



ADUR DISTRICT C O U N C I L

Date Not Specified

Joint Strategic Sub-Committee (Adur)

Date:	1 February 2024
Time:	7.00 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)

NOTE:

The start time of this sub-committee meeting is dependent upon the finishing time of the preceding Cabinet meeting.

Agenda

Part A

1. Declarations of Interest

Members and officers must declare any disclosable pecuniary interests in relation to any business on the agenda. Declarations should also be made at any stage such an interest becomes apparent during the meeting.

If in doubt, contact the Legal or Democratic Services representative for this meeting.

2. Minutes

To approve the minutes of the Adur Joint Strategic Sub Committee meeting held on 7 December 2023, copies of which have previously been circulated.

3. Public Question Time

To receive any questions from members of the public.

Questions should be submitted by noon on Monday 29 January 2024 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 Monday 29 January 2024 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. **Virement of budget into Albion Street project to allow completion** (Pages 3 - 12)

To consider a report by the Director for Housing and Communities, copy attached as item 6

7. **Motion - Response and Options - Care Leavers** (Pages 13 - 20)

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

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 DISTRICT COUNCIL

Adur Joint Strategic-Sub Committee
1 February 2024

Key Decision: No

Ward(s) Affected: Southwick Green

Approval of budget to complete Albion Street housing development

Report by the Director for Place

Officer Contact Details:

Jackie Strube, Development Manager,

Tel: 07525 780683

Email: jackie.strube@adur-worthing.gov.uk

Executive Summary

1. Purpose

- 1.1. The report seeks approval of, a budget to complete and virement of £1.776m from capital budgets currently applied to the Small Sites project.
- 1.2. The report sets out the background to this project which has been under construction since March 2021 but which has now stalled due to the contractor's insolvency in August 2023.
- 1.3. It outlines the options which have been considered to ensure it is completed in the most timely and cost effective manner possible, and sets out the financial implications.

2. Recommendations

- 2.1. To approve the virement of a budget for this project of £1.776m to enable the project at Albion Street to be completed. We will look to claim £998k back through an insolvency bond.

- 2.2. To note the net increase in budget to cover the additional cost of completing the project of £778,000, and that the project remains viable even with the additional spend.
- 2.3. To delegate authority to the Director for Housing and Communities to enter into all necessary contracts and associated legal documentation to enable the project to progress through the remaining construction phase to completion.

3. Context

- 3.1. The contract for the construction of the 49 flats for social rented housing was terminated in September 2023 following the insolvency of the main contractor, Westridge Construction. Although work on the buildings was around 90% complete at this point, there is substantial work left to do to complete cladding, balconies and external works, as well as completing the internal fit out and mechanical and electrical installations. Deterioration of the building as a result of leaks and spread of condensation while the buildings have been vacant has exacerbated the position.
- 3.2. The cost of work to complete the buildings will exceed the original approved scheme budget however there is an insolvency bond in place for 10% of the value of the contract (£997,830) which, subject to the claim being accepted by insurers, will cover most of the additional cost. Negotiations with the insurers have commenced however full details of the scope and costs of work to complete is needed before a formal claim can be made. The insurers have confirmed that, due to the termination on grounds of insolvency, we are within our rights as part of the bond conditions to make a claim.
- 3.3. Contractor Cheesmur has been appointed for an initial stage of work to ensure the site is safe, heating and ventilation systems are operating and urgent roof repairs can be carried out. At the same time, negotiations with Cheesmur for the full completion contract have progressed and approval to let the first part of the contract under the existing project budget was given by the Director for Housing under delegated authority.

4. Issues for consideration

4.1. Project background

- 4.1.1. The Albion Street project will provide 49 social rented flats in 2 blocks funded through a mix of Homes England funding, Right to Buy receipts, S106 contributions and capitalised rental income.
- 4.1.2. The building contract was let to Westridge construction following a competitive tender process and work started on site in March 2021. The project has been delayed by Covid, together with bad weather and drainage connection issues, and there was overall slow progress from the contractor who encountered a range of technical problems delivering this complex building. Although part of the delay was considered to be 'no fault' and an extension time was granted to December 2022, damages for late completion were being deducted from payments at the point the contract was terminated.
- 4.1.3. Westridge's most recent programme showed a completion date of late October 2023 however it was doubtful this would be achieved. They then became insolvent in August 2023 and the building contract was terminated on 28th September 2023.

4.2. Contract termination

- 4.2.1. On termination of the contract the site was secured, and contact was made with the administrators, and the insurance company who provided the insolvency bond.
- 4.2.2. An assessment of Health and Safety on site was carried out and urgent work commissioned to ensure the site was not a risk to the public and those who needed to access it.
- 4.2.3. Options for completing the work were considered. Contact was made with each of the main subcontractors to seek a cost for completing the work under a new contractor to be appointed.

4.3. Procurement of a contractor

- 4.3.1. The Assistant Director: Legal & Democratic Services has advised that a direct award under Contract Standing Orders paragraph 5.6 and public contract regulation 32(c) can be made due to the urgent need to complete the work.
- 4.3.2. Following legal advice, the work is to be let as a 'Management Contract' whereby final costs of the works packages are negotiated with the subcontractors and approved as figures are

agreed. Discussions to date have allowed work to progress on major elements such as roof, cladding and balconies, while prices for internal works are still under negotiation with subcontractors. Final figures for every aspect of the work will be agreed before each subcontract is let. The major subcontractors who were previously working on the scheme will be appointed for the work to allow a swift continuation and retain building warranties in place.

- 4.3.3. We have worked closely with J. Cheesmur Building Contractors in an open book manner to seek best prices for completion from key subcontractors, and as stated above, the first part of the contract has been let - which includes the majority of the external works, balconies, cladding and windows, funded by the budget remaining when the contract was terminated. This paper requests an additional budget to allow us to finish the project by commissioning the second part of the works - mainly decorations and landscaping.
- 4.3.4. The cost of completion (summarised in Section 5) is to be vired from an underspend in the Hidden Homes budget; specifically, funding allocated to the delivery of the project at Prince Charles Close, a project which is dormant. The additional cost to complete Albion St (over that which can be drawn down through the bond) will be covered by this budget, as it is deemed more important to finish Albion Street than progress further small sites in the Hidden Homes programme.
- 4.3.5. The majority of the cost uplift (£500k) stems from an increase in interest payable on the borrowing. This is because (a) we have borrowed a large amount of money against the project to date and (b) interest rates have been increasing. However, due to the insolvency and subsequent pause in development activity, we currently have no way of paying down this debt. This is an important reason as to why the project needs completing as soon as possible.

4.4. Programme

- 4.4.1. It is anticipated that Phase 1 work (that already commissioned and covered by the remaining budget) will begin in February 2024, with Phase 2 (covered by the virement included within this

paper) commencing March 2024 with both phases complete by the Summer.

4.5. Engagement and Communication

- 4.5.1. There has been extensive liaison with colleagues in the finance, legal teams and housing about options for completing the scheme and officers have agreed the approach outlined above forms the optimal way to complete the project.
- 4.5.2. Homes England have been informed of the position and have confirmed that they will carry over the £2.4m funding into the 2024/25 financial year.
- 4.5.3. The cabinet member for housing has been consulted and has confirmed his support for the proposed solution. Informal cabinet meetings have been regularly updated on the position with the site.

4.6. Risks and mitigation

Risk	Mitigation
Building defects found resulting in additional work required	Full building survey is underway and will inform the pricing process
Subcontractor's costs higher than anticipated, and scheme is over budget agreed	Main costs to be agreed prior to letting contract. Open book approach on the remainder and ensure competitive tendering where possible. Contingency included in the budget requested.
Programme prolonged leads to delay in receiving rents and increased borrowing costs	Management contract will enable work to start in January. Positive project management approach to ensure subcontractor packages are let as soon as prices are agreed.
Contractor insolvency	10% bond to be put in place if available. Careful management of valuations

4.7 Capital Budget Requirement

4.7.1 It should be noted that the construction cost to complete shown is not a fixed cost at this stage. The figure is built up of confirmed prices from the main subcontractors (services, external envelope) together with estimates for the remaining work (internal decorations, fit out and landscaping). Therefore a contingency has been added to reflect the risk of price fluctuations.

4.7.2 The increased cost against the budget of completing the buildings is substantial. This is due to the fact that the original fixed price contract with Westridge was based on a tender from 2021, and construction cost inflation since then has been significant.

In addition, due to the prolonged period of construction and a rise in interest rates, the council's development interest cost has exceeded the budget originally allowed of £225k to an estimated £600k. £95k of interest costs are shown in the costs to date however the costs for 2023/4 and 2024/5 of £505k are included in the cost to complete.

4.7.4 Existing Budget

There is approximately £942,000 left in the budget previously approved at JSC.

Approved budget	£12,191,000
Construction costs to date	£9,365,954
Other costs to date	£1,882,710
Total costs to date	£11,248,664
Remaining budget:	£942,336

4.7.5 Anticipated Overall Completion Costs

Emergency works (under way)	£190,000
Main Works:	£1,750,000
Fees:	£80,650
S106 & car club:	£92,520
Development Interest	£505,000
Contingency	100,000
Total	£2,718,170

Anticipated income from Bond: £997,830

Total available from existing budget (as 6.1)	£942,336
Net Deficit:	£778,004

5. Financial Implications

- 5.1. A financial appraisal has been carried out in order to assess the project's viability in light of the new costs. The project being in an advanced stage of completion at the point of contractor failure means the completion of the project is an unavoidable expense. Due to the historic nature of the development costs and the grant the council have been able to leverage, even with the additional cost of the project it is anticipated that the project remains financially viable however not to such an extent as the original proposal.
- 5.2. The report asks members to approve the virement of £1.776m of capital budget to fund the completion of the Albion Street project, covering additional costs as set out in the report. Subject to the successful completion of the claim against the bond, it is anticipated that £997,830 of this additional spend will be recovered.

6. Legal Implications

- 6.1. Section 124 Local Government Act 1972 provides the Council with the power to acquire land or property and section 8 Housing Act 1985 places a duty of 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.
- 6.2. Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 6.3. Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 6.4. Specialist legal advice in respect of the position in relation to the appropriate form of building contact has been obtained from external

legal advisors who are also advising on the approach to be taken in relation to the claim against the bond.

Background Papers

- Adur Homes development programme - Albion Street and Cecil Norris House - budget update JSC 11 February 2020:
<https://democracy.adur-worthing.gov.uk/documents/s1829/Item%209.pdf>
- Housing Development Programme - update and progress report JSC 4 December 2018:
<https://democracy.adur-worthing.gov.uk/Data/Joint%20Strategic%20Committee/201812041830/Agenda/media,151644,en.pdf>

Sustainability & Risk Assessment

1. Economic

The scheme cannot be left uncompleted and dormant. We will be reimbursed for the majority of the vired budget through the performance bond and with the additional spend the project remains viable.

2. Social

2.1 Social Value

Finishing this scheme will provide 49 flats for social rent, increasing Adur's stock of affordable housing considerably and providing homes to people on the housing register.

2.2 Equality Issues

Issue considered, no impact.

2.3 Community Safety Issues (Section 17)

Issue considered, no impact.

2.4 Human Rights Issues

Issue considered, no impact.

3. Environmental

Issue considered, no impact.

4. Governance

Delivering the project aligns with the Council's 'Our Plan', namely the ambition for everyone to have a safe, secure and sustainable home.

This page is intentionally left blank

Joint Strategic Sub-Committee (Adur)
1 February 2024



ADUR DISTRICT
COUNCIL

Key Decision: No

Ward(s) Affected: All

Care Leavers

Report by the Director for Housing and Communities

Officer Contact Details

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

Executive Summary

1. Purpose

- 1.1. This report is intended to update on findings from the motion carried on November 7th 2023, whereby officers were instructed to investigate and outline how Adur District Council can better support care leavers by engaging directly with West Sussex County Council (WSCC), to proactively help the Care Leavers service move towards Good and on to Outstanding status as assessed by Ofsted, through the implementation of the following initiatives.
- 1.2. The development of a shop front facing community base for our care leavers.
- 1.3. Develop an apprenticeship or work-based opportunity provided by the district council for any care leaver who wanted to explore this as an alternative employment, education and training option.

2. Recommendations

- 2.1. The sub-committee requests that officers continue to engage and work with WSCC to proactively support care leavers so that they have the same opportunities and ambition as other children do.
- 2.2. The sub-committee recognises that it is not cost effective to open, maintain and resource a shop front for care leavers and instead seek alternative ways to improve outcomes for care leavers through existing mechanisms already at the council's disposal and by working with statutory partners to explore County wide potential.
- 2.3. The sub-committee requests officers to seek alternatives to embarking upon a localised stand alone apprenticeship scheme and finds alternative ways to improve routes to training and employment for care leavers, for example through positive recruitment approaches such as is found in the guaranteed interview scheme.

3. Context

- 3.1 The statutory responsibilities for children and young people sit with colleagues in the county council. Children and young people who have experienced the care system are a part of our community and will access local council services directly and indirectly.
- 3.2 The county council's care leavers service supports young people to exit care successfully as they move towards independence. It operates under a clear legislative framework provided by the Children (Leaving Care) Act 2000 and the Children and Social Work Act 2017.
- 3.3 The Children and Social Work Act 2017 introduced corporate parenting principles which local authorities in England must have regard to. As a district council we are not the statutory corporate parents but we form a part of the wider fabric of social and economic infrastructure that contributes to the wellbeing of children, young people and their families, creating environments where communities thrive.

- 3.4 Article 12 of the UN Convention on the Rights of the Child (UNCRC) says every child has the right to express their views, feelings and wishes in all matters affecting them, and to have their views considered and taken seriously. This principle recognises children and young people as actors in their own lives and applies at all times throughout a child's life.

4. Issues for consideration

- 4.1 Care leavers are a group who migrate in and out of areas. A care leaver may originate from one area, be placed in another area and then permanently settle in that area. Conversely, care leavers may return to an area of historic significance and wish to resettle closer to these earlier roots and bonds and may also return to their birth families. We have additional mechanisms and partnerships where working with families engaged with statutory services or with children looked after and leaving care are already considered. Examples of where we are already engaged in or might best influence and promote such activities is through existing networks such as the Local Community Network, our homelessness prevention work and our health and wellbeing services.

Setting up and effectively running a shop front for care leavers is assessed as being a costly endeavour that would require significant and recurring resourcing. The costs would include building costs in relation to rent, leasing, running costs, utilities and insurance, as well as staffing costs as there is no existing team that could subsume this workstream. Given the nature of the displacement and levels of transience experienced by care leavers, setting up an Adur-specific scheme is assessed as unviable as we need to take a global view of the settlement of care leavers in the context of national, regional and sub-regional work to ensure no care leaver is left behind.

In reviewing data there is no evidence to suggest that care leavers are disproportionately represented in Adur. As such, rather than develop specific responses we should continue to work within resources and structures within the council and with our statutory partner, West Sussex County Council.

An example of this would be to sign up to a national guaranteed interview scheme (GIS) or develop an assertive local alternative. West Sussex County Council successfully operates such a scheme whereby if care leavers meet the essential criteria for a role, they are guaranteed an

interview. This approach is widely shown as effective with care leavers, individuals who have disabilities and with veterans leaving the armed forces. There is government guidance as to how a GIS scheme can be set up and People and Change would be able, using limited resources, be able to further investigate the requirements of the scheme and advise as to any resource implications involved.

5. Engagement and Communication

5.1 We have undertaken no specific engagement or communication in relation to this as we are already fully engaged with children's services in West Sussex, and are represented at the Safeguarding Children Partnership board, the Children First Partnership board and at the Supporting Families oversight group, all of which have a focus of children who are looked after or leaving care.

6. Financial Implications

6.1 There are no direct financial implications arising from the content of this report.

7. Legal Implications

7.1 By Article 2.04 (a) (viii) of the council's constitution, the council has a duty to demonstrate awareness of its corporate parenting role and shared responsibility for understanding the impact of council decisions on, and championing the needs of, children in care and care leavers in the area.

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

7.3 Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

7.4 s1 Local Government (Contracts) Act 1997 confers power on the 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.

Background Papers

[2023.11.07 - AJSSC - Agenda item 9 - Motion from ADC Council 1](#)

Sustainability & Risk Assessment

1. Economic

Matter considered and no issues identified.

2. Social

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

3. Equality Issues

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

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

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

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

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

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

4. Community Safety Issues (Section 17)

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

5. Human Rights Issues

Matter considered and no issues identified.

6. Environmental

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

7. Governance

Matter considered and no issues identified.

This page is intentionally left blank