICRs) - legionella - carbon monoxide - asbestos - FRAs for sheltered housing - lifts and stair lifts - new building regulations 	Legislative/Regulatory Change	Property and Housing Services	Head of Property Services	Compliance Manager/HoP	01/01/23
13		An effective approach to managing damp and mould for tenants	Review and implement processes to proactively identify, prioritise and mitigate damp and mould	Legislative/Regulatory Change	Property and Housing Services	Head of Property Services	Compliance Manager/HoP	01/05/23

Pri ori ty nu mb er	Relevant Standard to be addressed	Delivery outcome <i>This is the overall change we want to make</i>	Description of Activity 2023/24	Type of Initiative	Service Area accountable	Sponsor	Accountable Delivery Lead	Start date
14		An effective customer access procedure	Review current access procedures for compliance work and ensure an effective procedure is in place	Legislative/ Regulatory Change	Property and Housing Services	Interim Head of Housing	Neighbourhood Services Manager	01/05/23
15	Tenant Involvement and Empowermen t Standard - Customer service, choice, complaints	Tenancy type allocated accurately	Review current tenancy type allocation policy and procedure	Legislative/ Regulatory Change	Housing Services	Interim Head of H	Neighbourhood Services Manager	01/08/23
16		Clear, accessible information for tenants	Update Tenant Handbook to provide clear information about services and tenant and landlord responsibilities. Improve the self-service offer for tenants	Legislative/ Regulatory Change	Housing Services	Interim Head of Housing	Neighbourhood Services Manager	01/05/23
17		Transparent and effective housing management polices	Review and update housing (tenancy and asset) management policies	Business Development and Service Improvement	Housing Services	Interim Head of Housing	Neighbourhood Services Manager	30/05/23

Pri ori ty nu mb er	Relevant Standard to be addressed	Delivery outcome <i>This is the overall change we want to make</i>	Description of Activity 2023/24	Type of Initiative	Service Area accountable	Sponsor	Accountable Delivery Lead	Start date
18		Leasehold properties are well managed	Develop new leaseholder management policies, including income and major works payment	Legislative/Regulatory Change	Housing Services	Interim Head of Housing	Leasehold and Right to Buy Manager	01/06/23
19		Complaints and FOIs are managed in line with service standards	Implement improved processes for managing: - complaints - appeals - FOIs	Legislative/Regulatory Change	Housing Services	Interim Head of Housing	Housing Business Support Team Leader	01/03/23
20		Tenants and leaseholders understand, and are engaged in, developing policy and practice	Develop and implement a Tenant Engagement Strategy that reflects best practice and a proactive approach to engaging tenants	Legislative/Regulatory Change	Housing Services	Interim Head of Housing	Tenant Engagement Lead	01/03/23
21		Tenant participation is resourced	Employ new Tenant Engagement Lead	Legislative/Regulatory Change	Housing Services	Interim Head of Housing		01/03/23

Pri ori ty nu mb er	Relevant Standard to be addressed	Delivery outcome <i>This is the overall change we want to make</i>	Description of Activity 2023/24	Type of Initiative	Service Area accountable	Sponsor	Accountable Delivery Lead	Start date
22		Tenants and leaseholders are informed and engaged	Regular communication about practice and performance	Legislative/Regulatory Change	Property and Housing Services	Director for Housing & Communities	Communications lead	01/03/23
23		Tenant satisfaction is measured	<p>Tenant Satisfaction Perception Survey for 100% of all tenants to report April 2024</p> <p>Review current mechanisms for collecting tenant satisfaction data t portal and STAR survey</p> <p>Investigate use of tenant portal to collect data and carrying out a STAR survey</p>	Legislative/Regulatory Change	Housing Services	Interim Head of Housing	Tenant Engagement Lead	01/04/23

Pri ori ty nu mb er	Relevant Standard to be addressed	Delivery outcome <i>This is the overall change we want to make</i>	Description of Activity 2023/24	Type of Initiative	Service Area accountable	Sponsor	Accountable Delivery Lead	Start date
24		Good housing representation from tenants, leaseholders and sheltered housing feeding into the work of the Adur Homes Advisory Board	Tenant, Leaseholder and Sheltered housing representation to be sought for the new Adur Homes Advisory Board	Legislative/ Regulatory Change	Housing Services	Director for Housing & Communities	Tenant Engagement Lead	01/03/23
25		Anti-social behaviour is effectively managed with resident involvement	Develop ASB policy for Adur Homes in accordance with Councils' wider ASB approach Secure ASB capacity for Adur Homes to deliver this work.	Legislative/ Regulatory Change	Lead for Early Help and Wellbeing and Neighbourhood Services Manager	Interim Head of Housing and Head of Community Capacity and Resilience	Neighbourhood Services Manager	01/04/23

Pri ori ty nu mb er	Relevant Standard to be addressed	Delivery outcome <i>This is the overall change we want to make</i>	Description of Activity 2023/24	Type of Initiative	Service Area accountable	Sponsor	Accountable Delivery Lead	Start date
26	Business objectives to support regulatory compliance	A leadership structure that enables AHs to serve its residents well	Review the staffing structure for Adur Homes and drive the necessary change to deliver a good structure, focus and right culture for service improvement	Business Development and Service Improvement	Housing Services	Director for Housing & Communities	Head of Property Services Interim Head of Housing	01/06/23
27		Strategic approach to asset management developed	Develop 5 year and then a 30 year SAMP to guide asset management decision making	Business Development and Service Improvement	Director for Housing & Communities and Director of Finance	Director for Housing & Communities	Head of Property Services	01/05/23
28		A long-term sustainable business plan for Adur Homes in place	Develop new 30 year Housing Revenue Account Business Plan Review options for the future direction of the service	Business Development and Service Improvement	Business Development & Finance	Director for Housing & Communities and Director of Finance	Director for Housing & Communities	01/04/23

Pri ori ty nu mb er	Relevant Standard to be addressed	Delivery outcome <i>This is the overall change we want to make</i>	Description of Activity 2023/24	Type of Initiative	Service Area accountable	Sponsor	Accountable Delivery Lead	Start date
29		An accountable service that makes decisions well	<p>Review governance arrangements to ensure clear accountability, oversight and scrutiny is in place against key service objectives and KPIs</p> <p>Provide support to the team managers on decision making and report writing</p>	Business Development and Service Improvement	Business Development & Policy	Director for Housing and Communities	Policy, Performance and Strategy Lead	01/05/23
30		Improve financial performance	Improve income and debt/cost recovery in line with Councils' new corporate debt policy and Proactive work	Business Development and Service Improvement	Housing Services	Director for Housing & Communities	Head of Housing & Head of Property	01/04/23

Pri ori ty nu mb er	Relevant Standard to be addressed	Delivery outcome <i>This is the overall change we want to make</i>	Description of Activity 2023/24	Type of Initiative	Service Area accountable	Sponsor	Accountable Delivery Lead	Start date
31		Embed all Audit recommendations into this Improvement Plan	Resolve outstanding Housing Audit Recommendations	Business Development and Service Improvement	Housing Property Services Interim Head of Housing	Director for Housing & Communities	Interim Head of Housing & Head of Property	01/06/23
32		A workforce fit for the future for Adur Homes	Implement a Workforce Strategy to support professional accreditation and skills development and the effective deployment of resources	Business Development and Service Improvement	AD Housing and Homelessness Prevention	Director for Housing & Communities	AD Housing and Homelessness Prevention	01/09/23

Probab ility Key	Impact Key	Risk Rating Key								
Low - 1	Low - 1	Low - 1-2								
Moder ate - 2	Moderate - 2	Moderate - 3-5								
High - 3	High - 3	High - 6								
			Pre Contr ol Meas ures				Post Control Measur es			
Housin g Improv ement Plan Referen ce/s	Risk/ Issue description	Impact/ consequence	Prob abilit y	Impac t	Risk Rating	Control Measure(s)	Probabi lity	Impact	Rating	Owner
All	Failure to comply with Social Housing Regulation	Reputational damage, increasing complaints from tenants & leaseholders about service levels, financial consequences for not being compliant	3	3	6	Establishment and monitoring of KPIs by senior management, council committees and the Adur Homes Board, systems and procedures in place - including rent analytics and escalation policy, IT system purchased, new HRA Business Plan	2	4	6	Adur Homes Board, Director for Housing & Communities
All	Housing Revenue Account income forecast not met.	Performance targets not met, insufficient funds for R&M, questions about viability of service	3	3	6	Establishment and monitoring of KPIs by senior management, council committees and the Adur Homes Board, systems and procedures in place - including rent analytics and escalation policy, IT system purchased, new HRA Business Plan	2	2	4	Adur Homes Board, Director for Housing & Communities
All	Loss of key staff	Poor service delivery, low tenant satisfaction, targets not met	3	3	6	Business continuity plans. Staff trained to cover. Contractors sourced for emergency/interim cover	1	1	2	Head of Housing
3, 5	Data collated/reported may be	Performance not able to be monitored, poor	2	3	5	Purchase of new integrated IT system and staff training	2	2	4	Head of Digital & Director

	inaccurate	decision making, compliance targets unmet								for Housing & Communities
5	Asset Management Plan is not fit for purpose	Poor asset management investment decisions	2	2	4	New Strategic Asset Management Plan developed identifying priorities for investment for the portfolio - new integrated asset management IT sytem purchased	1	1	2	Director for Housing & Communities & Director for Place
12	Health and Safety requirements are not met within the Housing stock relating to fire risk control, asbestos, legionella, gas and electrical safety, lifts and safe working practices within the housing stock.	Failure to meet Council's responsibilities leading to death or injury - Council held liable for this and/or damage to property	3	3	6	Audit of all compliance requirements, review of big 6 policies and procedures, new damp and mould policy - purchase of asset management sytem with fully integrated compliance tracking and reporting capacity - key compliance tenders in place and appropriately monitored - effective oversight through Council governance arrangements	1	1	2	Adur Homes Board, Director of Cmmunities Head of Property Services
1, 5	Regeneration of HRA stock not achieved	Properties deteriorating impacting on their value and tenant satisfaction, reduction in soacial housing stock in the Council impacting on homelessness outcomes	3	2	5	New Strategic Asset Management Plan identifying oinvestment priorities for the HRA - planned maintenance programme developed and contracts procured for Decent Homes and compliance work - delivery of capitial programmes closely moritred and tracked through a new KPI regime	2	3	5	Adur Homes Board, Chief Executive, Director for Housing & Communities
1, 5	New development targets not achieved	New, additional provision not delivered - increased need for TA if suitable housing offers cannot be made - Right to Buy receipts may not be able to be used for additional housing if not used within the timeframe allowed	3	2	5	Strategic Asset Managemernt Strategy identifies development targets which are regularly monitored, escalation pathways are in place where targets are slipping	1	1	2	Director for Housing & Communities & Director for Place

15	Allocations scheme is not fit for purpose	Nominations to RSLs not successful blocking up TA and PRS availability - appropriate stock not available to meet applicant need	2	2	4	Housing Strategy and local Housing Needs Assessment for Adur completed setting out priorities for property requirements and partnership arrangements with local RSLs	1	1	2	Head of Housing
30	Increase in rent arrears and poor debt recovery leading to evictions and impacting on homelessness	Loss of income for Council resulting in less capacity for service delivery - increased evictions and homelessness	2	2	6	Revised rent and debt management policies-improved IT system supporting tenancy management, arrears and debt performance targets set and regularly monitored	1	1	2	Head of Housing
All	Increasing complaints from tenants and leaseholders	Capacity to manage and respond to complaints is diminished and resources diverted, reputational and compliance risk	3	3	6	Revised complaints policy and procedures, effective triaging of complaints and appeals, appointment of new complaints officer, new IT system enables clear view of customer asset and tenancy records for quick response	1	1	2	Director for Housing & Communities
All	Tenant satisfaction is low and does not meet regulatory requirements	Tenant satisfaction levels do not show signs of improvement and do not meet regulatory thresholds leading to reputation and regulatory risk	3	3	6	Carry out the new TMS perception survey in accordance with statutory requirements in partnership with other Local Authority landlords - deliver improved satisfaction outcomes year on year	1	2	3	Head of Housing

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Adur and Worthing Housing and Homelessness Performance Indicators

Adur Homes

Number	Performance Indicator	Quarter 1 Total	Year End Total 2022/23	2023/24 Target	July 23 Result	Aug 23 Result	Sept 23 Result	Quarter 2 Total	Result Against Target - RAG rating	Direction of Travel	Reporting period
Tenancy Management											
1	Total rent collected										Monthly
2	Arrears as % of total rent due					3.75%					Monthly
3	Number of rent accounts in arrears										Monthly
4	Number of residents with a suspended possession order										Monthly
5	Total number of evictions	2	1		0	0					Monthly
Tenant Engagement											
6	Numbers of tenant/leaseholders attending meetings/ events										
7	Types of tenant engagement activity : surveys / 'have your say' meetings				3 - 'have your say' meetings / 41 - surveys completed by residents						
8	Tenant Satisfaction Measurement										
Right to Buy and Leaseholds											
9	Number of RTB Active applications	Not available			8	9					Quarterly
10	Total Leasehold Arrears as a % of annual rent roll *July result to be amended as % of rent roll	Not available			£235,535	1.80%					Quarterly
Feedback & Complaints											
11	Number of new complaints	47	138		16	16					Quarterly
12	Number of complaints not met in time	33	N/A		8						Quarterly
13	Number of new FOIs				7	4					Quarterly
Asset management - Repairs											
14	Number of responsive repairs completed	2337	9841		717	814					Quarterly
15	% of repair appointments met	84.5%	85.3%		63.71%	61.97%					Quarterly
16	% of repairs post-inspected	77.7%	85.22%		76.36%	65.22%					Quarterly
Voids											
17	Number of void properties (general needs & sheltered)	142			139	136					Monthly
18	Voids as a % of total stock	5.60%			5.5%	5.4%					Monthly
19	Average number of void days	307			303	317					Monthly
20	Void loss as % of total rental income	3.8%			3.8%	3.8%					Monthly
Asset management - Compliance											
21	% of dwellings Decent Homes Standard compliant	N/A			N/A	N/A					Monthly
22	Number of dwellings awaiting damp and mould survey				70						Monthly
23	Number of dwellings with works raised for damp and mould										Monthly
24	% of dwellings with an in-date gas safety certificate	99.30%			99.30%	99.30%					Monthly
25	% of dwellings with an in-date EICR	37.20%			41.90%	45.20%					Monthly
26	% of properties with an in-date ACM survey (asbestos)	20.50%			31.30%	31.60%					Monthly
27	% of properties with an in-date Water Risk Assessment	100%			100%	100%					Monthly
28	Number of new* disrepair claims										Monthly

Adur and Worthing Housing and Homelessness Performance Indicators											
Adur Homes											
Number	Performance Indicator	Quarter 1 Total	Year End Total 2022/23	2023/24 Target	July 23 Result	Aug 23 Result	Sept 23 Result	Quarter 2 Total	Result Against Target - RAG rating	Direction of Travel	Reporting period
29	Value of disrepair claims paid out										Monthly
30	% stock condition audit targets met	N/A			N/A	N/A					Monthly
Adur and Worthing											
Housing Register											
1	Total number live housing register applications - <i>Adur</i>	936	902		941	940					Monthly
2	Number of properties allocated - <i>Adur</i>	12	38		13	9					Monthly
3	Total number live housing register applications - <i>Worthing</i>	1796	1729		1812	1823					Monthly
4	Number of properties allocated - <i>Worthing</i>	35	106		22	5					Monthly
Homelessness											
5	Number of households in Temporary Accommodation (at end of quarter/month) - <i>Adur</i>	91			107	TBC					Monthly
6	Cases assessed as homeless or threatened with homelessness & a statutory duty owed - <i>Adur</i>	48	169		13	16					Monthly
7	Gross expenditure on Temporary Accommodation - <i>Adur</i>										Monthly
8	Number of people sleeping rough across the month/quarter - <i>Adur</i>	13			6	6					Monthly
9	Number of households in Temporary Accommodation (at end of quarter/month) - <i>Worthing</i>	349			351	TBC					Monthly
10	Assessed as homeless or threatened with homelessness & a statutory duty owed - <i>Worthing</i>	108	534		38	43					Monthly
11	Gross expenditure on Temporary Accommodation - <i>Worthing</i>										Monthly
12	Number of people sleeping rough across the month/quarter - <i>Worthing</i>	58			33	34					Monthly
Housing Development											
7	Number of new property commencements	0	74		0	0					Monthly
8	Number of new property completions	0	6		0	0					Monthly
Private Sector Housing											
9	New service requests received	79	359		20	27					Monthly
10	New enforcement notices issued	15	101		2	7					Monthly



[Proposed changes are highlighted in Italics]

Adur Homes **Advisory** Board

Terms of reference

1.0 Purpose

1.1 Adur District Council's residential housing stock is generally referred to as Adur Homes.

1.2 The purpose of the Adur Homes Advisory Board is to

- *advise on strategic and operational issues affecting the performance of Adur Homes*
- *scrutinise and challenge policies and procedures with a view to the long-term health and success of the business and the tenants and leaseholders of Adur Homes.*

2.0 Responsibilities of the Board

2.1 Contribute to the development of the strategic vision, values and objectives of the Adur Homes as incorporated into Adur District Council's plans and Adur District Council's role within the strategic housing and homelessness plans.

2.2 Ensure that Adur Homes operational practice and policies reflect the needs of all stakeholders including tenants, leaseholders and the broader community and that the organisation is inclusive.

2.3 Review service delivery in relation to tenancy and asset management and provide advice to support improvements in performance and service delivery.

2.4 Receive and review reports on the Adur Home's performance against key performance indicators including measures of tenant and leaseholder satisfaction, customer feedback, and customer service standards.

2.5 Assist in identifying issues relating to statutory or regulatory compliance, specifically in relation to the Regulator of Social Housing (RSH) consumer standards and report concerns to the Adur Joint Governance Committee and Adur Cabinet.

2.6 Advise the Adur Joint Audit and Governance Committee and Adur Cabinet where there are any serious performance concerns which require improvement.

2.7 Contribute to the development of Adur Home's efficiency and value for money strategy, with particular reference to operational service delivery.

2.8 Ensure that all aspects of Adur Homes services are delivered with respect for fairness and inclusion.

3.0 Composition of the Board

3.1 The board will consist of the following

Board Role	Officer Title	Name	Email
Cabinet Member lead role	Adur Cabinet Member for Customer Services and Housing	Cllr Carson Albury	carson.albury@adur.gov.uk
Tenants representative	The chairperson of the Adur Homes general housing tenants representative group	Vacant	
<i>Member representative of the Joint Audit and Governance Committee</i>	<i>Cabinet Member for Health and Wellbeing</i>	<i>Cllr Kevin Boram</i>	<i>kevin.boram@adur.gov.uk</i>
<i>Member of the Joint Overview and Scrutiny Meeting</i>	<i>Councillor</i>	<i>Councillor Mandy Buxton</i>	<i>mandy.buxton@adur.gov.uk</i>
Sheltered housing representative.	The chairperson of the sheltered housing tenants residents representative group	Vacant	
Leaseholder representative	The chairperson of the leaseholder representative group	Gloria Eveleigh	gloriaeveleigh@icloud.com
Young person's		Vacant	

representative			
Accountable strategic officer	Director for Housing and Communities	Tina Favier	tina.favier@adur-worthing.gov.uk
Accountable chief finance officer	Chief Financial Officer (ir delegate)	Emma Thomas (Donna Temple)	emma.thomas@adur-worthing.gov.uk donna.temple@adur-worthing.gov.uk
Senior Officer	Interim Head of Housing	Amanda Eremie	amanda.eremie@adur-worthing.gov.uk
Senior Officer	Head of Property Services	Keith Meredith	keith.meredith@adur-worthing.gov.uk
Strategy/Policy Manager	Homeless Prevention Team Leader	Catriona Donnelly	catriona.donnelly@adur-worthing.gov.uk

4.0 Board Meetings

4.1 The Board will meet four times per year to coincide with the quarter end reporting.

4.2 Additional meetings can be convened where business is critical but the use of special meetings will be avoided as much as possible.

4.3 After the first meeting of a Board, the Board will agree the date of the next meeting

4.4 Members will receive at least seven (7) days' notice of a meeting however, a forward plan will be agreed and papers will be sent out the week before the meeting.

5.0 Code of Conduct

5.1 The Board will operate within the Adur District Council's [Code of Conduct for Members](#)

6.0 Training and Development

6.1 The Board will agree to an annual training and development plan as part of its annual appraisal of the Board's and its effectiveness.

6.2 Board Away days will be hosted at least once a year. The purpose of Board Away days is to deliberate and provide input into the strategic direction of the Adur Homes, to dedicate more time to specific issues, and to include training and development to raise Board awareness of external issues and requirements.

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ADUR DISTRICT
COUNCIL

Adur Homes

Interim Compensation Policy

Adopted: March 2023

Review Date: September 2024

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1. Aims and Objectives

- 1.1 Adur District Council (“ADC”) is committed to providing an excellent service to its customers at all times, however, we recognise that there will be occasions when our services may not meet these high standards and customers are inconvenienced as a result.
- 1.2 Where a complaint is justified, an acknowledgement and apology will normally be sufficient. However, we recognise that where a complainant has suffered some disadvantage, inconvenience or loss as a result, other remedial action may need to be considered. This includes financial compensation.
- 1.3 This policy applies to tenants and leaseholders of ADC. It covers both mandatory compensation and discretionary compensation. Discretionary compensation relates to loss, damage or inconvenience due to a failure in service.
- 1.4 The aims of the Compensation Policy to make it clear the circumstances in which compensation will be paid
 - To ensure fairness and consistency when calculating compensation
 - To provide guidance on how and when compensation can be claimed
- 1.5 While each case will be considered individually based on the circumstances, this policy aims to promote a consistent approach that is reasonable, fair and treats all customers equally.

2. Scope

- 2.1 This policy outlines the circumstances when we might pay compensation to a tenant or leaseholder.
- 2.2 This policy does not apply to people who may be occupying any of our properties by way of license, or to other members of the public to whom we do not have a housing related contractual relationship.
- 2.3 This policy should be read in conjunction with ADC Housing Complaints Policy.

3. Legal Framework

- The Commonhold and Leasehold Reform Act 2002
- The Secure Tenants of Local Housing Authorities (Right to Repair) Regulations – Statutory Instrument 1994 No. 133

- The Housing Act 1985 and the Secure Tenants of Local Authorities (Compensation for Improvements) Regulations 1994 – Statutory Instrument 1994 No. 613
- The Leasehold Reform, Housing and Urban Development Act 1993
- The Land Compensation Act 1973 as amended by the Planning Act 1991
- The Secure Tenants of Local Housing Authority (Compensation for Improvements) Regulations 1994 and Local Government 2000 and Home Loss Payments (Prescribed Amount) England Regulations 2007, 2020 and 2022 and 2023.

4. Circumstances in which Compensation will be Issued

4.1 There are two types of compensation covered by this policy: compensation that ADC is obliged to pay (mandatory compensation required by law), and discretionary compensation which we can choose to pay where circumstances warrant.

4.2 **Mandatory Compensation** - ADC is obliged to award mandatory compensation under:

4.2.1 Right to Repair

The Right to Repair scheme sets out certain repairs that require completion within a certain timescale. Such repairs include small repairs which can be done quickly and easily and urgent repairs where there is a possible risk to health, safety and/or security. These repairs are known as 'Qualifying Repairs'.

Adur District Council is developing its approach to qualifying repairs and these will be added to the Compensation policy following consultation with Adur Homes Management Board.

4.2.2 Improvements

Customers may be entitled to claim compensation for improvements that they have carried out to the property. Any such entitlement is an entitlement to compensation (in certain circumstances), not an entitlement to improve.

Adur District Council is developing its approach to compensation for improvements and these will be added to the Compensation Policy following consultation with Adur Homes Management Board.

4.2.3 Home Loss and Disturbance

Where a customer is required by ADC to move to another property, compensation will, where appropriate, be paid in accordance with the Home Loss Payments (Prescribed Amount) England Regulations 2023. Such payments are made in recognition of the personal distress and inconvenience experienced by customers who need to leave their home through no fault of their own.

4.2.4 Right to Buy

Customers who have made an application to buy their home are entitled to claim compensation if the sale has not completed within the statutory timescales, as a result of ADC's inaction. By way of compensation, ADC will deduct a sum from the final purchase price, calculated by multiplying the weekly rent by the number of weeks that the sale has been delayed.

To make a claim for such compensation, the customer is required to (1) provide an "Initial Notice of Delay" form to ADC, providing one month in which to resolve the delay and (2) provide a further "Operative Notice of Delay" form, if the delay is not resolved within that month.

4.3 Discretionary Compensation – ADC may pay discretionary compensation in the following circumstances:

4.3.1 Loss of Room or Facility

Compensation in the form of a rent rebate may be paid when a customer is not able to use a room(s) in their home because of a repair issue that is our responsibility, and which caused prolonged and unreasonable disruption. We may not pay compensation for a fault or loss that is caused by the customer's misuse, negligence or damage.

4.3.2 Failure of Amenity or Service

Compensation in the form of a service charge refund may be paid when a service that is charged for via service charge, and is the responsibility of ADC, has failed and the deadline for completing the repair has passed. Compensation may not be payable if the loss is due to planned works agreed in advance with the customer or the loss of facility is caused by a utility supplier or the customer's misuse, negligence or damage.

4.3.3 Damage to Decoration or Fixtures

While carrying out repairs, improvements or other works there may be unavoidable damage to a customer's decorations or fixtures. ADC will endeavor to identify possible damage before starting any works and will discuss with the customer options available to minimise the damage. Where decorations or fixtures are damaged as a result of works carried out by ADC or its agents, the resident may be offered the choice to allow ADC or its agents to rectify the damage or be paid an allowance to carry the work out themselves. ADC will consider the value of the fixtures at the time of the loss and/or damage rather than the full replacement value.

4.3.4 Failure to follow Housing Landlord Service Procedure, Policy or Guideline

In these circumstances' compensation may be paid as a gesture of good will and will be paid without prejudice. Compensation will only be considered where the customer has experienced actual and proven financial loss and/or severe avoidable inconvenience, distress, detriment or other unfair impact of service failure. ADC will not pay compensation for loss of earnings due to service failure. However, may offer a goodwill payment in recognition of the time and trouble the customer may have taken to get the issue resolved.

5. Circumstances in which Compensation will Not be Issued

5.1 This policy does not cover the following claims:

- Claims that are covered by ADC's liability insurance
- Claims that would normally be dealt with by ADC's insurers
- Claims that should be covered by a home contents insurance policy, this includes damage to a customer's belongings such as floor coverings caused by flood or fire
- Claims for personal injury
- Claims for loss of earnings
- Claims where a legal claim has been issued

5.2 ADC will not consider making an offer of compensation where:

- The loss damage or service failure was caused or significantly contributed to by the customer, a member of their household or visitor. This includes a failure to report a repair promptly or to keep an appointment
- The cause of the loss, damage or service failure was reasonably unforeseeable and/or caused by a third party and/or ADC had no control over the cause. This includes a water leak from a neighbouring property not owned by ADC
- The cause of loss damage or service failure was the result of extreme or unforeseen conditions. This includes adverse weather
- The cause of loss of amenity such as the supply of gas, electricity or water is outside of ADC's control

5.3 Compensation under this policy is not intended as a substitute for home contents insurance. Customers should ensure they have sufficient home contents insurance to cover damage to their property that occurs through no fault of ADC.

5.4 Compensation is not automatic and will not apply where a service failure or mistake has not caused any inconvenience or loss and has been easily and quickly remedied.

6. Investigating Claims and Calculating Compensation

- 6.1 ADC will investigate all claims thoroughly. Officers investigating claims should consult all relevant service area policies, procedures or guidance in determining whether or not ADC is responsible for the service failure.
- 6.2 Where it is determined that discretionary compensation is appropriate, the amount of compensation should be fair, reasonable, justifiable and proportionate in the circumstances of the case. Officers are expected to use their reasonable discretion when considering individual cases.
- 6.3 Prior to a payment of compensation being offered to the customer the appropriate authorisation must be obtained, as follows:

Level of impact	Inconvenience cause	Authorisation level
	One instance of mild inconvenience	Manager
	A succession of service failures and/or the problem has not been resolved within a reasonable timescale	Head of Housing/Technical Services
	Serious or prolonged service failure resulting in severe stress, disruption, inconvenience, or loss of income	Corporate Head of Housing

- 6.4 Each case will be considered on an individual basis and take into account all relevant known circumstances and supporting evidence. Reports of loss or inconvenience will be investigated and compensation payments may be paid at the discretion of the investigating manager and where appropriate compensation will be offered. Any payments to our customers are used to offset rent or other arrears or debt in the first instance. In determining an appropriate discretionary compensation payment, all relevant circumstances of the matter will be taken into account, including:

- Duration of the issue
- Circumstances of the customer and their household, including any vulnerabilities or specific needs

- Quantifiable financial loss that would otherwise have not been incurred.
Quantifiable loss could include: increased heating bills due to disrepair, having to pay for alternative accommodation or take away food, paying for cleaning or carrying out repairs where Adur Homes has failed to meet its obligations. Any such costs must have been reasonably incurred and evidence of such loss has been provided.
- Unquantifiable financial loss that would otherwise have not been incurred
- Distress and inconvenience to the customer as a result of the service failure and in seeking to resolve the issue
- Time and trouble of the customer
- Actions of the customer, household or visitor, whether the mitigated or contributed to any loss damage distress or inconvenience
- The levels of compensation awarded for similar cases by the Housing Ombudsman

6.5 Assessment Guidance

6.5.1 Delay and Distress

	Impact on Customer			
Level of ADC's Responsibility	No Impact	Low Impact	Medium Impact	High Impact
None				
Partial				
Full				

Compensation payments for delay and distress will be made based on the level of ADC's responsibility for the loss or inconvenience and the degree of impact on the customer. This matrix is used to assess impact and inform any compensation award that may be made.

Low Impact

Where the complaint is upheld but no significant inconvenience or distress was caused, and the impact has been no more than a reasonable person could be expected to accept. Any compensation is offered as a token in acknowledgement of ADC's responsibility.

Medium Impact

Where inconvenience and/or distress has clearly been caused. A repeated failure of a low impact event could result in the impact being increased to medium impact.

High impact

Where there is a serious failure in service. This could either be due to the severity of the event and/or a persistent failure over a prolonged period of time, or where an unacceptable number of attempts to resolve the complaint have failed.

6.5.3 Gesture of Goodwill

ADC may decide, even without acceptance of fault, to offer a gesture of goodwill. This can take the form of a physical, token or financial gesture. Such gestures of goodwill will be considered on a case by case basis.

- 6.6 The relevant officer will decide on a case by case basis the most appropriate way to pay the compensation. ADC will provide an explanation of how the discretionary compensation has been calculated so that the customer is clear as to the basis for the payment.

7. Payments

- 7.1 Confirmation of an offer of compensation will be confirmed to the customer in writing. A customer is required to confirm in writing their acceptance of the offer prior to any payment being issued.
- 7.2 ADC considers acceptance of discretionary compensation to be a full and final settlement of a case. Cases will not be reopened, nor further compensation considered via the same or alternative process unless the circumstances of the original case have significantly changed or escalated.
- 7.3 Any payment or other form of discretionary compensation under this policy is not an admission of liability by ADC.
- 7.4 Where the customer owes money to ADC in connection to housing services, such as rent or service charges, any compensation will be credited directly to the relevant account by way of offset against the balance owing. The exception to this is if the compensation offered is intended to be used for a specific purpose, for example, to replace a damaged item. In such circumstances, the payment of compensation will be made to the customer.

8. Appeal and Review

- 8.1 A customer can appeal the refusal of any claim for compensation or the level of compensation awarded under this Policy.

- 8.2 Where a customer seeks to make an appeal, they should do so by making a formal

complaint through the Adur Homes Complaint Policy.

9. Other remedies

9.1 It may be appropriate that other action is taken to remedy a complaint either separately from or in conjunction with an offer of financial compensation. These may include practical action – such as remedial decorations which might otherwise be the customer's responsibility, or non-financial gestures of goodwill.

10. Compensation Payments Ordered by the Ombudsman

10.1 When a complainant escalates a complaint to the Housing Ombudsman Service, having exhausted ADC's formal complaints process, ADC will pay compensation and/or carry out works or follow action to comply with the Housing Ombudsman's recommendation.

11. Performance Monitoring

11.1 ADC will review its services with the aim of achieving continuous improvement and to ensure compliance with best practice.

11.2 ADC will monitor its performance in acting and learning from complaints – ADC notes that compensation payments are relevant to this.

11.3 To help achieve ADC's aims of ensuring continuous improvement in the services it provides and to ensure that all statutory obligations are met, systems and processes will be implemented to monitor and evaluate performance.

12. Review of Compensation Policy

12.1 This policy will be reviewed after year 1 to evaluate its effectiveness and after that every 5 years unless there is a change in legislation or regulation.

12.2 Statutory amounts that are subject to annual uplift will be automatically added without the need for the entire policy to be reviewed.

12.3 Where there has been a change in legislation which has an impact on the policy, the policy will be reviewed within a reasonable time of the legislation or regulation coming into effect.

13. Equality and Diversity

13.1 ADC will ensure that this policy is applied fairly and consistently to our customers.

13.2 This policy will be implemented in accordance with ADC's Equality and Diversity Policy.

13.3 This policy and any other related publications of ADC are available in other formats

upon the request of a customer

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Housing

Ombudsman Service

REPORT

COMPLAINT 

Adur District Council

29 August 2023

Our approach

The Housing Ombudsman's approach to investigating and determining complaints is to decide what is fair in all the circumstances of the case. This is set out in the Housing Act 1996 and the Housing Ombudsman Scheme (the Scheme). The Ombudsman considers the evidence and looks to see if there has been any 'maladministration', for example whether the landlord has failed to keep to the law, followed proper procedure, followed good practice, or behaved in a reasonable and competent manner.

Both the resident and the landlord have submitted information to the Ombudsman, and this has been carefully considered. Their accounts of what has happened are summarised below. This report is not an exhaustive description of all the events that have occurred in relation to this case, but an outline of the key issues as a background to the investigation's findings.

The complaint

1. The complaint is about the landlord's handling of:
 - a. The resident's report of an infestation of a mice.
 - b. The associated complaint.

Background and summary of events

2. The resident is a secure tenant of the landlord, a local authority. The tenancy commenced on 19 September 2016 and the property is a flat. Since the complaint was brought to this Service, the resident moved to alternative accommodation on 18 February 2022.
3. The resident has [REDACTED] which the landlord is aware of. [REDACTED]
[REDACTED]
4. On 19 November 2020 the landlord sent a letter to the resident to advise that on 25 November 2020 it was carrying out a survey of the whole of the block in order to look for evidence of mice. It said that it appreciated it was short notice, but it would require access to the property. It invited the resident to contact it if he had any questions or concerns.
5. On 24 November 2020 the resident's [REDACTED] called the landlord in the morning to report a mice infestation in the resident's kitchen. Later that day the resident called the landlord and said:
 - a. He had already reported that contractors had left holes in his kitchen walls and mice were now getting in as a result.

- b. He had to have some of the kitchen dismantled in order for works to be completed. As he was [REDACTED], he was not in a position to do this again and financially could not afford to get someone to do it for him.
 - c. He had been informed that pest control was his responsibility but felt this was unfair under the circumstances. He requested a call back.
- 6. The resident called again the next day to chase a response. There are no records to show whether the landlord called the resident back.
- 7. On the same day the landlord's pest control contractor attended to complete an inspection of the entire block. The report said:
 - a. It knocked on the resident's door to inspect but there was no answer.
 - b. There were no obvious entry points for mice.
 - c. Proofing had been carried out to various pipes.
 - d. Pointing around the brickwork at ground level was poor.
 - e. It was significant that external doors were sometimes left open and ground floor balconies had doors left open even in the rain. This would be a possible entry point.
 - f. It was unable to ascertain the full extent of the infestation as many residents were not home or did not answer the door.
 - g. A three-month control programme in the current affected properties along with proofing should be undertaken.
 - h. Avoiding a reinfestation could not be guaranteed owing to the points raised above.
- 8. On 16 December 2020 the resident contacted this Service, and we contacted the landlord about the complaint. In summary we said:
 - a. The resident had complained about the landlord's response to his reports of mice infesting the property and its handling of his request to repair holes in his kitchen wall left by contractors in July or August 2020. He said that mice were getting in through the holes.
 - b. The resident had also complained about the length of time the landlord was taking to resolve the issues and that it had not considered his [REDACTED] while dealing with his complaint and service requests.
 - c. We asked the landlord to contact the resident for further details of the complaint and resolution sought.
 - d. We suggested that the landlord may wish to consider the following resolution:

- i. The property to be inspected, a schedule of work with completion dates to be provided to the resident and all remedial works be completed within an agreed timeframe.
 - ii. Consider redress for its handling of the repairs and any delays in completing these.
 - e. If the resident was yet to exhaust the complaint process, then to get in contact with the resident to discuss the outstanding issues and provide a written response and ensure this was done within the timescales of its complaint policy.
9. On 22 December 2020 the landlord's pest control contractor attended the resident's property amongst other properties and placed bait in the kitchen. It attended again on 5 January 2021 but was unable to gain access to the resident's property. It returned on 6 January 2021 and reported that some of the bait had been taken but there was still sufficient left for ongoing control of the infestation. It would revisit in four weeks.
10. On 2 February 2021 the pest control contractor visited the resident's property to inspect. It stated that the property was undergoing refurbishment and that there had been some small activity in the kitchen area. It would follow up in four weeks.
11. On 8 March 2021 the resident contacted this Service, and we contacted the landlord on behalf of the resident. We said:
- a. We acknowledged that a complaint response had been issued on 24 December 2020, but this response was about the adaptations which was a case that had already been referred to this Service for investigation.
 - b. The complaint response did not address the handling of the pest infestation and repair of holes in the kitchen. We asked the landlord to engage with the resident and issue a complaint response on the outstanding issues within 20 working days.
 - c. The response should clarify what stage the landlord was responding to, the finding into how the issues had been handled, detail remedial action and include details of how the resident could escalate the complaint if he remained unhappy.
12. The landlord responded on the same day and confirmed the issues were still outstanding and had not been addressed. It stated that it had started the stage one complaint process.
13. On 29 July 2021 the resident called the landlord and said that the landlord instructed the main supplier of gas to fit new gas supplies for all residents the previous year. This was to ensure everyone was on an individual supply. He was unhappy with the works as the company failed to block holes left after moving the

meter from the hallway to the kitchen and replacing the pipes. He had found mice droppings on the shelf next to the gas meter, and had seen mice behind the meter. He said this was exasperating his health conditions, and he had tried complaining but had not got anywhere. He said this appeared to be an issue throughout the block. Records do not confirm that the landlord returned the resident's call.

14. On 31 August 2021 the landlord's pest control contractor visited the block. The report said:
 - a. It had visited the property previously to carry out rodent control however residents had missed or were not available for the appointments. It only managed two visits and was unable to retrieve the bait boxes at the end, so it was not clear how successful the treatment was.
 - b. There were no obvious entry points around the perimeter of the block but the pointing on the brickwork had eroded to the effect that a "determined" rodent could climb up them.
 - c. Tenants were leaving the main communal door open. This would have allowed mice inside and gaps under residents' front doors were big enough to allow mice in.
 - d. There was a build-up of rubbish in places and pictures were attached. There was a hole in the brick work outside the resident's property but inspection of the brickwork behind the rubbish was not possible.
 - e. No further treatment was done as no residents answered their doors.
15. On 23 September 2021 the landlord visited the resident. The resident told the landlord that mice were getting through a gap around a pipe and possibly through the vent in the area to the side under the kitchen sink.
16. Internal email correspondence dated 1 October 2021 attached photographs from the visit of 23 September. The landlord said:
 - a. Pest control was required to treat the mice.
 - b. The property was [REDACTED], and this would need to be addressed to facilitate the pest control treatment. It was likely that mice were nesting in piles of undisturbed possessions. If treatment was started there was a possibility that the vermin could die under the possessions and cause a further health hazard.
17. On 4 October 2021 the landlord sent a letter to all residents about the storing of items in the communal areas. It stated these posed a health and safety risk and asked that items were removed as soon as possible. It stated that it would

inspect again, and stickers would be placed on items and the cost of removal of the items would be charged.

18. On the same day the resident called the landlord to follow up a visit from just over a week ago. He requested that the holes to the gas pipes be filled as mice were coming into his property via the cavity walls. He said the dust coming in from the walls was exacerbating his [REDACTED], he was seeking legal advice, and wanted a date within the next week as to when the works would be finished. He stated the repairs should be completed despite his upcoming move.
19. On 6 October 2021 the resident called the landlord several times. In summary he said he was emotionally distressed by the letter received dated 4 October 2021 which threatened to remove his belongings from the communal area. He said the landlord knew the possessions were only there due to renovations it had not completed. He also said the landlord had not given him a move date or a solution to fix any of the problems in the property, he had nowhere to put his belongings, and this was explained and agreed during a recent visit by the landlord. He requested a call back.
20. On 7 October 2021 the landlord emailed the resident confirming it had received his telephone messages and had tried to call him twice the previous day and once that day. It asked him to call back. On 9 October 2021 the resident responded and asked if the landlord could deal with the matter via email.
21. On 11 October 2021 the landlord emailed the resident. It said that following its visit it had been advised that items stored outside his home needed to be removed immediately. It was aware that he had stored items to make space to allow it to attend to seal the holes, however during the visit it assessed his home as on the [REDACTED] and there was a necessity to free his home from clutter. It stated the items needed to be removed from the communal area immediately, and offered to clear the items should he wish it to. It said it was chasing an appointment date for it to attend to seal the holes.
22. The resident responded on 13 October 2021 and asked why the repairs had not been completed so he could put his belongings back in his property. He stated the landlord had had weeks to do this since he cleared the space for the inspection and the work to be done.
23. The landlord emailed the resident on 14 October 2021 and said:
 - a. Its maintenance team had visited the resident that day to block the access points to his property to prevent the vermin infestation in his home.
 - b. The next stage in the process was to engage pest control services.

- c. There were concerns that due to [REDACTED] pest control steps could fail. It asked how best it could support him to clear the property in preparation for his proposed move.
 - d. It asked if he could share his current support service contacts so that it could work out a strategy of how to create space in the property.
 - e. If any items were stored in the communal area after 15 October 2021, then the items would be removed as they were a fire hazard. It asked if the items could be removed immediately.
24. Later the same day internal emails evidenced that the resident had contacted the landlord's out of hours team. He said that he could not tolerate the "smell or filth" from the level of the infestation of mice. He had an [REDACTED] and his [REDACTED] was worse. He was advised by the out of hours team that it was not aware of any diseases from mice that would cause this.
25. The resident said he thought that the landlord would block the holes up that day when they visited but it did not. He had taken considerable care to keep the property clean and dropping free.
26. The out of hours team placed him in hotel accommodation for one night but advised that he would be contacted in the morning by its housing team to establish the extent of the issue.
27. Internal emails of 15 October 2021 show that the landlord determined the placement was an exception and that it would not place the resident in the hotel again. It asked its tenancy services team to contact the resident and advise him to contact his GP or A&E if the symptoms continued. It also said that he needed to be advised that any treatment was unlikely to be effective until the property was decluttered.
28. The landlord contacted the resident on the same day. It was informed by the resident that its contractor who attended the previous day did not complete works but completed a further inspection which had already been done. It asked its maintenance team to contact the resident that day to complete the works as agreed. Once this was done it would help to deal with clearance of the communal area, moving home and support issues.
29. On 20 October 2021 the landlord's pest control contractor attended the resident's property. It confirmed that the mouse infestation had returned, and it placed bait points in the kitchen. It stated it would revisit in one week.
30. On 26 October 2021 the resident contacted the landlord. He said he had been advised by Citizen Advice to declare himself homeless. The mice infestation in his flat was causing him [REDACTED], and he was [REDACTED]. He said he was currently sleeping on the floor of a houseboat.

31. On the same day the county council contacted the landlord. It said that the resident had contacted its service about his property being uninhabitable and that he would not be returning to his property that night. It requested a call back.
32. The resident called the landlord On 27 October 2021 and asked for emergency accommodation. He said that his GP and Social Services had said that his property was uninhabitable. On the same day the resident's [REDACTED] emailed the landlord and said that the resident was not [REDACTED] but trying to downsize from his previous accommodation. The issues were due to the pipework and contract as explained when the landlord visited. She asked it not to involve Social Services.
33. Internal emails of 28 October 2021 show that the landlord had requested contact be made with its pest control contractor as a week had passed since it had done the treatment.
34. The landlord emailed the resident on 28 October 2021. It thanked him for his emails and said:
- It was aware that he was contacting several agencies and different departments within the council.
 - The pest treatment company would be visiting again to check the baits that had been laid and he would be contacted with a date. The treatment would not be effective if there were so many items in the property that could easily create a nest and provide easy access to food and water source for the mice.
 - It visited his property because of the resident's concern about [REDACTED] works done. It agreed that some of the work could have been better but it did not make the property unsafe or unusable. The property should not have been [REDACTED] as the bathroom was too small to allow the [REDACTED] recommended by [REDACTED]. For this reason, it had agreed to offer an alternative property which was now being [REDACTED]
 - If the mice infestation in his current property was not properly treated, It would move with him into the new flat. Keeping belongings outside created a suitable warm place for the mice to nest as the weather got colder. The infestation would continue when he moved the items in doors. It could also cause a bigger infestation as the items left outside enabled the mice to multiply.
 - As it was already [REDACTED] another property it would not carry out any further work on his current property. It had asked all current [REDACTED] him to work together to support him to deal with the infestation and help him prepare for the move to the new property once the [REDACTED] were complete.

- f. As no repair works were planned it was important for him to remove the items he had stored in the communal area.
35. The resident responded that the holes were still left where he had told the landlord they were. He said he would ask [REDACTED] to take some photos as he was unwell, and these would be sent to all agencies later that day. He said the landlord had not completed an inspection despite many requests from him that week. In a second email he requested that someone attend that day to make good the gas pipework as it was access to the property for mice. He asked for this to take place after 2pm as [REDACTED] would be present and would be able to facilitate access.
36. Later that day internal emails show that a local councillor contacted the landlord to ask if the resident had a social worker. The email stated that its repairs team had confirmed that the proof work had been completed around the gas meter, and that all holes had been blocked with wire wool, mesh, and "fila". The landlord also contacted [REDACTED] who advised that the resident was on a waiting list to be re-assessed.
37. Also on 28 October 2021 the landlord's pest control contractor visited the property. Its report said:
- a. Initially the resident refused entry as he had forgotten there was another appointment that day. The resident then called the contractor as he was leaving and asked him to remove the bait points as he said the bigger mice were dying in his flat which was causing his [REDACTED] to flare up.
 - b. The mice had not taken any of the bait points in the last week indicating that there were no mice in the property. The resident did point out some old mouse droppings, but it was difficult to say how old they were as droppings dried up quickly. The resident also misidentified some old food waste as mouse droppings.
 - c. The resident said that the proofing work required around the gas meter had not been completed and there was no point in any further treatment until the landlord had completed the works.
38. On 29 October 2021 the landlord met with [REDACTED]. It said:
- a. It was agreed that as the landlord it would engage with the resident to remove the clutter in the property pending the move to alternative accommodation.
 - b. The resident received money each week to arrange his own [REDACTED].
 - c. Clearance of the property had not been achieved as the resident was concerned that there was a continuous flow of dust coming in from the cavity walls which he said rendered his property uninhabitable due to [REDACTED].

- d. A meeting would be put in place to clarify:
 - i. The outstanding repairs.
 - ii. How it would identify the home is uninhabitable. It had previously asked the resident to seek a GP referral, but he had not done this.
 - iii. What actions would be necessary to safeguard the resident's wellbeing.
- e. Once it could address the above it could communicate the decision to the resident.

39. On 29 October 2021 the resident sent photographs of holes around the piping.

40. On 30 October 2021 [REDACTED] contacted the resident by email in response to an earlier phone call it had with the resident. It said that it understood he had stayed in a hotel the night before but had slipped and fallen in the level access shower. He had made the decision to leave and stay with his father but could not remain there. It had contacted his landlord who had advised that emergency housing was not being provided as his property was considered suitable for him to return to. As the situation pertained to his landlord it was unable to offer support to his enquiries.

41. On 1 November 2021 the landlord emailed the resident and all agencies involved including [REDACTED] informing them of the history of the case. It said it would invite them to a multi-agency meeting to discuss and agree how they could support the resident to resolve the issues.

42. On 2 November 2021 the resident asked the landlord to stop writing "false information" about him and sharing it with other agencies. He said he felt upset by what was said in the previous email, and he felt that it should be a simple repair matter.

43. The landlord responded and apologised that he felt the information shared was incorrect. It said the information shared was based on observation from a previous visit and the emails both the resident and other agencies had shared. It also explained the concerns it had for his safety and his health.

44. The landlord said its aim was to support the resident to enjoy his accommodation. It had visited the property twice and filled up the holes that had been pointed out. It had been told by its pest control that none of the baits had been taken which indicated that no mice were in the property. As the resident had asked it to remove all the bait points there was no other way to treat the mice. It had copied the resident into the emails so that he could see that all agencies were trying to help as best they can.

45. The multi-agency meeting went ahead on 15 November 2021. Two friends of the resident also attended but the resident did not. In summary the minutes of the meeting recorded that:

- a. The resident was paying for alternative accommodation because he considered his property was uninhabitable despite housing affirming that it was suitable. He had to leave that accommodation on 17 November 2021.
- b. Serious concerns were raised about the resident's wellbeing. He did not have any [REDACTED] currently and there were concerns about his ability to find appropriate [REDACTED].
- c. The resident was on a list to be allocated a [REDACTED].
- d. Consideration was given to the landlord providing temporary accommodation after 17 November 2021 as a short-term measure. There were concerns about finding appropriate accommodation with short notice given the [REDACTED] needs of the resident. It was agreed to try to support the resident to return to his property for the short term as this had already been [REDACTED]. It agreed that the support would include removing a significant amount of the [REDACTED] within the property and the communal area as this would improve his [REDACTED] and safety in the short term, and make the property easier to clean.
- e. Actions were agreed which included:
 - i. The resident's friends to provide a list of the repair works that were still outstanding and to speak to the resident about moving most of the items in his flat into storage in the short term.
 - ii. Arrangements to be made for the resident to be prioritised for allocation of a [REDACTED] and referred to the [REDACTED] so that a case review could take place as soon as possible.
 - iii. [REDACTED] to see if it could assist the resident with de-cluttering and cleaning the bathroom and kitchen, and to support him to travel back to his property.

46. On 15 November 2021 the resident's friend emailed the landlord with a list of matters that needed to be addressed. The list included the filling of the holes in the cupboard where the old gas supply had been located. It also stated that mice droppings had been found there. The landlord responded advising there may not be sufficient time to get all actions completed prior to the resident returning.

47. On 16 November 2021 the resident said that the last time he had tried to sleep in his property he had a severe [REDACTED]. He attached a letter from his GP dated 26 October 2021 which he said he had already forwarded to the landlord. The letter stated that he had symptoms that presented rapidly after being in his home. This would suggest that along with the mouse infestation being unsanitary it was also provoking an allergic reaction.

48. Further email correspondence indicates that the resident was then placed in temporary hotel accommodation by the landlord. It is not known what date he was placed in temporary accommodation.
49. On 19 November 2021 the resident was allocated a [REDACTED] who emailed him to introduce herself. In the email she stated that the newly identified holes had been filled by the landlord the previous day but that the landlord would not be able to identify further issues until some of his belongings were cleared.
50. On 25 November 2021 the resident contacted this Service. We then contacted the landlord on the resident's behalf and said:
- a. The resident had stated that he had raised a formal complaint but had not received a written response.
 - b. We provided details of the contact we had already made on the resident's behalf in respect of his complaint.
 - c. To date we had not received confirmation that the stage one formal complaint had been provided to us or the resident.
 - d. We requested that a response be provided by 2 December 2021.
51. The landlord responded on the same day and apologised for not responding sooner. It said this was an oversight due to a clerical error which it had now addressed. It said it would collate the communication relevant to the case and update on the current status as soon as possible.
52. On 13 December 2021 the landlord contacted this Service to update. It said the resident was staying in hotel accommodation while it worked with [REDACTED] to make his current home more accessible. The resident would remain at the hotel until 20 December 2021 and move back to his home on 21 December 2021 with support from [REDACTED]. It also said that it was [REDACTED] a larger property for him adjacent to his current property and as soon as the [REDACTED] had been completed, he would be supported by [REDACTED] to move.
53. On 15 December 2021 the landlord issued a stage two response relating to a complaint made by the resident in respect of the landlord's handling of the [REDACTED] and anti social behaviour reported by the resident. In this response the landlord stated that the mice had not taken bait in the property since it was last treated, which indicated that the problem was now eradicated.
54. On 13 January 2022 this Service contacted the landlord. We advised that the update provided was in relation to another case, and explained that the resident had another complaint relating to his reports of a mice infestation and outstanding repairs. The landlord confirmed in an email to this Service on 8 March 2021 that it had registered this as a stage one complaint. The landlord then advised the next

day that in its stage two complaint response in the other case, it had addressed the pest control matter.

55. The resident remained dissatisfied and contacted this Service. He said the problem was not sorted, and holes left by the gas meter had not been filled. He wanted compensation for the cost he incurred for temporary accommodation and distress caused.

Obligations, policies and procedures

56. The tenancy agreement states:

- a. The landlord must carry out the repairs and maintenance it is required to do by law.
- b. The landlord must maintain the structure and common parts of the property in sound repair.

57. The landlord's repair and improvement policy states:

- a. It is responsible for the main structure of the building including roof, ceilings, walls and floors and all communal areas.
- b. Its response times are one day for an emergency repair, seven days for an urgent repair and 42 days for non-urgent repairs.

58. The landlord's safeguarding policy states:

- a. It supports the principle of sharing safeguarding information with other agencies in accordance with data protection requirements.
- b. It is committed to close working with partners in all matters relating to safeguarding.

59. The landlord's complaint procedure states:

- a. A complaint is an expression of dissatisfaction that requires a response about the standards of service, action, or lack of action by the landlord or its staff.
- b. It should aim to resolve all complaints quickly and effectively.
- c. It has a two-stage complaint process.
- d. It should acknowledge a stage one complaint within five working days and provide a full response within 10 working days.
- e. It should acknowledge a stage two complaint within five working days and provide a full response within 15 working days.

- f. It is important to keep the customer informed of the stages in the complaints procedure and to ensure that all timescales for responding to complaints are adhered to.
- g. If the complaint is about a service, the landlord should be clear what it is the customer wants. If it meets its criteria, then it needs to ensure that the resident gets that service.
- h. It should check if there are any previous complaints but do not make assumptions based on the outcome of a previous complaint.
- i. The complaint response should be clear and concise and address all the issues raised in the original complaint.

Assessment and findings

The landlord's handling of the resident's report of an infestation of mice

- 60. The resident has said he considers that the issues affecting the property have impacted [REDACTED]. The resident's description of the impact on him are acknowledged. However, it is beyond the remit of this Service to make a determination on whether there was a direct link between the landlord's actions, and the resident's [REDACTED]. The resident may wish to seek independent advice on making a personal injury claim, if he considers that [REDACTED] has been affected by any action or lack thereof by the landlord.
- 61. This investigation has considered the landlord's response to the resident's reports that the issue was affecting [REDACTED] and whether this response was reasonable in view of all the circumstances. Consideration has also been given to any adverse effect, including distress and inconvenience, which the resident experienced because of any failings by the landlord.
- 62. The landlord acted appropriately by arranging for its pest control to attend the block to inspect when it received several reports of an infestation within the block. A three-month control and proofing programme was appropriately put in place.
- 63. The pest control treatment continued until February 2021 but then there was a five-month gap until treatment was reinstated in August 2021. The resident had complained in March 2021 but did not receive any response. He called again on 29 July to report that there were mice droppings next to the gaps where the old meter was. The pest control report in August 2021 stated that the contractor had only been able to access the property twice previously and had not been able to access since to establish whether the treatment had been successful.
- 64. If this was correct then given the resident's [REDACTED] and the fact that the infestation was affecting the whole block, it would have been reasonable for the landlord to have intervened where access was an issue to enable it to satisfy

itself that the issue was resolved. That it did not would have contributed to the break in the treatment and was a failing in the landlord's handling of the resident's reports of an infestation.

65. There remained a dispute over how the mice were entering the property. The resident clearly had concerns about holes in the kitchen in the first instance and then holes around the gas meter. He raised this on 24 November 2020 and 29 July 2021. The landlord told this Service that the mice were not entering via this point as the gaps or holes did not go out to the external wall. No evidence has been provided to show whether this was explained to the resident. The pest control reports state the specific entry points were unknown but had made recommendations.
66. Regardless of the exact entry points the holes in the walls and around the gas pipes were the landlord's responsibility to repair/ make good once it was made aware in accordance with its own repair policy and the tenancy agreement. If the landlord considered the resident was responsible and it did not constitute a repair, it should have explained this to the resident when he reported it.
67. It was evident that these repairs were causing the resident distress because of his belief that the mice were entering the property via these holes and the impact he said that the dust was having on [REDACTED]. This Service has not been provided any evidence to show that the repairs to the walls and gaps around the meter were completed. Evidence does show that the holes around the gas meter were still being reported and the landlord visited but failed to complete the repair in October 2021. This was 3 months after the matter was first reported, which was outside the landlord's repair timescales.
68. On 29 July 2021 the resident advised the landlord that the infestation was affecting [REDACTED]. There is no further correspondence to show what happened in the following month and whether the resident was contacted in response to this matter. This was inappropriate, and would have caused the resident further distress.
69. The landlord had however instructed its pest control contractor to visit the resident on 31 August 2021. It was another failed access, but the landlord did then visit the resident itself on 23 September 2021. The landlord stated it visited because the resident had concerns about the [REDACTED] in his property. Given the resident's [REDACTED] it would have been reasonable for the landlord to attend or contact the resident sooner than it did. Particularly as he had expressed concerns about the impact on [REDACTED] in July 2021.
70. Pictures from the visit showed that there was wire mesh and filler around some pipes. It is unknown however whether the landlord or the resident did this. It is also noted that at this point the landlord assessed that the number of items in the

property presented a hazard which needed to be resolved to ensure that pest treatment was successful. It had also appropriately asked the resident to provide details of his support contacts so it could formulate a plan of how these items could be reduced.

71. The resident was clearly distressed by the fact that the landlord attended again on 14 October 2021 but failed to complete the works to block the holes around the gas meter. The resident had moved items around to ensure that these holes could be blocked as they were a cause of concern for him. The landlord provided temporary accommodation that evening as it was out of hours, and it was unable to contact the relevant departments to establish the issues. This was reasonable in the circumstances.
72. The next day the landlord confirmed that the property was habitable and did not agree to extend the provision of temporary accommodation. It is not within the remit of this Service to establish whether a property is habitable or not but to assess how the landlord considered this matter, and how it responded to the resident's concerns that it was not habitable.
73. The landlord advised this Service it had assessed that the mice infestation was not resulting from disrepair so its obligation to provide temporary accommodation did not arise. This view was limited and unreasonable. It would have been appropriate given the circumstances for the landlord to consider the extent of the infestation, the property condition, and the impact this was having on the resident as an individual taking into account his [REDACTED].
74. It is acknowledged that the landlord visited the resident on 23 September 2021 so had sight of the property condition. It said that it had assessed the [REDACTED] within the property, but this Service has not been provided with a copy of this assessment. The pest control contractor had not accessed the property for eight months, so the extent of the infestation was certainly unknown at this point.
75. The resident was also [REDACTED] and [REDACTED] which the landlord was aware of. This Service would have liked to have seen evidence of how the landlord had risk assessed the situation at this point and what referrals were appropriate as a result of this assessment given the resident's own perception of the infestation, his [REDACTED], and distress. That it did not was a failing and delayed the matter for a further few weeks which resulted in the resident leaving the property and having to contact other agencies himself for assistance.
76. The landlord did however ensure that its pest control contractor attended the property five days later and this visit confirmed that the infestation had returned, and treatment commenced. The report itself did not indicate that the property was uninhabitable due to the infestation but as stated above this was not the only factor that needed to be considered to assess the risk to the resident.

77. Ten days later the resident contacted several agencies as he was distressed and did not feel he could stay at the property. The landlord responded appropriately this time and made a safeguarding referral, and it arranged a multi-agency meeting to ensure that all agencies were now involved and a plan to resolve the issues could be agreed. The landlord appropriately contacted the resident to advise what its plan of action was and offered to assist with reducing the [REDACTED] [REDACTED] he had in the property and in the communal area.
78. On 16 November 2021 the resident provided medical evidence to the landlord which he said he had provided before. The medical letter was dated 26 October 2021. It is unknown whether the landlord had sight of this before to enable it to consider this earlier; there is no indication in the evidence provided that it had received this prior to November.
79. This Service acknowledges that the landlord was struggling to get other agencies to assist the resident and was escalating this as a result. At this time, the landlord reasonably considered the impact on the resident and identified that further support was required.
80. Shortly after the multi-agency meeting and as part of the safeguarding issue identified, it was agreed that the landlord would provide a discretionary placement of temporary accommodation. This was appropriate given the other agencies' recommendations and agreed plan of action.
81. Overall, there was maladministration in the landlord's handling of the resident's reports of an infestation. While the landlord appropriately put a treatment plan in place, it failed to appropriately intervene when there were access issues which meant that it failed to satisfy itself that the issue had been resolved. It also failed to reasonably assess the impact on the resident at an earlier stage despite the resident's [REDACTED]. However, once it did, it ensured that matters were progressed with the correct agencies. The landlord failed to acknowledge the resident's concerns about the holes near the gas meter and complete the repair in accordance with its repair policy.

The landlord's handling of the associated complaint.

82. The landlord's handling of the resident's complaint was poor. The evidence shows that in order to have his complaint raised under the landlord's complaint procedure he was required to request intervention from this Service on at least four occasions. This is unsatisfactory as a complaint process exists in order to ensure a resident's concerns are addressed at the earliest stage so that things are put right as soon as possible. The landlord did not do this in this case.
83. The landlord failed to provide any reasonable explanation as to why it chose to depart from its complaint procedure and not consider the complaint at stage one,

despite it re-assuring this Service that a stage one complaint had been raised in March 2021.

84. Furthermore, it took the landlord 12 months to respond to the complaint which is outside its own timescales. This was inappropriate. There is no evidence that the landlord acknowledged or apologised for the delays in its response. This was inappropriate as the delays had been made clear and the impact on the resident was not acknowledged or put right by the landlord. Additionally, the matters complained of were ongoing, and the landlord's delay in considering the complaint meant that it missed opportunities to review its handling of the infestation and repairs, and put right what had gone wrong.
85. The landlord's complaint responses did not show that it had investigated the resident's complaint reasonably, or that it had addressed all the issues that this Service had made the landlord aware of on behalf of the resident. It simply stated that the pest infestation had been eradicated. The lack of response to the resident's concerns was inappropriate and falls significantly below the standards the landlord has set out in its own complaint policy, and those set out in the Ombudsman's Complaint Handling Code.
86. Taken altogether it is clear that the landlord's poor complaint handling had a detrimental impact on the resident, in terms of the time and trouble, distress and inconvenience he spent trying to pursue matters. It is also clear that the complaint handling failings compounded the failings in the landlord's handling of the infestation and associated repairs. Given the failings identified, the Ombudsman has made a finding of severe maladministration by the landlord in respect of its handling of the resident's complaint.

Determination (decision)

87. In accordance with paragraph 52 of the Housing Ombudsman Scheme there was maladministration by the landlord in respect of the resident's report of an infestation of mice.
88. In accordance with paragraph 52 of the Housing Ombudsman Scheme there was severe maladministration by the landlord in respect of its complaints handling.

Reasons

89. The landlord failed to intervene when there were access issues which contributed to delays in the pest control treatment. It failed to risk assess the impact the infestation was having on the resident at the earliest opportunity despite the resident's [REDACTED]. It failed to complete the repair to the holes in the wall within a reasonable period of time.

90. There were significant delays in the landlord's handling of the complaint. It then failed to acknowledge the delays within its response. It gave no reasonable explanation as to why it departed from its own complaint procedure, and it failed to investigate and address all the issues raised.

Orders and recommendations

91. The landlord is ordered within four weeks of the date of this report to:

- a. Apologise to the resident for the failings identified in this report.
- b. Pay the resident a total sum of £850. This is comprised of:
 - i. £250 for the distress, inconvenience, time, and trouble incurred by the resident as a result of the failings in responding to the resident's reports of a mice infestation in the property.
 - ii. £600 for the distress, inconvenience, time, and trouble incurred by the resident as a result of the failings in the landlord's complaint handling.

92. Considering the complaint handling failings in this case, the landlord should take steps (in the form of a refresher course or workshop, based on the contents of this Service's Complaint Handling Code) to remind its relevant staff of their complaint handling responsibilities and the best practice approaches.

93. Once the above orders have been completed the landlord is to provide confirmation to this Service.

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29 August 2023

Housing Ombudsman Service

PO Box 152
Liverpool
L33 7WQ
Tel: 0300 111 3000
info@housing-ombudsman.org.uk
www.housing-ombudsman.org.uk

Customer Feedback Team
Adur District Council
Town Hall
Worthing
West Sussex
BN11 1HA

Dear Customer Feedback Team

Complaint: [REDACTED] - [REDACTED]
[REDACTED]

I am writing to you following [REDACTED] complaint to the Housing Ombudsman. Thank you for the information you have provided and I apologise for the delay in determining this complaint.

This letter sets out the complaints I have considered and the Ombudsman's decisions (the determination) on each complaint. The reasons for my decisions are set out in the accompanying report.

Complaint definitions

1. The complaint is about the landlord's handling of:
 - a. The resident's report of an infestation of a mice.
 - b. The associated complaint.

Determination

2. In accordance with paragraph 52 of the Housing Ombudsman Scheme there was maladministration by the landlord in respect of the resident's report of an infestation of mice.
3. In accordance with paragraph 52 of the Housing Ombudsman Scheme there was severe maladministration by the landlord in respect of its complaints handling.

Orders

4. The landlord is ordered within four weeks of the date of this report to:

- a. Apologise to the resident for the failings identified in this report.
 - b. Pay the resident a total sum of £850. This is comprised of:
 - i. £250 for the distress, inconvenience, time, and trouble incurred by the resident as a result of the failings in responding to the resident's reports of a mice infestation in the property.
 - ii. £600 for the distress, inconvenience, time, and trouble incurred by the resident as a result of the failings in the landlord's complaint handling.
5. Considering the complaint handling failings in this case, the landlord should take steps (in the form of a refresher course or workshop, based on the contents of this Service's Complaint Handling Code) to remind its relevant staff of their complaint handling responsibilities and the best practice approaches.
6. Once the above orders have been completed the landlord is to provide confirmation to this Service.

Next steps

This case is now closed. If you have new facts and/or evidence or wish to challenge the facts and/or evidence that I have relied on, you can request a review of this decision. You should make sure that we receive the information by 19 September 2022. Your request will be considered by a senior member of staff.

Customer feedback is important to us as it helps us to ensure our service continues to meet customer needs. We may contact you about this case. The feedback is very brief, so please help us by responding.

We publish all decisions three months after the date of the final decision unless there is a risk of identification. Our reports do not reveal your identity or that of the people involved but do name the organisation investigated.

If you believe there is risk of identification if this decision is published please provide details within three weeks of the date of this decision.

To find out how we use your personal data together with your rights under the Data Protection Act 2018 go to www.housing-ombudsman.org.uk/about-us/your-data/.

Yours sincerely


Adjudicator



ADUR DISTRICT
COUNCIL

Adur Joint Strategic Sub-Committee
27 September 2023

Key Decision: [Yes/No]

Ward(s) Affected: All Worthing

Referral of Motion on Notice from Adur District Council

Report by the Director for Sustainability and Resources

1. Purpose

- 1.1. This report sets out a motion (attached as Appendix 1) referred from the meeting of Adur District Council on the 20 July 2023.
- 1.2. Members of the Adur Joint Strategic Sub Committee are asked to consider and determine the Motion.
- 1.3. Members can either support the motion and ask for further work to be carried out in this regard, or, members can reject the motion.

2. Recommendations

- 2.1. That the Adur Joint Strategic Sub Committee support the motion and determine how further work is carried out; or,
- 2.2. That the Adur Joint Strategic Sub Committee reject the motion.

3. Context

- 3.1. At its meeting on 20 July 2023, Adur District Council received a motion from Councillor Gabe Crisp, seconded by Councillor Julian Shinn, details of which can be found at Appendix 1.

3.2 The motion submitted to Council contained subject matter that requires a decision of the Adur Joint Strategic Sub Committee, as defined in para 14.5 of the Council's Procedure Rules. Therefore, it was debated at full council and referred to the Adur Joint Strategic Sub Committee for further consideration and determination.

3.3 Where a motion has been referred by Full Council to the Adur Joint Strategic Sub Committee, the mover, or the seconder in the absence of the mover, shall be entitled to attend the relevant meeting of the Executive and explain the motion. Councillor Gabe Crisp has been made aware that the motion has been referred to this Committee.

4. Issues for consideration

4.1 The Adur Joint Strategic Sub Committee can either support or reject the motion.

4.2 Should the Adur Joint Strategic Sub Committee support the motion, then the Committee should ask Officers to prepare a further report on the substantive issues to be presented at a future meeting of the AJSSC.

5. Financial Implications

5.1 There may be direct financial implications in future depending on the course of action the Adur Joint Strategic Sub Committee wishes to take.

6. Legal Implications

6.1 Rules concerning motions are set out in the Council's Constitution under paragraph 14 of the Council's Procedure Rules.

Background Papers

Motion to Adur District Council on the 20 July 2023

Officer Contact Details:-

Chris Cadman-Dando

Senior Democratic Services Officer

01903 221364

chris.cadman-dando@adur-worthing.gov.uk

Sustainability and Risk Assessment

1. Economic

There may be direct financial implications in future depending on the course of action the Adur Joint Strategic Sub Committee wishes to take.

2. Social

2.1 Social Value

There may be Social Value implications depending on the decision of the Adur Joint Strategic Sub-Committee- these would be investigated in a further if the motion is accepted

2.2 Equality Issues

There may be Equality issues depending on the decision of the Adur Joint Strategic Sub-Committee- these would be investigated in a further if the motion is accepted

2.3 Community Safety Issues (Section 17)

There may be Community Safety implications depending on the decision of the Adur Joint Strategic Sub-Committee- these would be investigated in a further if the motion is accepted

2.4 Human Rights Issues

There may be Human Rights depending on the decision of the Adur Joint Strategic Sub-Committee- these would be investigated in a further if the motion is accepted

3. Environmental

There may be Environmental considerations depending on the decision of the Adur Joint Strategic Sub-Committee- these would be investigated in a further if the motion is accepted

4. Governance

The proposals in this report are in line with the Council Procedure Rules concerning Motions on Notice

Rights of the River Motion on Notice

Summary

This motion seeks to establish a 'Declaration on the Rights of the River Adur' and to enshrine the rights of the river into Our Plan and the newly revised Adur Local Plan.

Background

The river Adur defines our place. It is the name of our district and our council. It runs through the heart of our communities. It provides restful views for the weary and exciting recreation activities for the lively. Hundreds of walkers, cyclists, birders, anglers, watersports enthusiasts and dog owners enjoy its company every day. Millions of plants, mammals, birds and invertebrates live in or alongside the Adur. We all rely on its 'free' ecosystem services to clean our air, to filter our surface run-off, to allow biodiverse species to flourish and to channel surface water to the sea. Adur residents love 'their' river and want to give it a voice to protect it for the future generations

The river itself should have a voice in shaping [Our Plan](#) for future generations.

Our river faces numerous threats, both from within and without the Adur District, including multiple sources of pollution upstream¹, sewage discharges, unintentional but frequent human misuse along the Adur Estuary SSSI [between Cuckoo Corner and Ferry Bridge] and the unforeseen consequences of discharging fresh water at the pumping station near the Toll Bridge.

It is clear that the multiple agencies involved in managing and protecting our waterways are struggling to mitigate the threats and to keep ahead of the pressures that the river faces. There has been much media coverage of the issue of sewage pollution of waterways across the UK this year. Even Henley Regatta has been affected. We are all aware of the harmful effects of storm water 'overflows' (which can contain sewage) directly into the river itself at Ropetackle, and the risks from marine sewage discharges entering the river on an incoming tide. In addition we face the specific issue of some of the houseboats discharging raw sewage directly into the estuary on a daily basis.

Following the "[Who cares for our Adur Estuary SSSI?](#)" multi-agency event last September a lot of work has taken place to raise awareness of the river, the threats it faces and the actions needed to improve the condition of the river and restore its vital ecosystems to better health. This builds on the excellent work by officers over the past four years on various aspects of river restoration. New signage, to promote and explain desirable behaviours is being installed, following work with the Ouse and Adur Rivers Trusts and Sussex Wildlife Trusts and funded by Natural England.

Human caused damage includes (but is not restricted to): illegal cockle picking; excessive bait digging where the holes are not backfilled; dog-owners throwing balls into the water from the path causing their dogs to run backwards and forwards across the SSSI vegetation and mudflats²; Watersports enthusiasts trampling the vegetation and compacting the mudflats as

¹ e.g agricultural run-off, and industrial chemicals

² This flushes up the feeding and resting rare migrant bird species causing stress and limiting the chance for these rare visitors to gain weight before their long onwards flights

they assemble and dismantle their craft at inappropriate tide times; Excessive development along the water's edge³. Many of these threats can be reduced if we provide a strong voice for the river.

There is a global movement of states and intergovernmental organisations recognising the Rights of Nature⁴. A sustainable economy requires us to acknowledge our interdependence with natural systems. Adur has already made many steps in this direction.

We have the capacity to give the River Adur a voice in our council. Through the award winning [Sussex Bay](#) initiative, [Weald to Waves](#), The [Adur River Recovery](#) Project, the River Adur [wetlands restoration project](#) the Adur Estuary Community Group and many other groups it is clear that now is the right time to coordinate and step up our actions in Adur District to help to protect the River Adur as a single entity from source to sea, to regenerate the mudflats and the salt marshes, to reverse the decline in the condition of our Adur Estuary SSSI and to preserve the RSPB Nature Reserve.

Adur District Council can, once again, be a beacon institution. Setting the bar high for other local authorities to admire and emulate our bold actions to protect nature and our relationship with the natural environment.

The [Rights of Rivers](#) global movement has framed The Universal Declaration of River Rights. This says that all rivers shall possess the following fundamental rights:
(1) The right to flow (2) The right perform essential functions within the river's ecosystem
(3) The right to be free from pollution (4) The right to feed and be fed by sustainable aquifers
(5) The right to native biodiversity (6) The right to regeneration and restoration.
This approach has already been supported by the Sussex Wildlife Trust and Ouse and Adur Rivers Trust in the Lewes District Council [Rights of the River Ouse](#) motion. ADC has already taken action to protect and enhance our river estuary including at Pad Farm and New Salts farm through the Adur River Landscape recovery project.

This is our opportunity to establish a 'Declaration on the Rights of the River Adur' to formally enshrine the rights of the river into our strategic and policy vision for the future in Our Plan and within our newly revised Adur Local Plan.

Motion

1. This Council acknowledges the growing global movement of 'rights of nature' as a framework for rethinking its relationship with the environment.

2. This Council acknowledges the work of multiple bodies in addressing the health and wellbeing of the River Adur and believes that there is a case to be made for adopting the 'Rights of Rivers' approach.

3. This Council will develop with local communities, adjacent local authorities and other relevant stakeholders a 'Declaration on the Rights of the River Adur' and will

³ including the removal of many of our ancient hard and the destruction of much of our historic fishing heritage

⁴ Rights of Nature is a way of rebalancing our extractive relationship with the planet. It is only by working alongside nature that we humans will be able to survive and thrive into the future

bring forward the 'Declaration on the Rights of The River Adur' at a meeting of the full council within 12 months, for debate, and possible adoption.

Proposer - Councillor Gabe Crisp

Seconder - Councillor Julian Shinn

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ADUR DISTRICT
C O U N C I L

Adur Joint Strategic Sub Committee
27 September 2023

Key Decision Yes

Ward(s) Affected: Mash Barn

Using Right to Buy receipts to fund Hidden Homes projects at Daniel Close & Gravelly Crescent, and entering contract for delivery

Report by the Director for Place

Officer Contact Details:

Anthony Probert, Senior Development Manager

anthony.probert@adur-worthing.gov.uk; 07824 521957

Executive Summary

1. Purpose

- 1.1. This report follows the Joint Strategic Committee approval, given on 6th October 2020, for a development programme of Small Sites in Adur to provide new, high quality homes let at affordable rent levels, and the subsequent start on site on five of the nine sites identified for development.
- 1.2. The report takes stock of the current challenges faced by the Council in securing external grant for new housing schemes as a result of the regulatory notice issued to Adur District Council by the Regulator of Social Housing, and recommends an approach to the delivery of homes at two Small Sites projects, Daniel Close and Gravelly Crescent (the Sites), that avoids the need for external grant.
- 1.3. The report seeks to update Members on the tender process adopted and implemented to secure a contractor at Daniel Close and Gravelly Crescent, outlines the procurement approach and seeks approval for

the selection of a contractor to develop the Sites using Lewes District Council's Modular Housing Project Framework.

2. Recommendations

2.1. The Joint Strategic Sub-Committee is recommended to:

- 2.1.1. Note the progress made to date in bringing the 16 new affordable homes forward at Daniel Close and Gravelly Crescent;
- 2.1.2. Approve the virement of £1.030m of existing Right to Buy receipts (funding which is ring fenced for securing new affordable housing in Adur), and the virement of £870k additional right to buy receipts received in 2023/24 to enable the construction work and projects to progress in lieu of Homes England funding, with any shortfall funded from PWLB borrowing.
- 2.1.3. Approve the award of a construction contract to Boutique Modern to build out the two schemes procured through the Lewes Modular Housing Framework, of which Adur District Council is a named beneficiary, for the sum set out in this paper's appendix.

3. Context

- 3.1. Adur and Worthing Councils' Housing Strategy, 'Enabling Communities to thrive in their own Home', was adopted in April 2020. Originally running to March 2023, it has been extended to cover the period until March 2024. One of the three key objectives is to 'Improve the levels of affordable housing supply' in the context of increasing prices and rents. Based on demographic projections, there is a need for 653 additional affordable dwellings (of all tenures) per annum across the region.
- 3.2. The Housing Strategy recognised that, in order to stand a chance in delivering the number of affordable homes needed, a multi-partner

approach was needed, and a commitment to the delivery of affordable housing directly by both Adur and Worthing Councils was included.

- 3.3. This commitment was reiterated in the Council's Development Strategy adopted in March 2021. Named 'Delivering Pathways to Affordable Homes', a target of 250 homes built by the Councils was adopted between the period 2021 and 2025. The Councils' are on track to achieve this target in terms of number of units started. Adur District Council currently has over 800 households on its housing register waiting for affordable rented accommodation.
- 3.4. A programme of housing delivery on small, underutilised sites within the ownership of Adur District Council forms part of these numbers. Named the Small Sites Programme, it includes the construction of 49 homes for affordable rent across nine sites in Adur. In October 2020, a budget of £15.935m was approved to enable the projects to be built out. Five of these projects are on-site and due to complete within the next 6 months.
- 3.5. Affordable housing schemes at two sites in Lancing, Daniel Close and Gravelly Crescent, formed part of this programme. Consisting of 16 homes across both sites, they are two of the biggest in the Small Sites Programme.
- 3.6. In the paper approved in October 2020, 'Maximising Space for Homes in Adur', external funding was expected from Homes England to allow the Hidden Homes projects to move forward. Homes England funding was secured for the majority of projects which are now on site.
- 3.7. However, the projects at Daniel Close and Gravelly Crescent can no longer secure Homes England funding due to the regulatory notice issued by the Regulator of Social Housing on Adur District Council. If the project is to progress, an alternative subsidy has to be found. Right to Buy receipts are monies received by the Council from sale of homes to eligible Council tenants, and they are ring fenced to replace the stock lost.
- 3.8. Following consideration of the procurement strategy, Council officers are now in a position to seek approval to let the construction contract to develop the Daniel Close and Gravelly Crescent schemes.

4. Issues for consideration

- 4.1. Daniel Close and Gravelly Crescent makeup 'Lot 2' of the Small Sites Programme. As mentioned above, Adur District Council has already entered into build contracts for Lot 1 and Lot 3 and these projects are on site and progressing well.
- 4.2. The project at Daniel Close consists of the demolition of existing garages and the design and build of nine new homes with associated landscaping and parking provision. The accommodation provided includes seven two-bedroom homes and two three-bedroom wheelchair accessible homes. Planning permission was granted in December 2022.
- 4.3. The scheme at Gravelly Crescent also consists of the demolition of garages alongside the construction of seven new homes and associated works. The proposals include two two-bedroom houses, four three-bedroom houses and one one-bed bungalow for wheelchair users. Planning consent was awarded in December 2022.
- 4.4. **Using Right to Buy receipts as top-up funding to ensure each scheme is viable**
 - 4.4.1. The projects at Daniel Close and Gravelly Crescent were awarded planning consent in December 2022. At this point, the viability of each scheme was revisited. Due to inflation and cost increases being felt in the sector, the cost estimate for each scheme had risen. However, Homes England, as the Government's Housing and Regeneration Agency, had recognised the impact cost increases were having in the sector and on the delivery of affordable homes, and grants were being increased to offset the additional costs.
 - 4.4.2. In February 2023, Adur District Council referred itself to the Regulator of Social Housing (RSH) due to the challenges it was facing discharging its obligations to tenants as landlord. After an investigation, in May 2023, the RSH found Adur District Council to be in breach of the Home Standard parts 1.1 and 1.2.
 - 4.4.3. In July 2023, Adur District Council received a letter from Homes England stating that *'where the Grant Recipient is ... in breach of the Homes Standard and Homes England is not in receipt of evidence of suitable progress being made in relation to the RSH*

Programme, Homes England does not anticipate agreeing to any Additional Scheme under the Agreement.' This means that whilst ADC is found to be in breach of the Homes Standard, Homes England are unlikely to fund additional housing development schemes.

- 4.4.4. Adur District Council has an improvement plan in place and approved by the RSH, and is making good progress on remedying the issues associated with the breach. However, it is unclear how long the regulatory notice will be in place.
- 4.4.5. Delivery of new schemes is a key part of the road to improvement. Bringing new stock forward supports economies of scale within Adur Homes and requires much less management and maintenance than existing stock. In order to avoid mothballing development projects, alternative sources of funding are being investigated until we are eligible to apply for Homes England funding once again.
- 4.4.6. Delivery of the schemes at Daniel Close and Gravelly Crescent will cost c. £5.5m (including 10% contingency).
- 4.4.7. The main indicators of viability for these projects are Net Present Value (NPV) and when the debt interest can be covered by rental income. If a project provides a positive NPV and can cover its debt in Year One, it is deemed to be viable (all other things being equal, e.g. acceptable cost to value). By covering debt repayments through income in Year One, there is no negative impact on the HRA.
- 4.4.8. In order to achieve these hurdle rates, a subsidy of £1.9m is required, approximately 35% of the project value.
- 4.4.9. It should be noted that in order to achieve these hurdle rates, the rents for these schemes must align with the government's definition of 'Affordable Rent', which is 80% of market rent (and for which we'll need approval of Secretary of State, which is unlikely to be withheld). This is because if the rent for the schemes were capped at Local Housing Allowance Rates then the level of subsidy would be higher than the Council could afford. This is mainly due to inflation in construction and the elevated interest rates that we are borrowing at the moment

(although the HM Treasury introduced a new HRA rate for PWLB Lending on 15 June 2023, solely for use in the HRA and intended primarily for new housing delivery, and equates to 4.65%).

4.4.10. A valuation would be obtained to set the rents at completion, but the pre-construction valuation suggests that rents would be in the region of:-

- One-bed bungalow: £166.15 p/w
- Two-bed house: £230.77 p/w
- Three-bed house: £267.69 p/w

4.4.11. Adur District Council receives income from the sale of Council property through the Right to Buy scheme. At present, the Council is able to keep 100% of the value of each sale. Receipts must be used within 5 years to fund replacement homes and can fund up to 40% of the value of acquisition or development of a home. Any unspent receipts after 5 years must be sent to DLUHC.

4.4.12. Adur District Council currently has around £2.205m of Right to Buy receipts, with £900k of additional monies expected this financial year. The 2023/24 capital programme has earmarked £1.175m of the currently available receipts for the funding the buy back of leasehold properties, leaving available receipts of £1.030m available. In the temporary absence of Homes England funding, it is proposed to vire the available £1.030m receipts to the Hidden Homes budget approved in October 2020 to enable delivery of the 16 houses for affordable rent at Daniel Close and Gravelly Crescent in Lancing. This will mean that funding is dependent on additional right to buy receipts in 2023/24 of £900k, with borrowing required for any shortfall.

4.5. Procurement Process for the Contractor to build the homes at Daniel Close and Gravelly Crescent

4.5.1. Lot 2 tender documents were originally issued on 27th January 2022, alongside the documentation for Lot 1 and Lot 3 but prior to planning consent being achieved. The deadline for tender submissions was 14th April 2022.

- 4.5.2. Four tender responses were received with W. Stirland identified as the preferred contractor with a weighted score (price and quality) of 85% following evaluation. Boutique Modern was the second place contractor with a good submission both on quality and price.
- 4.5.3. W. Stirland then entered into administration before Adur District Council were able to proceed with a contract award. Due to the challenges in obtaining planning permission which were being felt at the time and the focus put on securing a contractor for Lots 1 and 3 which were in a position to move forward, it was decided to pause the procurement of a contractor for Lot 2.
- 4.5.4. Once planning permission was granted for Lot 2 the Council considered its procurement options. It was felt that running a fresh open tender exercise would delay momentum, and, looking towards the second-place contractor, the Council would be able to make a direct award to Boutique Modern under the Lewes Framework Agreement.
- 4.5.5. It is of course vital that the Council evidences value for money and Members will note that Boutique Modern was invited to update its fee proposal. The updated proposal falls within budget and the cost estimate for the project, and uses existing rates previously procured under the Framework Agreement.
- 4.5.6. It has therefore been demonstrated that the revised contract sum offers Value for Money to the Council as set out in the Exempt Appendix to this report, which contains commercially sensitive financial information.
- 4.5.7. Substantial due diligence of the contractor has been undertaken, including gaining references from other Councils that have delivered schemes with Boutique Modern and visits to some of their development sites. The Council and our advisors are content that as well as offering value for money, Boutique Modern are a competent contractor that would make a good partner for the Council on the Daniel Close and Gravelly Crescent projects.
- 4.5.8. In addition to their competitive tender price and competency, Boutique Modern brings many other advantages, not least in

sustainability and local economic development. Boutique Modern construct their homes fully in a factory in East Sussex before being transported to site and craned in place. This has numerous benefits, including a quicker delivery programme, fewer delays, a reduction in waste, fewer defects, enhanced energy efficiency of homes and lower embodied carbon. Boutique Modern are also committed to using local labour and employing people who have traditionally been shut out of the labour market such as people leaving prison.

- 4.5.9. In 2021, Lewes District Council (acting as the Lead Contracting Authority) and Eastbourne Borough Council identified the significant time and quality benefits of delivering homes through off-site manufactured construction, and further time and cost benefits through appointing a single contractor to deliver a larger pipeline of its medium and small sites. The Councils created a four-year Modular Housing Framework to appoint a single contractor to be the main modular delivery partner to deliver a significant number of residential sites. Both Adur District and Worthing Borough Council are named entities able to access the framework.
- 4.5.10. Boutique Modern was the contractor selected by Lewes District Council to provide the services required by the framework.
- 4.5.11. Therefore, to save time and administration effort in procuring Boutique Modern through the original procurement route and to be doubly sure that our approach is open, transparent and acceptable, it is recommended that Adur District Council contract with Boutique Modern to deliver the homes at Daniel Close and Gravelly Crescent through the Lewes Modular Framework.
- 4.5.12. Boutique Modern have confirmed that they would be able to start on site once vacant possession has been obtained and capacity exists within their factory to begin production of the modules. They have also confirmed that the modules can be designed within the parameters of the planning consent, save for a Section 73 application (minor material amendment) required to change the position of windows to the rear of some of the properties.

- 4.5.13. On consideration of the information above, the procurement process adopted and the exercise to demonstrate value for money, member approval is sought to enter into a contract with Boutique Modern to construct the 16 homes at Daniel Close and Gravelly Crescent, for the sum included in the Exempt Appendix.

5. Engagement and Communication

- 5.1. The Development Team has developed the proposed approach to procurement in full collaboration with the Council's procurement officers.
- 5.2. A robust process of consultation was undertaken prior to submission of the planning application for each scheme. This was undertaken online due to the Covid restrictions that were in place at the time.
- 5.3. A review of the funding options available to subsidise schemes in the absence of Homes England funding was undertaken with colleagues in Finance and Housing in August 2023.

6. Financial Implications

- 6.1. The council currently has £2.205m right to buy receipts available with £1.175m currently earmarked for funding other housing schemes within the capital programme. The remaining receipts available currently total £1.030m. The council has received average Right to buy receipts of £1m per year over the last three years and anticipates additional receipts in 2023/24 of approximately £900k.
- 6.2. If approved the recommendation to vire £1.030m of available receipts to fund the development of Daniel Close and Gravelly Crescent will leave the funding balance of £870k to be met from additional right to buy receipts, with any shortfall having to be met from PWLB borrowing. If borrowing is required the Housing Revenue Account would incur additional costs of approximately £5k for every £100k borrowed.
- 6.3. Right to buy receipts can be used to fund up to 40% of the cost of housing developments. The proposed use of up to £1.9m represents 35% of the Daniel Close and Gravelly Crescent scheme 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 s1 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
- 7.3 As from 1 April 2021 retained receipts from Right to Buy sales can be used to supply homes for social or affordable rent. There is no requirement for replacement homes to be of the same size, location, or tenure as the homes that they replace. These are decisions for the Council to make in accordance with local need.
- 7.4 Entering into contract through the Lewes Modular Housing Framework is following a lawful tender process.
- 7.4 At Appendix 1 there is an additional document which is exempt pursuant to Schedule 12A of the Local Government Act 1972 as the information details commercially sensitive information. This information must be given due consideration and taken into account prior to members reaching a decision.

Background Papers

- Adur & Worthing Housing Strategy 2020-2023
- Maximising Space for homes in Adur - JSC, 6th October 2020, Item 8
- Delivering Pathways to Affordable Homes - JSC, 30th March 2021, Item 5

Sustainability & Risk Assessment

1. Economic

The proposal supports the use of Right to Buy receipts which, if unspent, the Council would have to return to government.

The proposal supports significant spend with a local contractor.

2. Social

2.1 Social Value

The proposal supports delivery of affordable housing for people on the Housing Register who are currently in inappropriate accommodation.

2.2 Equality Issues

Issue considered, no impacts.

2.3 Community Safety Issues (Section 17)

The proposal supports regeneration of garage sites which historically see antisocial behaviour.

2.4 Human Rights Issues

Issue considered, no impacts.

3. Environmental

Issue considered, no impacts

4. Governance

Issue considered, no impacts

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

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