



ADUR & WORTHING  
COUNCILS

29 January 2025

<b>Joint Strategic Committee</b>	
<b>Date:</b>	<b>6 February 2025</b>
<b>Time:</b>	<b>6.30 pm</b>
<b>Venue:</b>	<b>Gordon Room, Worthing Town Hall</b>

<p><b>Committee Membership:</b></p> <p><b>Adur District Council:</b> Councillors; Jeremy Gardner (Adur Chair), Lee Cowen (Adur Vice-Chair), Becky Allinson, Saffa Jan, Andrew Harvey and Sharon Sluman</p> <p><b>Worthing Borough Council:</b> Councillors; Sophie Cox (Worthing Chairman), Rita Garner (Worthing Vice-Chair), Ödül Bozkurt, Dom Ford, John Turley, Vicki Wells and Rosey Whorlow</p>
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## Agenda

### Part A

#### 1. Declarations of Interests

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

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

#### 2. Minutes

To approve the minutes of the Joint Strategic Committee meeting held on 14 January 2025, copies of which have been previously circulated.

### **3. Public Question Time**

To receive any questions from members of the public.

Questions should be submitted by noon on Monday 3 February 2025 to Democratic Services, [democratic.services@adur-worthing.gov.uk](mailto:democratic.services@adur-worthing.gov.uk)

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

### **4. Members Questions**

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

Questions should be submitted by noon on Monday 3 February 2025 to Democratic Services, [democratic.services@adur-worthing.gov.uk](mailto:democratic.services@adur-worthing.gov.uk)

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

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

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

### **6. Final Revenue Budget Estimates for 2025/26 (Pages 5 - 28)**

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

### **7. Joint Treasury Management Strategy Statement and Annual Investment Strategy 2024/25 to 2026/27 for Adur District Council and Worthing Borough Council (Pages 29 - 78)**

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

### **8. Update of Work Programme Progress and Quarter Two 24/25 Performance Update (Pages 79 - 150)**

To consider a report by the Assistant Director for People and Change, copy attached as item 8

### **9. Adur & Worthing Fleet Strategy (Pages 151 - 168)**

To consider a report by the Director for Sustainability and Resources, copy attached as item 9

### **10. Transfer of Adur sec 106 funds to Sussex Police (Pages 169 - 174)**

To consider a report by the Assistant Director for Regenerative Development, copy attached as item 10

**11. Update on the Sussex Bay Programme (Pages 175 - 188)**

To consider a report by the Director for Sustainability and Resources, copy attached as item 11

**12. 38 Teville Road Proposal (Pages 189 - 196)**

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

**13. Worthing Public Realm - Delivering Montague Gardens (Pages 197 - 204)**

To consider a report by the Assistant Director for Place and Economy, copy attached as item 13

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

None.

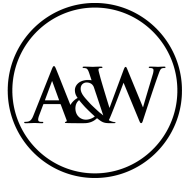
**Recording of this meeting**

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

For Democratic Services enquiries relating to this meeting please contact:	For Legal Services enquiries relating to this meeting please contact:
Chris Cadman-Dando Senior Democratic Services Officer 01903 221073 chris.cadman-dando@adur-worthing.gov.uk	Andrew Mathias Senior Solicitor 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.

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ADUR & WORTHING  
COUNCILS

Joint Overview and Strategic Committee  
28th January 2025

Joint Strategic Committee  
6th February 2025

Ward(s) Affected: All

## **Final Revenue Budget Estimates for 2025/26**

### **Report by the Director for Digital & Resources**

#### **Officer Contact Details**

#### **Executive Summary**

This report presents to members the updated Joint Services Budget for 2025/2026.

The respective councils' shares of the Joint Services budget are reflected in the Adur District Council and Worthing Borough Council 2025/2026 revenue budgets that were considered at the Adur Cabinet meeting on 30th January 2025 and at the Worthing Cabinet meeting on 4th February 2025.

This report is also being discussed at the JOSOC meeting on the 28th January and any comments that arise will be made to the Worthing Cabinet. A budget working group has been established for 2024/25 and has held regular meetings to consider the development of the 2025/26 budget; the group has reported back to the Joint Overview and Scrutiny committee during the year.

Substantive details are included in those cabinet reports which should be seen as supporting this joint summary report.

## 1. Purpose

1.1 This report is the final budget report of the year, the culmination of the annual budgeting exercise, and asks members to consider:

- The final revenue estimates for 2025/26 including any adjustments arising from settlement;
- An updated outline 5-year forecast; and

These budgets reflect the decisions taken by members to date in relation to agreed savings proposals and any committed growth.

1.3 The budget is analysed by Executive member portfolio at appendix 4.

1.4 The respective Adur and Worthing 2025/26 Estimates and Council Tax setting reports considered by the Worthing Executive on 30th January 2025 and the Adur Executive on 4th February 2025. Both the estimates for Adur District Council and Worthing Borough Council include their respective share of the cost of the Joint Strategic Committee.

1.5 The following appendices have been attached to the report:

- (i) **Appendix 1** 5 year forecasts for the Joint Strategic Committee
- (ii) **Appendix 2** Proposals for savings and growth for Joint Services, Adur District Council and Worthing Borough Council
- (iii) **Appendix 3** Proposals for investment in services for the Joint Service, Adur District Council and Worthing Borough Council
- (iv) **Appendix 4** Summary of Executive Member Portfolio budgets for 2025/26
- (v) **Appendix 5** Use of capital flexibilities for Adur District Council and Worthing Borough Council

## 2. Recommendations

2.1 The Joint Overview and Scrutiny Committee is asked to consider the report and make comments on the savings proposals to Worthing Borough Council Cabinet.

2.2 The Joint Strategic Committee is recommended to:

2.2.1 Note the proposals for savings and the investment in services outlined in appendix 2 and appendix 3 which were considered at the

respective Adur and Worthing Cabinet meetings on 30th January 2025 and 4th February 2025.

2.2.2 Note the proposed 2025/26 budget detailed at section 5 and appendix 3. The respective council shares have been approved by the Adur and Worthing Cabinets. The budget will be adjusted for any changes to the Investment in Services proposals.

2.2.3 Note the proposed use of capital receipts to support the delivery of the organisational design programme and the delivery of the budget. These are set out at appendix 5 and were considered at the Adur and Worthing Cabinet meetings.

### **3. Context**

- 3.1 Adur District Council and Worthing Borough Council work within a Joint Services arrangement, the cost of which is shared by both councils. As such we are required to prepare an annual budget for the Joint Services that is then built into the individual Adur and Worthing budgets that are then considered by each council. This report presents to members of the Joint Strategic Committee the Joint Services budget for 2025/2026 and the updated Medium Term Financial Plan is set out in appendix 1.
- 3.2 The operating context for Adur and Worthing Councils continues to be challenging and this was outlined in the December 2024 budget update report. The combined impact of pay inflation, stubborn interest rates and insufficient funding to address key service pressures in Housing has made the task of presenting a balanced budget difficult.
- 3.3 To address the challenges the councils approved a new financial strategy in July 2024 and the positive impact of the new asset strategy approved in November 2024 has been built into the budget.
- 3.4 The councils have through the organisational redesign programme identified savings of £4.35m over the 2 years with £2m of this reflected within the 2025/26 revenue budgets.
- 3.5 The Financial Strategy and Organisational Design demonstrate that the Councils are not only redesigning services to meet significant financial

challenges but also actively improving outcomes for our communities in ways that are more sustainable and cost-effective in the long term.

3.6 These changes are more than a response to immediate pressures—it is a fundamental shift in how we act as a steward of our place. By embedding these changes now, we are creating a foundation for delivery that is better for our communities, more empowering for our staff, and more robust for our finances. This positions us to adapt to an increasingly uncertain social and economic environment and, critically, to shape and influence that change for the better.

3.7 Since the meeting on 10th December, the Joint Strategic Committee budget has been finalised and the last adjustments have been included. Overall the current financial position of the Joint Strategic Committee for 2025/26 can be summarised as:

	£'000
Original 2025/26 budget surplus	-118
Changes to pay and inflation	165
Change to savings allocation*	1,588
Revised Budget Shortfall	1,541
Additional savings identified	-35
Increase to Joint Committee Budget 2025/26	1,506

\*The savings from the organisational redesign were assumed to be made within the Joint Service budget, however following the savings exercise most of the savings identified have been with the Adur and Worthing budgets. This has reduced the savings assumed within the Joint budget, however there are additional savings identified within the Adur and Worthing budgets that previously estimated.

#### **4. Key risks and assumptions of the Joint (Shared) Service**

##### **4.1 The impact of the Environment Act**

There is still uncertainty with respect to the financial implications of the environment act, particularly around implementation and revenue costs for food waste collections, which are due to start in March 2026. There is now very little time before



implementation to mitigate any adverse impacts. This will be closely monitored through the year. Due to the financial challenges the MTFP excludes any additional revenue costs on the assumption the council will require new burdens revenue funding to meet the impact of the new service requirement. Confirmation of the new burdens funding allocation for revenue costs is still to be confirmed.

#### 4.2 Pressure on the shared service arrangements

4.2.1 The shared service arrangement has successfully delivered for both councils since 2007. It has provided effective service delivery and enabled each council to deliver on their priorities and separate commitments. This has continued to be the case despite experiencing a period of considerable turbulence.

4.2.2 However, the financial positions of the two councils are not the same. This brings with it risk for the partnership as any asymmetry in the capacity of each council needs to be addressed in the shared delivery model. This has been taken into account in the organisational design work, however it remains a considerable risk for both councils and the share service arrangement. economic environment and, critically, to shape and influence that change for the better.

### 5. **Update of the 5-year Forecast (Medium Term Financial Plan)**

5.1 Detailed budgetary work for the Joint Strategic Committee is now complete (subject to any decisions arising from the Adur and Worthing Cabinet in February) and the estimate of the Joint Service budget requirement is £28,084,560, this includes the savings set out in Appendix 2. Attached at Appendix 3 are the additional proposals for investment into services recently considered by the Cabinets.

5.2 A breakdown of each Cabinet Member’s summary budget is attached in Appendix 4. The changes to the Joint Services budget in 2025/26 can be summarised briefly as follows:

Joint Service		£'000
2024/25 Budget		26,484
Add:	Committed and Unavoidable Growth for 2025/26:	
	Pay inflation	1,256

	Impact of Employers National Insurance increase	413
	Other Inflation	108
Less:	Savings identified	277
Net cost to be funded by the Councils for 2025/26		28,084

	£'000
Net cost to be funded by the Councils 2026/27	28,084
Net cost allocated as follows:	
Adur District Council	11,463
Worthing Borough Council	16,621
Cost allocated to both Councils 2025/26	28,084

5.3 The Joint Strategic Committee budget has been reflected in both the Adur and Worthing Estimates, which will be approved by their respective Executives on 30th January and 4th February 2025. There is no significant change in the allocation share of costs between the two Councils this year.

## 6. Impact on future years

6.1 The impact of the proposed changes on the overall revenue budget for the next 5 years is shown at Appendix 1. However, following settlement, it is clear that the Councils will continue to have budget shortfalls for at least the next 2 - 5 years. Consequently, the Joint Strategic Committee is likely to show the following shortfalls in line with that experienced by the Constituent Councils:

	Expected Shortfall (Cumulative)				
	2025/6	2026/7	2027/8	2028/9	2029/30
	£'000	£'000	£'000	£'000	£'000
Cumulative budget shortfall	377	1,193	2,164	2,974	3,872
Net savings found in 2025/26 budget round	-377	-384	-392	-400	-408
Adjusted budget shortfall (appendix 1)	0	809	1,772	2,574	3,464
Savings required each year	0	809	963	802	890

6.2 To ensure that the Joint Strategic Committee continues to balance the budget there will need to be a continuing emphasis on delivering the financial strategy, and focus on efficiency and value for money in the annual savings exercise.

## 7. Significant risks

7.1 Members will be aware that there are several risks to the Joint Strategic Committee's overall revenue budget. These can be summarised as follows:-

(1) Withdrawal of funding by partners

All budgets within the public sector continue to come under intense scrutiny which may lead to partners reassessing priorities and withdrawing funding for partnership schemes. Consequently, either council might lose funding for key priorities, which would leave the Joint Committee with unfunded expenditure together with the dilemma about whether to replace the funding from internal resources.

(2) Inflation

A provision for 2.5% inflation has been built into non-pay budgets. Pay budgets include an average inflationary allowance of 3.5%. Each 1% increase in inflation is equivalent to the following amount:

	1% Increase
	£'000
Pay	278
Non Pay	51

## 8. Comments by the Chief Financial Officer

8.1 Section 25 of the Local Government Act 2003 requires an authority's Chief Financial Officer to make a report to the authority when it is considering its budget and council tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals, so Members will have authoritative advice available to them when they make their decisions. The Section requires Members to have regard to the report when making their decisions.

- 8.2 As Members are aware, the Joint Strategic Committee must set its estimates in advance of the start of the financial year. This is because both Councils must decide every year how much they are going to raise from council tax. They base their decision on a budget that sets out estimates of what they plan to spend on each of their services. This includes a share of the cost of the Joint Strategic Committee. Because they decide on the council tax in advance of the financial year in question, and are unable to increase it during the year, they have to consider risks and uncertainties that might force them to spend more on their services than they planned. Allowance is made for these risks by:
- making prudent allowance in the estimates for each of the services, and in addition;
  - ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.
- 8.3 Subject to the important reservations below, a reasonable degree of assurance can be given about the robustness of the estimates. The exceptions relate to:
- (1) The provision of estimates for items outside of the direct control of the Council:
    - Income from fees and charges in volatile markets, and income from grants.
    - External competition and declining markets, particularly during a recession.
  - (2) Cost pressures not identified at the time of setting the budget. This would include items such as excess inflation.
  - (3) Initiatives and risks not specifically budgeted for.
- 8.4 Overall view on the robustness of the estimates: It will therefore be important for members to maintain a diligent budget monitoring regime during 2025/26.
- 8.5 The Chief Financial Officer and Section 151 Officer's overall view of the robustness of the estimates is, therefore, as follows: The processes followed are sound and well established and identical to those that produced robust estimates in the past. The Joint Strategic Committee has also demonstrated that it has a sound system of financial management in place.

## **9. Legal Implications**

- 9.1 The Local Government Act 2003 requires that the Councils set a balanced budget. This report demonstrates how the Council will meet this requirement for 2025/26.
- 9.2 Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

### **Background Papers**

Report to the [Joint Strategic Committee 10th December 2024](#) - 'Financial Strategy and Budget Update 2025/2026

Report to the [Joint Strategic Committee 10th December 2024](#) - '2nd Quarter Revenue Monitoring Report'.

Report to the [Joint Strategic Committee 1st October 2024](#) - 'Financial Strategy and Budget Update 2025/2026'

Report to the [Joint Strategic Committee 17th July 2024](#) - 'New Financial Strategy'.

## **Sustainability & Risk Assessment**

### **1. Economic**

- The budget contains funding for commitments made under Mission: Thriving Economies

### **2. Social**

#### **2.1 Social Value**

- Matter considered and no issues identified.

#### **2.2 Equality Issues**

- Matter considered and no issues identified with the budget itself. However individual proposals arising from the budget will be the subject of an equalities impact assessment.

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

- The budget contains funding for community safety..

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

- Matter considered and no issues identified.

### **3. Environmental**

- The budget contains funding for decarbonisation initiatives

### **4. Governance**

- Matter considered and no issues identified.

## Appendix 1

<b>Joint Committee - Medium Term Financial Plan</b>					
	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
	£000	£000	£000	£000	£000
<b>Base Budget</b>	26,484	26,484	26,484	26,484	26,484
<b>External Economic Factors</b>					
Inflation:					
Pay	1,256	1,901	2,778	3,496	4,302
Impact of National Insurance increase	413	423	434	445	456
Costs	186	289	395	503	613
Income	(78)	(200)	(324)	(451)	(580)
<b>Contracts &amp; Long term commitments</b>					
Impact from triennial pension Review	-	230	231	231	231
Investment in Services	200	150	250	350	450
<b>Savings</b>					
Organisation Re-design	(242)	(246)	(251)	(256)	(261)
Service savings	(135)	(138)	(141)	(144)	(147)
	28,084	28,893	29,856	30,658	31,548
<b>Allocation to Adur and Worthing Budgets:</b>					
Adur District Council	11,463	11,463	11,463	11,463	11,463
Worthing Borough Council	16,621	16,621	16,621	16,621	16,621
<b>Total Allocation</b>	28,084	28,084	28,084	28,084	28,084
<b>(Surplus) / Shortfall in Resources</b>	<b>0</b>	<b>809</b>	<b>1,772</b>	<b>2,574</b>	<b>3,464</b>
Savings required in each year	0	809	963	802	890

## Appendix 2

### Proposed Savings 2025/26

Description	Comments	Joint (memo only)	Adur	Worthing
<b>Organisation Redesign</b>				
Parks	Increase income budget for Tennis income		£5,000	£10,000
	Review of controllable budgets		£50,300	£11,000
Place and Economy	Time for Worthing - contract review			£11,600
	Town Horticulture - shift to more sustainable solutions	£3,000	£1,200	£1,800
	Review of controllable budgets	£22,500	£9,000	£13,500
Elections	Review of controllable budgets		£10,000	
Regeneration	Review of controllable budgets	£53,450	£21,380	£32,070
Maintenance	Reduction in maintenance budget to reflect the shift to a more programmatic approach in line with the asset strategy	£3,330	£1,332	£145,109
Green Waste	Increase in green waste charges	£60,000	£24,000	£36,000
Refuse and Recycling	Income from charge for replacement bins		£17,610	£41,090
Public Health and Licensing	Income from Food safety		£4,200	£9,800
	Increased Income from licensing		£2,625	£4,875
	Review of controllable budgets -Pollution Control		-£6,825	
	Review of controllable budgets -taxi Licensing			-£14,675
Parking	Surface car parks - Review of parking fees above 2.5%		£16,530	
	MSCP - Increase of parking tariffs above 2.5%			£76,480
	MSCP - Increase to season ticket price			£870
	Increase to budget for NSL contract			-£28,379
	Reduction in payment charge fees		£3,963	£16,387
People and Change	Contract reviews	£4,210	£1,684	£2,526
	Review of controllable budgets	£24,150	£9,660	£14,490
Resident Services	Reduction in printing		£10,800	£16,200
	Review of controllable budgets	£11,802	£4,721	£7,081
Housing - Housing Needs	Reduction in temporary Accommodation costs		£472,334	£712,126
	Reduction costs from prevention		£56,025	£130,725
	Reduction in costs from void prioritisation		£12,600	
Housing - Wellbeing	Review of controllable budgets	£8,340	£3,336	£5,004
Housing - Environmental Health	Review of controllable budgets	£1,010	£404	£10,196
Legal Services	Review of controllable budgets	£1,010	£10,404	£10,686
Digital	Review of controllable budgets	£24,000	£9,600	£14,400
Cleansing	Reduction in costs through service review		£16,763	£39,115
	Review of controllable budgets	£24,850	£9,940	£14,910
<b>Total saving identified from Organisation Redesign - Year 2</b>		<b>£241,652</b>	<b>£778,586</b>	<b>£1,344,986</b>



<b>Other Savings</b>				
<b>Base Budget Reviews:</b>				
Consultancy budgets	Removal of under utilised budgets	£65,010	£50,894	£72,006
Utilities	Reduction in energy budgets	£65,200	£26,080	£113,920
Commercial Waste	Increase in income budget to reflect demand		£0	£100,000
External contribution to cleansing		£5,000	£2,000	£3,000
<b>Total savings from service budget reviews</b>		<b>£135,210</b>	<b>£78,974</b>	<b>£288,926</b>
<b>Total Savings from Proposals</b>		<b>£376,862</b>	<b>£857,560</b>	<b>£1,633,912</b>
<p><i>Controllable budget lines are those where the use is directly within the control of the budget manager to influence through service decisions.</i></p>				

### Proposals for Growth 2025/26

Description	Comments	Adur	Worthing
<b>Base Income budget reset:</b>			
Planning	Budget reset to reflect demand levels	£300,000	£300,000
Commercial Waste	Budget reset to reflect demand levels and increased disposal costs	£50,000	
Increase in budgets to meet pressure from Housing Needs and Supported Accommodation	Increased costs associated with temporary accommodation and Housing benefit	£300,000	£1,000,000
<b>Total growth proposed</b>		<b>£650,000</b>	<b>£1,300,000</b>

Appendix 3

Proposals for investment in services		Expected cost		
		2025/26		
		Joint (memo only)	Adur	Worthing
Description	Comment			
HVO Fuel	Additional fuel costs associated with the conversion of the refuse fleet to HVO fuel	100,000	40,000	60,000
Engagement and Participation Resource	1 year funding to provide additional resource in order to support the Councils ambitions with respect to a visible and accessible public conversation about the impacts and opportunities of the recent government white paper on devolution and local government reorganisation with respect to public	100,000	50,000	50,000
Total growth identified through financial planning		200,000	90,000	110,000
Allowance in MTFS for Investment in Services			-100,000	-150,000
Net growth/-saving identified			-10,000	-40,000

## Appendix 4

### Joint Services

#### Joint Service Block Recharged to Adur and Worthing Councils

<b>Executive Portfolio</b>	<b>Estimate 2024-2025</b>	<b>Estimate 2025-2026</b>
Chief Executive	1,518,580	1,550,360
Director for Housing and Communities	5,029,650	5,227,080
Director for Sustainability and Resources	14,138,830	14,807,910
Director for Place	5,931,830	6,499,210
<b>Total Services</b>	<b>26,618,890</b>	<b>28,084,560</b>
Allocations of Costs		
Less: Allocation to HRA and Capital Programme charged direct to Adur and Worthing	(135,350)	0
	26,483,540	28,084,560
Adur District Council	(10,675,230)	(11,463,260)
Worthing Borough Council	(15,808,310)	(16,621,300)
<b>Total Service Block Allocations</b>	<b>(26,483,540)</b>	<b>(28,084,560)</b>

## Joint Summary Service Block

### Chief Executive

Service	Estimate 2024-2025	Estimate 2025-2026
<b>Chief Executive</b> Chief Executive	281,140	346,620
<b>AD People and Change</b>		
Organisational Development	182,060	164,550
Communications	264,150	233,040
Human Resources	275,560	423,280
AD People and Change	515,670	382,870
<b>Total Chief Executive</b>	<b>1,518,580</b>	<b>1,550,360</b>

Joint Services  
 Chief Executive Directorate  
 Subjective Analysis



Service	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Recharged to Adur DC	Recharged to Worthing BC	TOTAL BUDGET
<b>Chief Executive</b>											
Chief Executive	268,430	0	0	2,200	75,990	0	0	346,620	(173,310)	(173,310)	0
	0	0	0	0	0	0	0	0	0	0	0
<b>AD People and Change</b>											
AD People and Change	0	0	0	0	0	0	0	0	0	0	0
Organisational Development	164,340	0	0	0	210	0	0	164,550	(77,160)	(87,390)	0
Communications	278,510	0	0	0	2,780	0	(48,250)	233,040	(116,520)	(116,520)	0
Human Resources	396,550	0	0	90	26,640	0	0	423,280	(198,480)	(224,800)	0
AD People and Change	661,070	0	0	0	0	0	(278,200)	382,870	(179,530)	(203,340)	0
<b>Total Chief Executive Directorate</b>	<b>1,768,900</b>	<b>0</b>	<b>0</b>	<b>2,290</b>	<b>105,620</b>	<b>0</b>	<b>(326,450)</b>	<b>1,550,360</b>	<b>(745,000)</b>	<b>(805,360)</b>	<b>0</b>

## Joint Summary Service Block

### Director for Housing and Communities

Service	Estimate 2024-2025	Estimate 2025-2026
<b>AD Housing Homelessness and Prevention</b>		
Head of Housing	236,790	160,280
Housing Strategy Development	0	132,720
Housing Needs	858,930	1,053,730
Environmental Health - Housing	334,240	360,390
Home Improvement Assistance	206,750	239,070
<b>Director for Housing and Communities</b>		
Director of Housing and Communities Office	(100,250)	(87,810)
<b>Head of Resident Services</b>		
Contact Centre	1,266,180	1,164,120
Head of Revenues and Benefits	692,640	763,990
Benefits	360,380	461,330
Revenues	777,820	798,090
Business Support	101,600	102,430
<b>Head of Community Capacity and Resilience</b>		
Community Wellbeing	294,580	78,740
<b>Total Director for Housing and Communities</b>	<b>5,029,660</b>	<b>5,227,080</b>

Joint Services  
 Director for Housing and Communities Directorate  
 Subjective Analysis



Service	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Recharged to Adur DC	Recharged to Worthing BC	TOTAL BUDGET
<b>AD Housing Homelessness and Prevention</b>	0	0	0	0	0	0	0	0	0	0	0
Head of Housing	159,980	0	0	300	0	0	0	160,280	(112,200)	(48,080)	0
Housing Strategy Development	132,720	0	0	0	0	0	0	132,720	(99,540)	(33,180)	0
Housing Needs	1,046,440	0	0	840	6,450	0	0	1,053,730	(316,120)	(737,610)	0
Environmental Health - Housing	355,220	0	0	2,070	3,100	0	0	360,390	(115,320)	(245,070)	0
Home Improvement Assistance	237,940	0	0	1,130	0	0	0	239,070	(95,630)	(143,440)	0
	0	0	0	0	0	0	0	0	0	0	0
<b>Director for Housing and Communities</b>	0	0	0	0	0	0	0	0	0	0	0
Director of Housing and Communities Office	(90,700)	0	0	1,110	1,780	0	0	(87,810)	35,120	52,690	0
	0	0	0	0	0	0	0	0	0	0	0
<b>Head of Resident Services</b>	0	0	0	0	0	0	0	0	0	0	0
Contact Centre	1,156,110	0	0	0	8,020	0	0	1,164,130	(545,870)	(618,260)	0
Head of Revenues and Benefits	676,470	0	0	410	87,110	0	0	763,990	(324,980)	(439,010)	0
Benefits	461,050	0	0	280	0	0	0	461,330	(184,530)	(276,800)	0
Revenues	794,020	0	0	4,060	0	0	0	798,080	(319,230)	(478,850)	0
Business Support	99,430	0	0	0	91,790	0	(88,790)	102,430	(48,030)	(54,400)	0
	0	0	0	0	0	0	0	0	0	0	0
<b>Head of Community Capacity and Resilience</b>	0	0	0	0	0	0	0	0	0	0	0
Community Wellbeing	78,120	0	0	620	0	0	0	78,740	(36,220)	(42,520)	0
<b>Total Director for Housing and Communities Directorate</b>	<b>5,424,430</b>	<b>0</b>	<b>0</b>	<b>10,820</b>	<b>198,250</b>	<b>0</b>	<b>(406,420)</b>	<b>5,227,080</b>	<b>(2,162,550)</b>	<b>(3,064,530)</b>	<b>0</b>

**Joint Summary Service Block  
Director for Sustainability and Resources**

<b>Service</b>	<b>Estimate 2024-2025</b>	<b>Estimate 2025-2026</b>
<b>Director for Sustainability and Resources</b>		
Director of Digital&Resources Office	(74,220)	(79,350)
<b>AD Operations and Sustainability</b>		
Bereavement Services	433,890	448,540
Public Health and Regulation	1,305,030	1,335,890
Commerce Way - Building	164,910	150,510
AWCS Management	343,750	351,290
Compliance	50,020	60,520
Recycling	1,611,410	1,855,790
Refuse	70,310	56,650
Street Cleansing	1,908,440	1,948,790
Commercial Waste	607,670	685,950
Fleet Management	(13,280)	0
Operations and Sustainability	123,350	126,200
Emergency Planning	172,850	191,320
Energy & Sustainability	212,700	206,220
Off Street Parking Team	419,900	353,220
Parking Services	145,420	177,970
<b>AD Finance</b>		
Finance	123,960	124,680
Corporate Management	382,140	858,680
Accountancy	1,075,940	1,036,730
Exchequer Office	208,020	336,800
Payroll	158,150	146,810
Cash Office	100,320	(4,380)
Insurances Administration	45,450	21,590
<b>AD Legal and Democratic Services</b>		
Democratic Services	287,880	336,490
Procurement	70,310	74,360
Electoral Services	248,030	204,800
Legal	975,920	872,360
<b>Head of Technology and Design</b>		
Technology and Design	102,680	105,420
Digital	2,917,850	2,824,060
<b>Total Director for Sustainability and Resources</b>	<b>14,138,810</b>	<b>14,807,910</b>



Joint Services  
 Director for Sustainability and Resources Directorate  
 Subjective Analysis



Service	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Recharged to Adur DC	Recharged to Worthing BC	TOTAL BUDGET
<b>Director for Sustainability and Resources</b>	0	0	0	0	0	0	0	0	0	0	0
Director of Digital&Resources Office	(82,510)	0	0	1,070	2,100	0	(10)	(79,350)	31,740	47,610	0
	0	0	0	0	0	0	0	0	0	0	0
<b>AD Operations and Sustainability</b>	0	0	0	0	0	0	0	0	0	0	0
Bereavement Services	446,190	0	0	44,350	18,000	0	(60,000)	448,540	(116,050)	(332,490)	0
Public Health and Regulation	1,315,380	0	0	12,620	26,430	0	(18,540)	1,335,890	(506,290)	(829,600)	0
Commerce Way - Building	0	0	152,140	340	4,360	0	(6,330)	150,510	(70,580)	(79,930)	0
AWCS Management	363,110	0	0	0	3,710	0	(15,530)	351,290	(128,700)	(222,590)	0
Compliance	54,550	0	0	5,970	0	0	0	60,520	(28,450)	(32,070)	0
Recycling	2,934,990	0	0	856,690	88,490	0	(2,024,380)	1,855,790	(669,130)	(1,186,660)	0
Refuse	81,670	0	0	11,130	120,360	0	(156,510)	56,650	(20,390)	(36,260)	0
Street Cleansing	2,041,000	0	0	270,380	109,320	0	(471,910)	1,948,790	(759,680)	(1,189,110)	0
Commercial Waste	547,000	0	0	118,040	27,160	0	(6,250)	685,950	(205,780)	(480,170)	0
Operations and Sustainability	125,280	0	0	920	0	0	0	126,200	(59,170)	(67,030)	0
Emergency Planning	155,870	0	50	0	36,230	0	(830)	191,320	(88,750)	(102,570)	0
Energy & Sustainability	179,740	0	0	80	26,400	0	0	206,220	(82,490)	(123,730)	0
Off Street Parking Team	353,220	0	0	0	0	0	0	353,220	0	(353,220)	0
Parking Services	177,970	0	0	0	0	0	0	177,970	(35,590)	(142,380)	0
	0	0	0	0	0	0	0	0	0	0	0
<b>AD Finance</b>	0	0	0	0	0	0	0	0	0	0	0
Finance	121,790	0	0	130	2,790	0	(30)	124,680	(62,340)	(62,340)	0
Corporate Management	40	0	253,340	0	605,300	0	0	858,680	(384,050)	(474,630)	0
Accountancy	1,028,110	0	0	1,460	68,150	0	(60,990)	1,036,730	(486,120)	(550,610)	0
Exchequer Office	327,670	0	0	0	9,130	0	0	336,800	(157,930)	(178,870)	0
Payroll	109,290	0	0	50	37,470	0	0	146,810	(68,840)	(77,970)	0
Cash Office	950	0	0	0	5,680	0	(11,010)	(4,380)	2,060	2,320	0
Insurances Administration	78,840	0	0	220	1,750	0	(59,220)	21,590	(10,120)	(11,470)	0
	0	0	0	0	0	0	0	0	0	0	0
<b>AD Legal and Democratic Services</b>	0	0	0	0	0	0	0	0	0	0	0
Democratic Services	325,830	0	0	20	10,640	0	0	336,490	(134,600)	(201,890)	0
Procurement	64,340	0	0	20	10,000	0	0	74,360	(34,870)	(39,490)	0
Electoral Services	204,660	0	0	140	0	0	0	204,800	(75,780)	(129,020)	0
Legal	1,053,080	0	0	280	43,720	0	(224,720)	872,360	(409,050)	(463,310)	0
	0	0	0	0	0	0	0	0	0	0	0
<b>Head of Technology and Design</b>	0	0	0	0	0	0	0	0	0	0	0
Technology and Design	105,420	0	0	0	0	0	0	105,420	(49,430)	(55,990)	0
Digital	1,522,240	0	0	820	1,297,460	67,160	(63,620)	2,824,060	(1,324,200)	(1,499,860)	0
<b>Total Director for Sustainability and Resources Directorate</b>	<b>13,977,840</b>	<b>0</b>	<b>405,540</b>	<b>1,334,120</b>	<b>3,032,660</b>	<b>67,160</b>	<b>(4,009,410)</b>	<b>14,807,910</b>	<b>(5,934,580)</b>	<b>(8,873,330)</b>	<b>0</b>

## Joint Summary Service Block

### Director for Place

Service	Estimate 2024-2025	Estimate 2025-2026
<b>Director For Place</b>		
Director of Place Office	123,200	118,490
<b>AD Place and Economy</b>		
Parks and Open Spaces	420,820	575,160
Foreshores	160,990	211,440
Engineering	311,560	326,910
Regeneration	0	662,560
Head of Place & Economy	286,370	125,670
Economic Development	193,610	90,220
Commercial Development	149,690	162,950
Tourism and Events	62,550	73,340
<b>Head of Planning</b>		
Building Control	570,460	615,240
LLPG	22,470	(32,420)
Land Charges	111,620	3,000
Planning	102,000	112,010
Planning Policy	349,280	363,340
Development Management	1,310,610	1,463,390
<b>AD Regenerative Development</b>		
Facilities Management	221,660	203,750
Admin Buildings	331,770	351,090
Surveying & Design	411,070	392,780
Major Regeneration Projects	366,970	261,780
Estates	425,120	418,510
<b>Total Director for Place</b>	<b>5,931,820</b>	<b>6,499,210</b>

Joint Services  
 Director for Place Directorate  
 Subjective Analysis



Service	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Recharged to Adur DC	Recharged to Worthing BC	TOTAL BUDGET
<b>Director For Place</b>	0	0	0	0	0	0	0	0	0	0	0
Director of Place Office	117,840	0	0	510	140	0	0	118,490	(46,210)	(72,280)	0
	0	0	0	0	0	0	0	0	0	0	0
<b>AD Place and Economy</b>	0	0	0	0	0	0	0	0	0	0	0
Parks and Open Spaces	1,768,850	0	0	307,600	142,270	0	(1,643,560)	575,160	(172,450)	(402,710)	0
Foreshores	253,350	0	0	2,320	0	0	(44,230)	211,440	0	(211,440)	0
Engineering	361,170	0	0	3,530	9,680	0	(47,470)	326,910	(153,290)	(173,620)	0
Regeneration	662,560	0	0	0	0	0	0	662,560	(274,220)	(388,340)	0
Head of Place & Economy	122,880	0	0	150	2,640	0	0	125,670	(51,520)	(74,150)	0
Economic Development	96,190	0	0	0	3,510	0	(9,480)	90,220	(45,110)	(45,110)	0
Commercial Development	150,460	0	0	0	12,490	0	0	162,950	(76,400)	(86,550)	0
Tourism and Events	79,290	0	0	0	530	0	(6,480)	73,340	(29,330)	(44,010)	0
	0	0	0	0	0	0	0	0	0	0	0
<b>Head of Planning</b>	0	0	0	0	0	0	0	0	0	0	0
Building Control	680,190	0	80	310	36,810	0	(102,150)	615,240	(240,370)	(374,870)	0
LLPG	610	0	0	30	18,160	0	(51,220)	(32,420)	9,730	22,690	0
Land Charges	1,190	0	0	0	1,810	0	0	3,000	(930)	(2,070)	0
Planning	111,160	0	0	110	740	0	0	112,010	(54,880)	(57,130)	0
Planning Policy	415,210	0	0	1,770	540	0	(54,180)	363,340	(181,670)	(181,670)	0
Development Management	1,394,000	0	0	2,930	66,460	0	0	1,463,390	(585,360)	(878,030)	0
	0	0	0	0	0	0	0	0	0	0	0
<b>AD Regenerative Development</b>	0	0	0	0	0	0	0	0	0	0	0
Facilities Management	189,060	0	0	43,150	960	0	(29,420)	203,750	(95,540)	(108,210)	0
Admin Buildings	0	0	438,760	0	15,520	0	(103,190)	351,090	(164,620)	(186,470)	0
Surveying & Design	394,100	0	29,530	3,860	11,850	0	(46,560)	392,780	(184,170)	(208,610)	0
Major Regeneration Projects	255,550	0	0	1,040	5,190	0	0	261,780	(78,530)	(183,250)	0
Estates	420,980	0	0	1,540	1,780	0	(5,790)	418,510	(196,240)	(222,270)	0
<b>Total Director for Place Directorate</b>	<b>7,474,640</b>	<b>0</b>	<b>468,370</b>	<b>368,850</b>	<b>331,080</b>	<b>0</b>	<b>(2,143,730)</b>	<b>6,499,210</b>	<b>(2,621,110)</b>	<b>(3,878,100)</b>	<b>0</b>

## Appendix 5

### Update on Use of Capital Flexibilities

Year	Overall annual savings generated £	Annual saving Adur £	Amount of capital receipts used Adur £	Annual saving Worthing £	Amount of capital receipts used Worthing £	Nature of expenditure
2024/2025	2,226,700	890,800	336,100	1,335,900	504,100	HR and delivery support (to manage and support the delivery of the reorganisation design work over the 2 year programme). Associated Statutory departure costs. Expert/specialist advice on service design.
2025/2026	1,345,000	778,600	287,900	1,345,000	431,900	
Total Estimated use of capital receipts	3,571,700	1,669,400	624,000	2,680,900	936,000	



ADUR & WORTHING  
COUNCILS

Joint Audit & Governance Committee  
29 January 2025

Joint Strategic Committee  
6th February 2025

Key Decision : No  
Ward(s) Affected: All

## **JOINT TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2025/26 to 2027/28, ADUR DISTRICT COUNCIL AND WORTHING BOROUGH COUNCIL**

### **REPORT BY THE DIRECTOR FOR DIGITAL, SUSTAINABILITY AND RESOURCES**

#### **EXECUTIVE SUMMARY**

#### **1. PURPOSE**

- 1.1 This report asks Members to approve and adopt the contents of the Treasury Management Strategy Statement and Annual Investment Strategy for 2025/26 to 2027/28 for Adur and Worthing Councils, as required by regulations issued under the Local Government Act 2003.

#### **2. RECOMMENDATIONS**

- 2.1 The Joint Governance Committee is recommended to:

- i) Note the report (including the Prudential Indicators and Limits, and MRP Statements) for 2025/26 to 2027/28. Including the addition of State Street Global Advisors MMF as an approved counterparty, to be governed within the same limits as other Money Market Funds and proposed changes to specified investment limits as detailed in 6.1.3.
- ii) Refer any comments or suggestions to the next meeting of the Joint Strategic Committee on 6th February 2025.

- 2.2 The Joint Strategic Committee is recommended to:

- i) Approve and adopt the TMSS and AIS for 2025/26 to 2027/28, incorporating the Prudential Indicators and Limits, and MRP Statements. Including the proposed changes to specified investment limits as detailed in 6.1.3.

- ii) Forward the Prudential Indicators and Limits, and MRP Statements of the report for approval by Worthing Council at its meeting on 25 February 2025, and by Adur Council at its meeting on 20 February 2025.

### **3. INTRODUCTION**

#### **3.1 Background**

The Councils are required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Authorities specific low risk appetites, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Councils' capital plans. These capital plans provide a guide to the borrowing needs of the Councils, essentially the longer term cash flow planning, to ensure that the Councils can meet their capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet the Councils' risk or cost objectives.

The contribution the treasury management function makes to the authority is critical as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day to day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

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

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.

#### **3.2 Reporting requirements**

### 3.2.1 Capital Strategy

The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which will provide the following:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of this capital strategy is to ensure that all elected members on the full Councils fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

### 3.2.2 Treasury Management Reporting

The Councils are required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

**Prudential and treasury indicators and treasury strategy** (this report), the first, and most important report is forward looking and covers:

- The capital plans (including prudential indicators);
- A minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- The Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- An Investment Strategy (the parameters on how investments are to be managed).

**A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.

**An annual treasury report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

**An additional Quarterly report** – Due to the timing of the above reports, it is required to submit one quarterly report alongside the Quarter 1 Capital monitoring report in order to satisfy the requirements of the code.

**Scrutiny** - The above reports are required to be scrutinised by the Joint Audit & Governance Committee (JAGC) which may make recommendations to the Joint Strategic Committee (JSC) regarding any aspects of Treasury Management policy and practices it considers appropriate in fulfilment of its scrutiny role. Such recommendations as may be made shall be incorporated within the above named reports and submitted to meetings of the JSC for consideration as soon after the meetings of the JGC as practically possible.

The reports are approved by the JSC and recommended to the Councils for approval.

### **3.3 Treasury Management Strategy for 2025/26**

The strategy for 2025/26 covers two main areas:

#### **Capital issues**

- the capital expenditure plans and the associated prudential indicators;
- the minimum revenue provision (MRP) policy.

#### **Treasury management**

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Councils
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- the investment strategy
- creditworthiness policy; and
- the policy on use of external service providers

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, DLUHC MRP Guidance, the CIPFA Treasury Management Code and DLUHC Investment Guidance.

### **3.4 Training**

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. Officers are expecting to have training date options with members imminently.

The training needs of treasury management officers are periodically reviewed and officers attend courses provided by appropriate trainers such as Link and CIPFA in addition to internal training relevant to the finance function. A log of training undertaken is maintained by the Group Accountant responsible for the treasury function in compliance with the revised 2021 CIPFA Treasury Management Code.

### **3.5 Treasury management consultants**

Both authorities use Link Group, Link Treasury Services Limited as external treasury management advisors.

Both authorities recognise that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.



It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

Link Group was acquired by Mitsubishi UFJ Trust and Banking Corporation, a consolidated subsidiary of Mitsubishi UFJ Financial Group, inc. (MUFG). As a result on the 20th of January 2025 Link Treasury Services will be known as MUFG Corporate Markets.

#### 4. THE CAPITAL PRUDENTIAL INDICATORS 2025/26 – 2027/28

The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

##### 4.1 Capital expenditure and financing

This prudential indicator is a summary of the Councils' capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts.

The tables below summarise the capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a financing or borrowing need.

<b>Adur District Council Capital expenditure</b>	<b>2023/24 Actual £m</b>	<b>2024/25 Estimate £m</b>	<b>2025/26 Estimate £m</b>	<b>2026/27 Estimate £m</b>	<b>2027/28 Estimate £m</b>
Non-HRA	4.741	13.738	4.372	2.257	2.764
HRA	15.305	27.282	10.080	10.080	3.876
<b>Total:</b>	<b>20.046</b>	<b>41.020</b>	<b>14.452</b>	<b>12.337</b>	<b>6.640</b>
<b>Financed by:</b>					
Capital receipts	3.636	0.921	0.000	0.000	0.000
Capital grants and contributions	3.413	3.380	1.404	0.785	0.000
Revenue Reserves & contributions	6.482	6.005	3.512	3.500	0.000
<b>Net financing need for the year</b>	<b>6.515</b>	<b>30.715</b>	<b>9.536</b>	<b>8.052</b>	<b>6.640</b>

<b>Worthing Borough Council Capital expenditure</b>	<b>2023/24 Actual £m</b>	<b>2024/25 Estimate £m</b>	<b>2025/26 Estimate £m</b>	<b>2026/27 Estimate £m</b>	<b>2027/28 Estimate £m</b>
Non-HRA	14.109	36.965	18.761	4.476	8.688
<b>TOTAL</b>	<b>14.109</b>	<b>36.965</b>	<b>18.761</b>	<b>4.476</b>	<b>8.688</b>

<b>Financed by:</b>					
Capital receipts	7.438	0.915	0.112	0.012	0.012
Capital grants and contributions	3.365	20.410	8.471	0.250	0.000
Revenue Reserves & contributions	0.03	0.018	0.028	0.000	0.000
<b>Net financing need for the year</b>	<b>3.276</b>	<b>15.622</b>	<b>10.150</b>	<b>4.214</b>	<b>8.676</b>

#### 4.2 The Councils' borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Councils' Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of each council's indebtedness and so its underlying borrowing needs. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long term liabilities (e.g. finance leases). Whilst these increase the CFR, and therefore the Councils' borrowing requirement, these types of schemes include a borrowing facility and so the Councils are not required to separately borrow for these schemes. The Councils currently do not have any such schemes within the CFR. The Councils are asked to approve the CFR projections below:

Adur District Council	Capital Financing Requirement (£m)				
	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
CFR – non-HRA	29.706	38.817	40.929	41.526	43.332
CFR - HRA	73.869	94.797	101.377	107.957	111.833
CFR – strategic	75.790	74.872	73.931	72.963	71.995
<b>Total CFR</b>	<b>179.365</b>	<b>208.486</b>	<b>216.237</b>	<b>222.446</b>	<b>227.160</b>
<b>Movement in CFR</b>	6.515	30.715	9.536	8.052	6.640
<b>Represented by:</b>					
Financing need for the year	6.515	30.715	9.536	8.052	6.640
Less: MRP/VRP and other financing movements	-1.575	-1.594	-1.785	-1.843	-1.926
<b>Movement in CFR</b>	<b>4.940</b>	<b>29.121</b>	<b>7.751</b>	<b>6.209</b>	<b>4.714</b>

<b>Worthing Borough Council</b>	<b>Capital Financing Requirement (£m)</b>
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	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
CFR – non-HRA	140.017	154.34	162.89	165.10	171.40
CFR – strategic	68.01	67.209	66.387	65.544	64.701
<b>Total CFR</b>	<b>208.03</b>	<b>221.55</b>	<b>229.28</b>	<b>230.65</b>	<b>236.10</b>
<b>Movement in CFR</b>	3.276	15.622	10.150	4.214	8.676
<b>Represented by:</b>					
Financing need for the year	3.276	15.622	10.150	4.214	8.676
Less: MRP/VRP and other financing movements	-1.859	-2.101	-2.422	-2.840	-3.223
<b>Movement in CFR</b>	<b>1.417</b>	<b>13.521</b>	<b>7.727</b>	<b>1.373</b>	<b>5.453</b>

### 4.3 Liability Benchmark

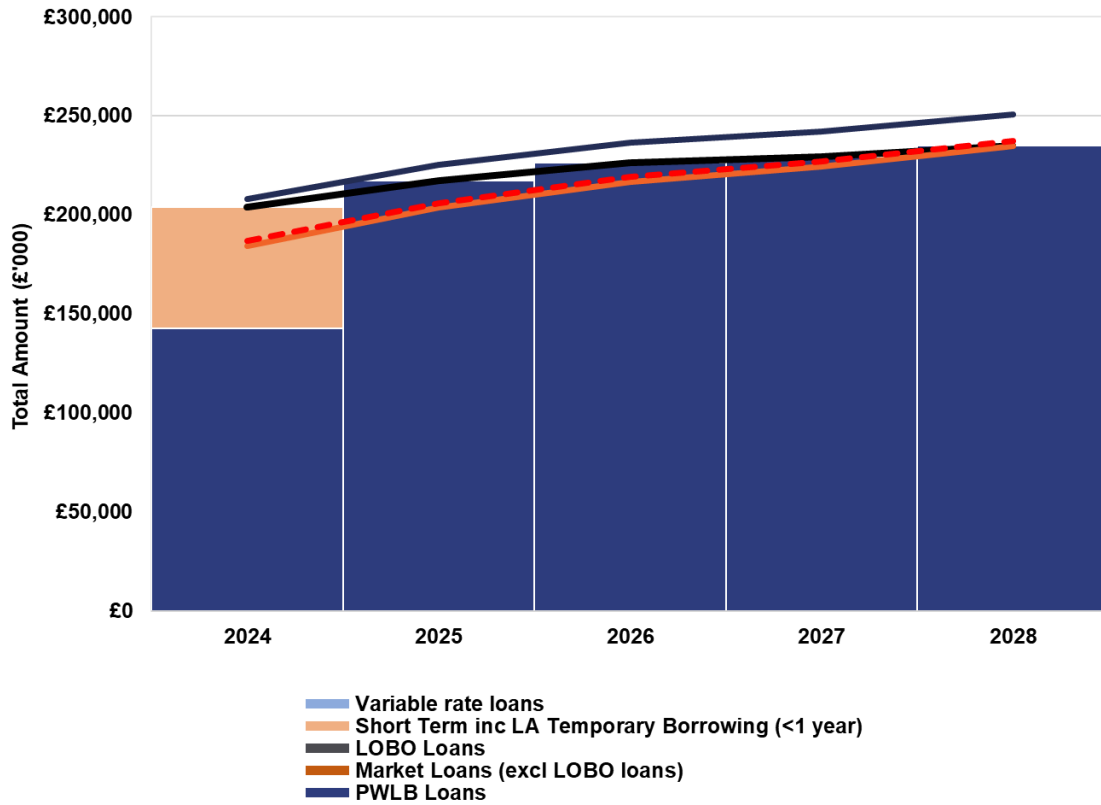
The Authority is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the LB: -

1. Existing loan debt outstanding: the Authority's existing loans that are still outstanding in future years.
2. Loans CFR: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. Net loans requirement: this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. Liability benchmark (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

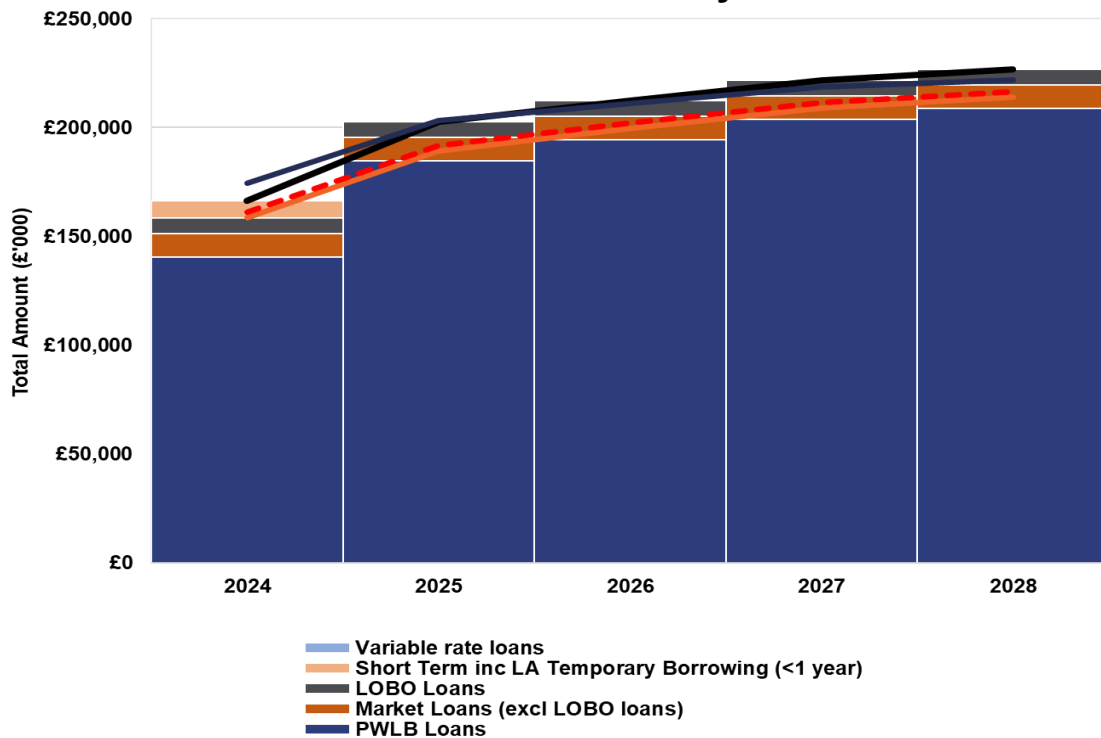
## Worthing Borough Council

### Worthing Borough Council Liability Benchmark



## Adur District Council

### Adur District Council Liability Benchmark



The above charts show the liability benchmark for Adur District Council and Worthing Borough Council for the year ended 2024 through to the year ended March 2028. An analysis of what is shown is given below:

- The black line represents existing loan debt outstanding which tracks the existing debt balance closely as repayments are made on the opening debt position as at the year ended March 2024.
- The red dashed line and Orange line represent the additional borrowing requirement which is driven by the amount of the Council's forecast capital expenditure which will be funded through prudential borrowing.
- The Blue line sitting at the top of the graph represents the Loans CFR, the gap between this and the liability benchmark line represents in part the treasury management investments held by the council which are required for management of liquidity and cash flow.

Though further periods of forecast are possible, as there is no capital programme set for years beyond 2028 the models data beyond that point is not indicative of the likely movement and has therefore not been included in this report.

#### **4.5 Minimum revenue provision (MRP) policy statement**

The Councils are required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although they are also allowed to undertake additional voluntary payments (voluntary revenue provision - VRP).

DLUHC regulations have been issued which require the full Councils to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision.

For both Councils, the MRP relating to built assets under construction will be set aside once the asset is completed. If any finance leases are entered into, the repayments are applied as MRP.

The Councils are recommended to approve the following MRP Statements:

##### **ADUR DISTRICT COUNCIL**

For Adur District Council it was approved by the Joint Strategic Committee on 2nd June 2016 that for borrowing incurred before 1st April 2008, the MRP will be set aside in equal instalments over the life of the associated debt.

##### **4.5.1 General Fund**

For non-HRA capital expenditure after 1st April 2008 the MRP will be calculated as the annual amount required to repay borrowing based on the annuity method: equal annual payments of principal and interest are calculated, with the interest element reducing and the principal element increasing over the life of the asset as the principal is repaid. The interest is based on the rate available to the Council at the beginning of the year in which

payments start and the MRP is calculated as the amount of principal, so that by the end of the asset's estimated life the principal is fully repaid (the Asset Life Method). The option remains to use additional revenue contributions or capital receipts to repay debt earlier.

An exception was agreed in the 2015/16 Treasury Management Strategy Statement: the Chief Financial Officer has discretion to defer MRP relating to debt arising from loans to Registered Social Landlords (RSLs) to match the profile of debt repayments from the RSL and other public bodies. RSLs normally prefer a maturity type loan as it matches the onset of income streams emanating from capital investment with the timing of the principal debt repayment. The deferral of MRP to the maturity date would therefore mean that MRP is matched at the same point as the debt is repaid, and is therefore cash (and revenue cost) neutral to the Council.

If concerns arise about the ability of the borrower to repay the loan, the Chief Financial Officer will use the approved discretion to make MRP as a "prudent provision" from the earliest point to ensure that sufficient funds are set aside from revenue to repay the debt at maturity if the RSL defaults.

It is proposed to use the same policy for 2025/26.

#### 4.5.2 **Housing Revenue Account**

Unlike the General Fund, the HRA is not required to set aside funds to repay debt. There is a requirement for a charge for depreciation to be made but there are transitional arrangements in place. The Council's MRP policy previously applied the financially prudent option of voluntary MRP for the repayment of HRA debt, to facilitate new borrowing in future for capital investment. However in order to provide additional capital funding to address the maintenance backlog identified by the condition survey, the payment of voluntary MRP was suspended for a period of 9 years from 2017/18 whilst the Council invests in its current housing stock and manages the impact of rent limitation.

### **WORTHING BOROUGH COUNCIL**

4.5.3 Worthing had no debt prior to 1 April 2008. Worthing applies the same MRP policy as Adur for capital expenditure funded from borrowing from 1 April 2008. Worthing also has discretion in the application of MRP in respect of capital loans to approved Counterparties (currently Worthing Homes and GB Met College).

4.5.4 In addition to the above policy, it is also recommended that where the Council purchases a property to facilitate a development whether via a Compulsory Purchase Order or via a negotiated arrangement with the intention of disposing of the property to a development partner, no MRP shall be provided for the first three years. Any capital receipt received for the land shall be used to repay the associated debt. This change to the policy was initially approved by Council in July 2021.

4.5.5 It is proposed to retain this policy for 2025/26.

## ADUR and WORTHING COUNCILS - VOLUNTARY REVENUE PROVISION

4.5.4 **MRP Overpayments** – A change introduced by the revised DLUHC MRP Guidance was the allowance that any charges made over the statutory MRP, which are designated as voluntary revenue provision or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayments made each year. As at the 31<sup>st</sup> March 2024 Adur has a net VRP overpayment of £10k.

## 5. BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Authority. The treasury management function ensures that the Authority's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Authority's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

### 5.1 Current portfolio position

The Councils' treasury portfolio positions at 31st March 2024 and at 31st December 2024 are shown below.

Adur District Council	Principal at 31.03.24 £m	Actual 31.03.24 %	Principal at 31.12.24 £m	Actual 31.12.24 %
<b>External Borrowing</b>				
PWLB	(146.799)	87%	(150.083)	87%
Other Borrowing	(22.327)	13%	(22.390)	13%
Finance lease	0		0	
<b>Total Borrowing:</b>	<b>(169.127)</b>	<b>100%</b>	<b>(172.472)</b>	<b>100%</b>
<b>Treasury Investments</b>				
Local Authority Property Fund	3.000	72%	3.000	60%
<b>Managed In-house:</b>				
Banks	1.150	28%	1.180	28%
Bonds	0.025	1%	0.025	1%
Debt Management Office	0	0%	0	0%
Local authorities	0	0%	0	0%
Money market funds	0	0%	0.785	19%
<b>Total Investments:</b>	<b>4.175</b>	<b>100%</b>	<b>4.990</b>	<b>100%</b>
<b>NET DEBT</b>	<b>(154.168)</b>		<b>(167.482)</b>	

Worthing Borough Council	Principal at 31.03.24 £m	Actual 31.03.24 %	Principal at 31.12.24 £m	Actual 31.12.24 %
<b>External Borrowing</b>				
PWLB	(136.411)	69%	(147.092)	86%
Other Borrowing	(62.525)	31%	(54.525)	14%
Finance lease	0.000		0.000	
<b>Total Borrowing:</b>	<b>(198.94)</b>	100%	<b>(201.617)</b>	100%
<b>Treasury Investments</b>				
Local Authority Property Fund	1.5	17%	1.50	16%
<b>In-house:</b>				
Banks	1.695	19%	2.84	30%
Bonds	0.025	0%	0.03	0%
Debt Management Office	5.730	64%	0.00	0%
Local authorities	0	0%	0.45	5%
Money market funds	0	0%	4.81	50%
<b>Total Investments:</b>	<b>8.95</b>	100%	<b>9.62</b>	100%
<b>NET DEBT</b>	<b>(189.99)</b>		<b>(192.00)</b>	

Worthing Borough Council has also made two loans which are categorised as capital rather than treasury investments, these detailed below showing balances as at 31st December 2024:

- a £10m loan to Worthing Homes
- a £5m repayment loan to GBMet College, with £4.079m remaining

Both of these loans are secured on assets of these bodies.

The Councils' forward projections for borrowing are summarised below. The tables show the actual external debt against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

Adur District Council External Debt £m	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Debt at 1 April	(169.127)	(172.472)	(202.593)	(212.344)	(221.553)
Expected change in Debt	(3.346)	(30.121)	(9.751)	(9.209)	(5.114)
Other long-term liabilities (OLTL)	0	0	0	0	0
<b>Actual gross debt at 31 March</b>	<b>(172.472)</b>	<b>(202.593)</b>	<b>(212.344)</b>	<b>(221.553)</b>	<b>(226.668)</b>
The Capital Financing Requirement	179.365	208.486	216.237	222.446	227.160
<b>Under/(over) borrowing</b>	<b>6.893</b>	<b>5.893</b>	<b>3.893</b>	<b>0.893</b>	<b>0.493</b>



Within the above figures the level of debt relating to commercial property is:

<b>Adur District Council</b>	<b>2023/24 Actual</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 Estimate</b>
<b>External Debt for commercial activities / non-financial investments</b>					
Actual debt at 31 March £m	(75.790)	(74.872)	(73.931)	(72.963)	(71.995)
Percentage of total external debt %	44%	37%	35%	33%	32%

<b>Worthing Borough Council External Debt £m</b>	<b>2023/24 Actual</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 Estimate</b>
Debt at 1 April	(198.936)	(201.617)	(215.139)	(222.866)	(227.739)
Expected change in Debt	(2.682)	(13.521)	(7.727)	(4.873)	(7.453)
Other long-term liabilities (OLTL)	0.000	0.000	0.000	0.000	0.000
<b>Actual gross debt at 31 March</b>	<b>(201.617)</b>	<b>(215.139)</b>	<b>(222.866)</b>	<b>(227.739)</b>	<b>(235.192)</b>
The Capital Financing Requirement	208.027	221.548	229.276	230.649	236.102
<b>Under/(over) borrowing</b>	<b>6.410</b>	<b>6.410</b>	<b>6.410</b>	<b>2.910</b>	<b>0.910</b>

Within the above figures the level of debt relating to commercial property is:

<b>Worthing Borough Council</b>	<b>2023/24 Actual</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 Estimate</b>
<b>External Debt for commercial activities / non-financial investments</b>					
Actual debt at 31 March £m	(68.010)	(67.209)	(66.387)	(65.544)	(64.701)
Percentage of total external debt %	34%	31%	30%	29%	28%

Within the range of prudential indicators there are several key indicators to ensure that the Authority operates its activities within well-defined limits. One of these is that the Authority needs to ensure that its gross debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2025/26 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Director of Finance reports that the Authority complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans and the proposals in this budget report.

## 5.2 Treasury Indicators: limits to borrowing activity

**The operational boundary** - This is the limit which external debt is not normally expected to exceed. In most cases, this would be a similar figure to

the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

<b>Adur District Council</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
<b>Operational Boundary</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Debt	222.852	233.579	243.709	249.334
Other long term liabilities	1.000	1.000	1.000	1.000
<b>Total</b>	<b>223.852</b>	<b>234.579</b>	<b>244.709</b>	<b>250.334</b>

<b>Worthing Borough Council</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
<b>Operational Boundary</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Debt re Worthing Homes	10.000	10.000	10.000	10.000
Debt re GB Met	4.5	4.3	4.0	3.8
Other Debt	236.653	245.153	250.513	258.711
Other long term liabilities	1.000	1.000	1.000	1.000
<b>Total</b>	<b>252.153</b>	<b>260.453</b>	<b>265.513</b>	<b>273.511</b>

**The authorised limit for external debt** - This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Councils. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Councils are asked to approve the following authorised limits:

<b>Adur District Council</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
<b>Authorised Limit</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Debt	243.111	254.813	265.864	272.001
Other long term liabilities	1.000	1.000	1.000	1.000
<b>Total</b>	<b>244.111</b>	<b>255.813</b>	<b>266.864</b>	<b>273.001</b>

<b>Worthing Borough Council</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
<b>Authorised Limit</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Debt re Worthing Homes	10.000	10.000	10.000	10.000
Debt re GB Met	4.500	4.300	4.000	3.800
Other Debt	258.167	267.440	273.287	282.230
Other long term liabilities	1.000	1.000	1.000	1.000
<b>Total</b>	<b>273.667</b>	<b>282.740</b>	<b>288.287</b>	<b>297.030</b>

**5.3 Prospects for interest rates**

5.3.1 The Council has engaged Link Group as its treasury advisor, tasking them with providing insights to help the Council formulate a perspective on interest rates. Link Group has presented the following forecasts as of November 11 2024, specifically focusing on certainty rates, which are gilt yields plus 80 basis points.

Link Group Interest Rate View	11.11.24												
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
<b>BANK RATE</b>	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month ave eamings	4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month ave eamings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 yr PWLB	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 yr PWLB	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

**5.3.2 Factors and Previous Moves**

**Prior Years**

Inflationary pressures continued to weigh on the UK economy and other developed economies globally. Geopolitics continued to feed volatility in energy markets and disturbances to global trade. This pressure eased somewhat across the financial year as markets adjusted to a “new normal” in the base cost of energy and other essentials.

**Current Year**

Indicators suggest that domestic rates of inflation have eased in the year-to-date, prompting market expectations of cuts to the Bank of England Base Rate. Markets currently predict a 75% probability of a 0.25% rate cut in February. For the calendar year as a whole, markets are pricing a total of 0.50% in base rate cuts.

Meanwhile, material uncertainties have led to increased yields in bond markets across many major economies, raising the cost of government borrowing. In particular, the impact of statements by the incoming Trump administration regarding global trade and geopolitics remains unclear—whether they are theoretical, rhetorical, or will materialise into concrete actions will not become evident until after January 20th.

Domestically, within this broader context of global bond market volatility, the cost of UK government borrowing has also risen in line with trends in other major economies. Markets perceive a potential risk to the growth targets set in the October Budget. Should borrowing continue at planned levels and growth not be achieved, there is concern that government debt may become unsustainable in the long term. This is sustaining the elevated borrowing costs at this time and the spread between the Gilt rate and the Bank of England Base Rate is widening as a result.

There have been 6 meetings of the MPC this financial year so far prior to authoring, the details of each meeting and subsequent rate decision are below:

- **9th May 2024** - Votes 5:2 to hold the base rate at 5.25%
- **20th June 2024** - Votes 5:2 to hold the base rate at 5.25%
- **1st August 2024** - Votes 5:3 to decrease the base rate 25bps to 5.00%
- **19th September 2024** - Votes 8:1 to maintain the base rate at 5.00%
- **7th November 2024** - Votes 8:1 to decrease the base rate 25bps to 4.75%
- **19th December 2024** - Votes 6:3 to maintain the base rate at 4.75%

**Borrowing for capital expenditure** Link's long-term forecast (beyond 10 years) for Bank Rate is 3.50%. As PWLB certainty rates are now above this level, the borrowing strategies of both councils are continually under review and both have favoured shorter term borrowing, in particular from other Local Authorities in order to minimise exposure to current interest rates and allow refinancing sooner when rates fall.

While the Councils will not be able to avoid borrowing to finance new capital expenditure and to replace maturing debt, there will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

#### 5.4 **Borrowing Strategy**

The Councils are both currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt, as cash supporting the Councils' reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as borrowing costs remain high, this strategy extends, for as long as possible, the periods between borrowing needs, and therefore reduces exposure to current interest rates.

Against this background and the risks within the economic forecast, caution will continue to be applied within the 2025/26 treasury operations. The Chief Financial Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *If it was felt that there was a significant risk of a sharp FALL borrowing rate, then borrowing will be postponed or where not possible the maturity period shortened within the bounds of the maturity profile restrictions.*
- *If it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

- 5.5 In prior years, both Councils have referred in the first instance to the Public Works Loan Board (PWLB) for sourcing their borrowing needs, given that they are eligible to access the PWLB “Certainty” rate of interest, being 20 basis points below the normal prevailing PWLB rates. However, borrowing from other sources, including other Local Authorities and on rare occasions wider markets, can from time to time offer options to borrow at advantageous rates comparative to the PWLB, and therefore will be considered alongside the PWLB during the current period of interest rate pressure.

Where appropriate, the Councils will continue to monitor the potential for 'ethical' or 'green' borrowing options, such as 'green bonds'. These options are generally suitable for substantial amounts (e.g. over £50m) and require significant due diligence by both the lender and the Council, which can be resource-intensive. Whilst PWLB rates are easing more slowly than expected, alternative options remain under review but are not currently considered viable. Local Climate Bonds may offer a potential funding avenue for future carbon reduction projects, but they are not actively being pursued at present due to insufficient resourcing to meet the monitoring and reporting requirements. The cost of staffing to support such requirements would negate the benefits of using these alternative funding sources.

Given the expected under borrowing position of the Councils, the borrowing strategy will give consideration to the most appropriate sources of funding from the following list( given in no particular order):

- i) Internal borrowing, by running down cash balances and foregoing interest earned at historically low rates, as this is the cheapest form of borrowing;
  - ii) Weighing the short term advantage of internal borrowing against potential long term borrowing costs, in view of the overall forecast for long term borrowing rates to increase over the next few years;
  - iii) PWLB fixed rate loans for up to 50 years;
  - iv) Long term fixed rate market loans at rates significantly below PWLB rates for the equivalent maturity period (where available) and to maintaining an appropriate balance between PWLB, market debt and loans from other councils in the debt portfolio;
  - v) PWLB borrowing for periods under 5 years where rates are expected to be significantly lower than rates for longer periods. This offers a range of options for new borrowing which will spread debt maturities away from a concentration in longer dated debt.
  - vi) Short term loans from other Councils where appropriate;
  - vii) Other forms of borrowing where appropriate e.g. green bonds or the other mechanisms where these offer better value than the PWLB.
- 5.6 Preference may be given to PWLB borrowing by annuity and EIP loans instead of maturity loans during periods of high interest rates, as this may

result in lower interest payments over the life of the loans. However debt maturity must be spread appropriately in order to reduce refinancing risk.

### **5.7 Policy on borrowing in advance of need**

The Councils will not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Councils can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

### **5.8 Debt rescheduling**

Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a large difference between premature redemption rates and new borrowing rates.

If rescheduling is done, it will be reported to the Councils at the earliest meeting following its action.

### **5.9 New financial institutions as a source of borrowing**

Currently the PWLB Certainty Rate is set at gilts + 80 basis points for non-HRA borrowing and Gilt rate + 40 basis points for HRA borrowing. However, consideration will also need to be given to sourcing funding at cheaper rates from the following:

- Local authorities (primarily shorter dated maturities out to 3 years or so - still cheaper than the Certainty Rate)
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years)
- Municipal Bonds Agency (possibly still a viable alternative depending on market circumstances prevailing at the time)
- “Green Bonds” or “Local Climate Bonds” or the local Credit Union, Boom

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

#### **6.1.2 The Councils’ investment policy has regard to the following:**

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

The Councils' investment priorities will be security first, portfolio liquidity second and then yield, (return). The Councils will aim to achieve the maximum yield on investments commensurate with proper levels of security and liquidity and with the Councils' risk appetite. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Councils will also consider the value available in periods up to 24 months with high credit rated financial institutions, as well as wider range fund options.

6.1.3 The Chief Financial Officer, under delegated powers, will undertake the most appropriate form of investments in keeping with the investment objectives, income and risk management requirements, and Prudential Indicators. As conditions in financial markets remain uncertain the changes proposed below are focused on meeting the operational needs of the treasury function for the 2025/26 financial year:

**Adur District Council:**

- No Changes Proposed.

**Worthing Borough Council:**

- To extend the removal of the 25% of funds limit in relation to MMF and Call Account balances for a further period of 2 financial years. To be reinstated or adapted as required (subject to member approval) in the 2027/28 Treasury Management Strategy. This proposal is to facilitate the operational needs of the Council, by ensuring availability of liquid funds during a period where it is expected that long term deposits will continue to be minimised in order to shield from elevated borrowing costs.

6.1.4 Investment instruments identified for use in the financial year are listed in Appendix B under the 'specified' and 'non-specified' investments categories. Counterparty limits will be set through the Councils' treasury management practices.

6.1.5 The guidance from the MHCLG and CIPFA places a high priority on the management of risk. The Councils have adopted a prudent approach to managing risk and define risk appetite by the following means: -

- a) Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.

- b) **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Councils will engage with the advisors to maintain a monitor on market pricing such as “credit default swaps” (a financial derivative or contract that allows an investor to “swap” or offset their credit risk with that of another investor) and overlay that information on top of the credit ratings.
- c) **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- d) The Councils have defined the list of **types of investment instruments** that the treasury management team is authorised to use. There are two lists in Appendix B under the categories of ‘specified’ and ‘non-specified’ investments.
- **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.
  - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.
- e) **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in Appendix B.
- f) The Councils will set a limit for the amount of its investments which are invested for **longer than 365 days**, (see paragraph 6.8).
- g) Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating** (see paragraph 6.4). The UK is excluded from this limit because it will be necessary to invest in UK banks and other institutions even if the sovereign rating is cut.
- h) The Councils have engaged **external consultants**, (see paragraph 3.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of the Councils in the context of the expected level of cash balances and need for liquidity throughout the year.
- i) All investments will be denominated in **sterling**.
- j) As a result of the change in accounting standards for 2026/27 under IFRS 9, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of



the amount invested and resultant charges at the end of the year to the General Fund.

6.1.6 The Councils will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 6.15). Regular monitoring of investment performance will be carried out during the year.

## 6.2 Creditworthiness Policy

6.2.1 The primary principle governing the Councils' joint treasury management service investment criteria is the security of investments, although the yield or return on the investment is also a key consideration. After this main principle, the service will ensure that:

- It maintains a policy covering the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Councils' prudential indicators covering the maximum principal sums invested.

6.2.2 The Chief Financial Officer will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to the Councils for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the service may use, rather than defining what types of investment instruments are to be used.

6.2.3 Credit rating information is supplied by Link Group, our treasury advisors, on all active counterparties that comply with our criteria. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer term bias outside the central rating view) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating Watch applying to a counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.

6.2.4 In accordance with the Code, Link Group's creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

6.2.5 The result is a series of colour coded bands for counterparties indicating the relative creditworthiness of each as they are categorised by durational bands. These bands are used by the Councils to form a view of the duration for

investments by each counterparty. The Councils are satisfied that this service gives a robust level of analysis for determining the security of its investments. It is also a service which the Councils would not be able to replicate using its own in-house resources.

6.2.6 Using Link's ratings service, potential counterparty ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications. The effect of a change in ratings may prompt the following responses:

- If a downgrade results in the counterparty/investment scheme no longer meeting the Councils' minimum criteria, its further use as a new investment will be withdrawn immediately.
- In addition to the use of Credit Ratings the Councils will be advised by Link of movements in Credit Default Swaps and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Councils' lending lists.

6.2.7 The Councils' officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets, the government support for banks, and the credit ratings of that government support.

6.2.8 Accordingly, the Councils may exercise discretion to deviate from Link's suggested durational bands for counterparties where circumstances warrant a more flexible approach being taken.

### 6.3 **The Councils' Minimum Investment Creditworthiness Criteria**

6.3.1 The minimum credit ratings criteria used by the Councils generally will be a short term rating (Fitch or equivalents) of F1, and long term rating A-. There may be occasions when the counterparty ratings from one or more of the three Ratings Agencies are marginally lower than the minimum requirements of F1 Short term, A- Long term (or equivalent). Where this arises, the counterparties to which the ratings apply may still be used with discretion, but in these instances consideration will be given to the whole range of topical market information available, not just ratings.

The Councils include the top five **building society** names in the specified investments. It is recognised that they may carry a lower credit rating than the Councils' other counterparties, therefore the lending limits for the building societies shall be £2m each, excepting that for Nationwide (the top building society) the lending limit shall be £4m.

### 6.4 **Country Limits and Proposed Monitoring Arrangements**

Due care will be taken to consider the country, group and sector exposure of the Councils' investments.

The Councils have determined that they will only use approved counterparties from countries (other than the UK) with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide one). The list of countries that qualify using these credit criteria as at the date of this report is reflected in the counterparty approved lending list shown at Appendix B. This list will be added to, or deducted from, by officers should ratings change, in accordance with this policy. No more than 25% of investments shall be placed in non-UK financial institutions for more than 7 days.

## 6.5 **Creditworthiness**

Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, more recently the UK sovereign debt rating has been placed on Negative Outlook by the three major rating agencies in the wake of the September 2022 mini budget. This was later reversed in October 2023. Close Brothers and Black Horse are two of the UK's largest providers of motor finance products, which are currently under investigation by the FCA due to issues in the disclosure of commission payments to customers this has caused a down grade for Close Brothers Limited who is now suspended from further dealing for both councils until such times as this position improves.

### **CDS prices - Credit Default Swaps**

Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the days of initial shocks such as the mini budget and invasion of Ukraine, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Authority has access to this information via its Link-provided Passport portal.

## **Investment Strategy**

### 6.6 **In-house funds**

Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed. For cash flow balances, the Councils will seek to use notice accounts, money market funds, call accounts and short-dated deposits to benefit from the compounding of interest.

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

The Chief Financial Officer, under delegated powers, will undertake the most appropriate form of investments in keeping with the investment objectives, income and risk management requirements and Prudential Indicators. Decisions taken on the core investment portfolio will be reported to the meetings of the JAGC and JSC in accordance with the reporting arrangements contained in the Treasury Management Practices Statement.

## 6.7 Investment returns expectations

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

2025/26	4.10%
2026/27	3.70%
2027/28	3.50%
2028/29	3.50%
Later years	3.50%

- 6.8 **Investment treasury indicator and limit** - total principal of in house funds invested for greater than 365 days. These limits are set with regard to the Councils' liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Councils are asked to approve the following treasury indicators and limits:

### Adur District Council

Maximum Proportion of Principal Sums Invested > 365 Days			
	2025/26	2026/27	2027/28
Principal sums invested > 365 days	50%	50%	50%

### Worthing Borough Council

Maximum Proportion of Principal Sums Invested > 365 Days			
	2025/26	2026/27	2027/28
Principal sums invested > 365 days	50%	50%	50%

Both Councils are currently holding investments in the Local Authorities' Property Fund (£3m for Adur and £1.5m for Worthing) and other small bonds in the local credit union (£50k for Worthing and £25k for Adur) which are

expected to be invested for more than 365 days. Worthing holds long term non-treasury loans issued to Worthing Homes and GB Met College.

- 6.9 In any sustained period of significant stress in the financial markets, the default position is for investments to be placed with the Debt Management Office Deposit Facility of the UK central government. The rates of interest may be below equivalent money market rates, however, if necessary, the returns are an acceptable trade-off for the guarantee that the Councils' capital is secure.
- 6.10 The Councils' proposed investment activity for placing cash deposits in 2025/26 will be to use: (given in no particular order)
- AAA rated Money Market Funds with a Constant Net Asset Value (CNAV) or a Low Volatility Net Asset Value (LVNAV) under the new money market fund regulations
  - other local authorities, parish councils, Police authorities or equivalent bodies etc.
  - business reserve accounts and term deposits, the majority with UK institutions that are rated at least A- long term.
  - the top five building societies by asset size

#### **Other Options for Longer Term Investments**

- 6.11 To provide the Councils with options to enhance returns above those available for short term durations, it is proposed to retain the option to use the following for longer term investments, as an alternative to cash deposits:
- a) **Supranational bonds greater than 1 year to maturity**
  - b) **Gilt edged securities** with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.
  - c) **The Councils' own banker** (currently Lloyds) if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.
  - d) **Building societies not meeting the basic security requirements under the specified investments.** The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Council may use the top five building societies by asset size up to £2m, (£4m Nationwide).
  - e) Any **bank or building society** that has a minimum long term credit rating of A- for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).

- f) Any **non-rated subsidiary** of a credit rated institution included in the specified investment category. These institutions will be included as an investment category subject to a guarantee from the parent company, and total exposure up to the limit applicable to the parent.
- g) **Registered Social Landlords** (Housing Associations) **and other public sector bodies** - subject to confirming that the Councils have appropriate powers, consideration will be given to lending to Registered Social Landlords and other public sector bodies. Such lending may either be as an investment for treasury management purposes, or for the provision of “social policy or service investment”, that would not normally feature within the Treasury Management Strategy.
- h) **Property Investment Funds** for example the Local Authorities’ Property Fund. The Councils will consult the Treasury Management Advisors and undertake appropriate due diligence before investment of this type is undertaken. Some of these funds are deemed capital expenditure – the Councils will seek guidance on the status of any fund considered for investment. The Councils may invest up to £5m in Property Investment Funds - this reflects the request from Adur members to invest more in the CCLA Local Authorities’ Property Fund.
- i) **Other local authorities**, parish councils etc.
- j) **Loan capital** in a body corporate.
- k) **Share capital in a body corporate** – *The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies.*

**(Note:** For (j) and (k) above the Councils’ Staff do not hold appropriate skills to discharge proper governance in relation to these investments as such will seek further advice on the appropriateness and associated risks with investments in these categories as and when an opportunity presents itself).

6.12 **The accounting treatment** may differ from the underlying cash transactions arising from investment decisions made by the Councils. To ensure that the Councils are protected from any adverse revenue impact, which may arise from these differences, the accounting implications of new transactions will be reviewed before they are undertaken.

6.13 The Councils will not transact in any investment that may be deemed to constitute **capital expenditure** (e.g. Share Capital, or pooled investment funds other than Money Market Funds), without the resource implications being approved as part of the consideration of the Capital Programme or other appropriate Committee report.

6.14 **Investment risk benchmarking** – the Councils will subscribe to Link’s Investment Benchmarking Club to review the investment performance and risk of the portfolios.

- 6.15 **End of year investment report** – at the end of the financial year the Councils will report on investment activity as part of the Annual Treasury Report.
- 6.16 **Local Authorities' Property Fund** – both Councils hold investments in the Fund (Adur DC - £3m and Worthing BC £1.5m). The treasury service receives regular reports and quarterly dividends. Both Councils' holdings in these funds is currently under review in light of a change in regulatory environment. Details of this change and potential implications are given at Appendix F.

## **7. OTHER MATTERS**

- 7.1 **Balanced budget requirement** - the Councils comply with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.
- 7.2 For social policy purposes, the Councils both hold deferred shares in the local Credit Union, Boom. Boom approached the Councils with a request to hold and invest some of Boom's funds in order to mitigate their treasury management investment risk. The Worthing Borough Council approved this through a Mid Year Review of Treasury Management at the time.

Officers are pleased to report that this relationship has continued enabling Boom to seek a return on its funds, supporting the work of the organisation as a community bank. In addition this is a reliable source of borrowing for the council and Boom extends the loan to the Council at a very competitive borrowing rate. As at 31st December 2024 the council had £250k held on 8 days notice in order to facilitate the liquidity needs of Boom.

## **8. ENGAGEMENT AND COMMUNICATION**

- 8.1 The Adur and Worthing Councils' treasury management team provides treasury services to Mid Sussex District Council through a shared services arrangement (SSA). The SSA is provided under a Service Level Agreement that was renewed from 18th October 2022, and which defines the respective roles of the client and provider authorities for a period of three years.
- 8.2 The Adur and Worthing Councils' treasury management team also provides treasury services to Arun District Council through a shared services arrangement (SSA). The SSA is provided under a Service Level Agreement that was renewed from 2nd October 2024, and which defines the respective roles of the client and provider authorities for a period of three years.
- 8.3 Information and advice is supplied throughout the year by Link Group, the professional consultants for the Councils' shared treasury management service.

## **9. FINANCIAL IMPLICATIONS**

- 9.1 This report has no quantifiable additional financial implications to those outlined above. Interest payable and interest receivable arising from treasury

management operations, and annual revenue provisions for repayment of debt, form part of the revenue budget.

## **10. LEGAL IMPLICATIONS**

- 10.1 The approval and adoption of the Treasury Management Strategy Statement, Annual Investment Strategy, Minimum Revenue Provision Policy and Prudential Indicators is required by regulations issued under the Local Government Act 2003.

### **Background Papers**

Joint Treasury Management Strategy Statement and Annual Investment Strategy Report 2024/25 to 26/27 – Adur Council 22 February 2024 and Worthing Council 20 February 2024

Annual Treasury Management Report 2023-24 for Adur District Council and Worthing Borough Council – Joint Audit & Governance Committee, 26th September 2024 and Joint Strategic Committee, 1st October 2024

Overall Budget Estimates 2025/26 and Setting of 2024/25 Council Tax Report

Link Group Advisory TMSS Template 2025/26

Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (CIPFA, December 2021) and CIPFA Treasury Management Guidance Notes 2021

The Prudential Code for Capital Finance in Local Authorities (CIPFA, December 2021)

MHCLG Investment Guidance

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## **SUSTAINABILITY & RISK ASSESSMENT**

### **1. ECONOMIC**

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

### **2. SOCIAL**

#### **2.1 Social Value**

Matter considered and no issues identified.

#### **2.2 Equality Issues**

Matter considered and no issues identified.

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

Matter considered and no issues identified.

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

Matter considered and no issues identified.

### **3. ENVIRONMENTAL**

Matter considered and no issues identified.

### **4. GOVERNANCE**

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

4.2 The operation of the treasury management function is as approved by the Councils' Treasury Management Strategy and Annual Investment Strategy 2025/26 - 2027/28, submitted and approved before the commencement of the 2025/26 financial year.

4.3 In the current economic climate the security of investments is paramount, the management of which includes regular monitoring of the credit ratings and other incidental information relating to credit worthiness of the Councils' investment counterparties.

## Appendix A

### THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2025/26 – 2027/28

- 1.1 The Councils' capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

#### Adur District Council

Capital expenditure	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£m	£m	£m	£m	£m
Non-HRA	4.741	13.738	4.372	2.257	2.764
HRA	15.305	27.282	10.080	10.080	3.876
Commercial property	0.000	0.000	0.000	0.000	0.000
<b>TOTAL</b>	<b>20.046</b>	<b>41.020</b>	<b>14.452</b>	<b>12.337</b>	<b>6.640</b>

#### Worthing Borough Council

Capital expenditure	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£m	£m	£m	£m	£m
Non-HRA	14.109	36.965	18.761	4.476	8.688
Commercial property	0.000	0.000	0.000	0.000	0.000
<b>TOTAL</b>	<b>14.109</b>	<b>36.965</b>	<b>18.761</b>	<b>4.476</b>	<b>8.688</b>

#### 1.2 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Councils' overall finances. The Councils are asked to approve the following indicators:

##### **Ratio of financing costs to net revenue stream**

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

<b>Adur District Council</b>	<b>2023/24 Actual</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 Estimate</b>
Non-HRA	16.62%	11.95%	11.48%	13.32%	21.62%
HRA	16.45%	22.01%	26.96%	31.49%	31.64%
Strategic purchases	-22.29%	-21.88%	-22.42%	-23.60%	-24.66%
<b>TOTAL</b>	<b>10.78%</b>	<b>12.08%</b>	<b>16.03%</b>	<b>21.20%</b>	<b>28.60%</b>

<b>Worthing Borough Council</b>	<b>2023/24 Actual</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 Estimate</b>
Non-HRA	16.26%	22.30%	26.97%	31.47%	32.27%
Commercial activities	-20.49%	-19.73%	-20.88%	-21.33%	-20.70%
<b>TOTAL</b>	<b>-4.24%</b>	<b>2.57%</b>	<b>6.09%</b>	<b>10.13%</b>	<b>11.57%</b>

The estimates of financing costs include current commitments and the proposals in this budget report.

#### **HRA Ratio**

<b>Adur (HRA)</b>	<b>2023/24 Actual</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 Estimate</b>
HRA CFR (£m)	(73.869)	(94.797)	(101.377)	(107.957)	(111.833)
Number of HRA dwellings	2509	2523	2577	2578	2570
Financing Need per dwelling (£)	<b>29,442</b>	<b>37,573</b>	<b>39,339</b>	<b>41,876</b>	<b>43,515</b>

### **1.3 Maturity structure of borrowing**

These gross limits are set to reduce the Councils' exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits. Neither Council has any variable rate borrowing.

The Councils are asked to approve the following treasury indicators and limits:

**Adur District Council**

<b>Limits to maturity structure of fixed interest rate borrowing 2025/26</b>		
	<b>Lower Limit</b>	<b>Upper Limit</b>
<b>Under 12 months</b>	0%	25%
<b>12 months to 2 years</b>	0%	30%
<b>2 years to 5 years</b>	0%	50%
<b>5 years to 10 years</b>	0%	70%
<b>10 years to 20 years</b>	0%	80%
<b>20 years to 30 years</b>	0%	60%
<b>30 years to 40 years</b>	0%	60%
<b>40 years to 50 years</b>	0%	45%

**Worthing Borough Council**

<b>Limits to maturity structure of fixed interest rate borrowing 2025/26</b>		
	<b>Lower Limit</b>	<b>Upper Limit</b>
<b>Under 12 months</b>	0%	35%
<b>12 months to 2 years</b>	0%	40%
<b>2 years to 5 years</b>	0%	75%
<b>5 years to 10 years</b>	0%	75%
<b>10 years to 20 years</b>	0%	75%
<b>20 years to 30 years</b>	0%	75%
<b>30 years to 40 years</b>	0%	75%
<b>40 years to 50 years</b>	0%	75%

**TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND COUNTERPARTY RISK MANAGEMENT**

The DLUHC issued Investment Guidance in 2018, and this forms the structure of the Authority's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for local authorities to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective, the Guidance requires this Authority to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council adopted the Code and will apply its principles to all investment activity. In accordance with the Code, the Director of Finance has produced its treasury management practices (TMPs). This part, TMP 1(1), covering investment counterparty policy requires approval each year.

**Annual investment strategy** - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of the annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments;
- The principles to be used to determine the maximum periods for which funds can be committed;
- Specified investments that the Councils will use. These are high security (i.e. high credit rating, although this is defined by the Councils, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year;
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Councils is:

**Strategy guidelines** – The main strategy guidelines are contained in the body of the treasury strategy statement. However a further consideration is included below:

**ESG considerations** - Both councils will consider Environmental, Social and Governance factors when placing any investment with current or new counterparties. Where matters for concern are identified for any specific counterparty both councils will consider placing future investments with other counterparties. A process of ongoing monitoring is underway for existing counterparties.

Whilst there are no concerns regarding our banker, for operational reasons the Councils' own banker Lloyds bank is required to be exempt from this approach as we are contractually bound to them for the duration of our banking contract. These factors will always be considered when the contract is renewed.

## **SPECIFIED AND NON SPECIFIED INVESTMENTS**

### **Specified Investments identified for use by the Councils**

Identified for utilisation by the Councils, these specified investments primarily comprise sterling investments with a maturity of not more than one year. Additionally, they encompass investments with longer tenures, yet affording the Councils the option of repayment within 12 months. This category extends to assets originally categorised as non-specified investments, which, despite having an initial duration exceeding 12 months, are reclassified as specified investments when the remaining period to maturity falls below twelve months. Characterised by their low-risk profile, these investments entail minimal risk of principal or investment income loss. These would include sterling investments which would not be defined as capital expenditure with:

- The UK Government (such as the Debt Management Account deposit facility, UK treasury bills or a gilt\* with less than one year to maturity)
- Supranational bonds of less than one year's duration\*
- A local authority, housing association, parish council or community council
- Pooled investment vehicles (such as money market funds) that have been awarded a AAA rating by Standard and Poor's, Moody's and/or Fitch rating agencies
- A body that is considered of a high credit quality (such as a bank or building society). This covers bodies with a minimum Short Term rating of F1 (or the equivalent) as rated by Standard and Poor's, Moody's and/or Fitch rating agencies.

Within these bodies, and in accordance with the Code, the Councils have set additional criteria to set the time and amount of monies which will be invested in these bodies - see Annexes 1 and 2.

### **Non-Specified Investments identified for use by the Councils**

These are any other type of investment (ie not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out in Annexes 1 and 2.

Where appropriate, the Councils will seek further advice on the associated risks with non-specified investments.

For credit rated counterparties, the minimum criteria, excepting for the Councils' own banker and the specified building societies, (see below) will be the short-term / long-term ratings assigned by various agencies which may include Moody's Investors Services, Standard and Poor's, Fitch Ratings, being:

**Long-term investments (over 365 days): minimum: A- (Fitch) or equivalent**

**Or**

**Short-term investments (365 days or less): minimum: F1 (Fitch) or equivalent**

For all investments the Councils will also take into account information on corporate

developments of, and market sentiment towards, investment counterparties.

Where appropriate the Ring Fenced entities of banks will be used.

**ADUR DISTRICT COUNCIL - SPECIFIED AND NON SPECIFIED INVESTMENTS**

**Specified Investments identified for use by the Council**

New specified investments will be made within the following limits:

<b>Instrument</b>	<b>Country and sovereign rating</b>	<b>Counterparty and current rating</b>	<b>Max'm exposure limit £m and/or %</b>
Term Deposits	UK	DMADF, DMO	No limit
Term Deposits/ Call Accounts	UK	Other UK Local Authorities	£5m
Term Deposits/ Call Accounts	UK	Santander UK A+	£4m
Term Deposits/ Call Accounts	UK	Bank of Scotland/ Lloyds (RFB) A+	£4m as standard (£6m maximum for not more than 2 working days)
Term Deposits/ Call Accounts	UK	Barclays (RFB) A+	£4m
Term Deposits/ Call Accounts	UK	Clydesdale A-	£4m
Term Deposits/ Call Accounts	UK	HSBC (RFB) AA-	£4m
Term Deposits/ Call Accounts	UK	Close Brothers Ltd BBB+	SUSPENDED
Term Deposits/ Call Accounts	UK	Royal Bank of Scotland/Nat West Group (RFB) A+	£4m
Term Deposits/ Call Accounts	UK	Standard Chartered Bank A+	£3m
Term Deposits/ Call Accounts	Australia - AAA	National Australia Bank Ltd A+	£3m
Term Deposits/ Call Accounts	US - AAA	JP Morgan Chase Bank NA AA	£3m
Term Deposits/ Call Accounts	UK	Handelsbanken plc AA	£4m
Term Deposits/ Call Accounts	UK	Goldman Sachs Int Bank A+	£3m
Gilts	UK	Debt Management Office (DMO)	£3m or 25% of funds



<b>Instrument</b>	<b>Country and sovereign rating</b>	<b>Counterparty and current rating</b>	<b>Max'm exposure limit £m and/or %</b>
Bonds	EU	European Investment Bank/ Council of Europe	£3m or 25% of funds
AAA rated Money Market Funds		Constant Net Asset Value or LVNAV MMFs	to manage liquidity, maximum £3m per fund
Other MMFs and CIS	UK	Collective Investment Schemes	25%
Term Deposits	UK	Nationwide BS A	£4m
Term Deposits	UK	Yorkshire BS A-	£2m
Term Deposits	UK	Coventry BS A-	£2m
Term Deposits	UK	Skipton BS A-	£2m
Term Deposits	UK	Leeds BS A-	£2m
Share Capital	n/a	West Sussex Credit Union	£0.025m deferred shares
Share Capital	n/a	Local Capital Finance Co (Municipal Bonds Agency)	£0.05m

*NB Any existing deposits outside of the current criteria will be reinvested with the above criteria on maturity.*

*NB No more than 25% of funds shall be invested in Non-UK financial institutions whether by term deposits, except that this limit may be breached for liquidity purposes for up to 1 week at any time.*

*NB Investments in AAA rated Money Market Funds are to be used for liquidity purposes - funds should be invested to achieve higher returns wherever possible.*

*Institution ratings shown are as at 31 December 2024 and are subject to change.*

## APPENDIX B - ANNEX 1

### ADUR DISTRICT COUNCIL NON-SPECIFIED INVESTMENTS DETERMINED FOR USE BY THE COUNCIL:

Having considered the rationale and risk associated with Non-Specified Investments, the following have been determined for the Council's use:

	In-house use	Use by Fund Managers	Maximum Maturity	Maximum % of portfolio or £m	Capital Expenditure ?
<ul style="list-style-type: none"> <li>☒ Deposits with banks and building societies</li> <li>☒ Certificates of deposit with banks and building societies</li> <li>☒ Deposits with Local Authorities</li> <li>☒ The UK Government</li> </ul>	√	√	5 years	The higher of £8m or 50% of funds, maximum of £2m per institution	No
<p><b>Gilts and Bonds:</b></p> <ul style="list-style-type: none"> <li>☒ Gilts</li> <li>☒ Bonds issued by multilateral development banks</li> <li>☒ Bonds issued by financial institutions guaranteed by the UK government</li> <li>☒ Sterling denominated bonds by non-UK sovereign governments</li> </ul>	√	√	5 years	The higher of £3m or 25% of funds	No
<p>Money Market Funds and Collective Investment Schemes (pooled funds which meet the definition of a collective investment scheme as defined in SI 2004 No. 534 and SI 2007, No. 573), but which are not credit rated.</p>	√ (on advice from treasury advisor)	√	These funds do not have a defined maturity date.	The higher of £5m or 30% of funds, maximum of £3m per fund	No
<p>Government guaranteed bonds and debt instruments (e.g. floating rate notes) issued by corporate bodies</p>	√ (on advice from treasury advisor)	√	5 years	The higher of £2m or 10% of funds	Yes

**ADUR DISTRICT COUNCIL  
NON-SPECIFIED INVESTMENTS DETERMINED FOR USE BY THE COUNCIL:**

	In-house use	Use by Fund Managers	Maximum Maturity	Maximum % of portfolio or £m	Capital Expenditure?
Non-guaranteed bonds and debt instruments (e.g. floating rate notes) issued by corporate bodies	√ (on advice from treasury advisor)	√	5 years	The higher of £2m or 10% of funds	Yes
Property Funds approved by HM Treasury and operated by managers regulated by the Financial Conduct Authority, such as the Local Authorities' Property Fund	√ (on advice from treasury advisor)	√	These funds do not have a defined maturity date	£5m	To be confirmed
Collective Investment Schemes (pooled funds) which do not meet the definition of collective investment schemes in SI 2004 No. 534 or SI 2007, No. 573.	√ (on advice from treasury advisor)	√	These funds do not have a defined maturity date	The higher of £2m or 20% of funds	Yes

1. In determining the period to maturity of an investment, the investment should be regarded as commencing on the date of the commitment of the investment rather than the date on which funds are paid over to the counterparty.
2. The use of the above instruments by the Council's fund manager(s) will be by reference to the fund guidelines contained in the agreement between the Council and the individual manager.
3. The Council's own banker may also be used if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as possible.

## WORTHING BOROUGH COUNCIL SPECIFIED AND NON SPECIFIED INVESTMENTS

### Specified Investments identified for use by the Council

New specified investments will be made within the following limits:

Instrument	Country and sovereign rating	Counterparty	Max'm exposure limit £m and/or %
Term Deposits	UK	DMADF, DMO	No limit
Term Deposits/ Call Accounts	UK	Other UK Local Authorities	£5m
Term Deposits/ Call Accounts	UK	Santander UK A+	£4m
Term Deposits/ Call Accounts	UK	Bank of Scotland/ Lloyds (RFB) A+	£4m as standard (£6m maximum for not more than 2 working days)
Term Deposits/ Call Accounts	UK	Barclays (RFB) A+	£4m
Term Deposits/ Call Accounts	UK	Clydesdale A-	£4m
Term Deposits/ Call Accounts	UK	HSBC (RFB) AA-	£4m
Term Deposits/ Call Accounts	UK	Standard Chartered Bank A+	£3m
Term Deposits/ Call Accounts	UK	Close Brothers Ltd BBB+	SUSPENDED
Term Deposits/ Call Accounts	UK	Royal Bank of Scotland/Nat West Group (RFB) A+	£4m
Term Deposits/ Call Accounts	Australia - AAA	National Australia Bank Ltd A+	£3m
Term Deposits/ Call Accounts	US - AAA	JP Morgan Chase Bank NA AA	£3m
Term Deposits/ Call Accounts	UK	Handelsbanken plc AA	£4m
Term Deposits/ Call Accounts	UK	Goldman Sachs Int Bank A+	£3m
Gilts	UK	Debt Management Office (DMO)	£3m or 25% of funds

<b>Instrument</b>	<b>Country and sovereign rating</b>	<b>Counterparty</b>	<b>Max'm exposure limit £m and/or %</b>
Bonds	EU	European Investment Bank/ Council of Europe	£3m or 25% of funds
AAA rated Money Market Funds	Various	Constant Net Asset Value or LVNAV MMFs	£3m per fund (Proposed removal of 25% rule, see 6.1.3)
Other MMFs and CIS	UK	Collective Investment Schemes	25%
Term Deposits	UK	Nationwide BS A	£4m
Term Deposits	UK	Yorkshire BS A-	£2m
Term Deposits	UK	Coventry BS A-	£2m
Term Deposits	UK	Skipton BS A-	£2m
Term Deposits	UK	Leeds BS A-	£2m
*Term Deposits	UK	Worthing Homes (10 year loan)	£10m
*Term Deposits	UK	GB Met (20 year loan)	£5m
Share Capital	n/a	West Sussex Credit Union	£0.05m deferred shares
Share Capital	n/a	Local Capital Finance Co (Municipal Bonds Agency)	£0.05m
Temporary Loans	n/a	Worthing Leisure Trust	£0.5m

*NB Any existing deposits outside of the current criteria will be reinvested within the above criteria on maturity.*

*NB No more than 25% of funds shall be invested in Non-UK financial institutions whether by term deposits except that this limit may be breached for liquidity purposes for up to 1 week at any time.*

\* These loans are for more than 1 year, therefore are “unspecified”, but are included here as they have been approved by Council.

*Institution ratings shown are as at 31 December 2024 and are subject to change.*

## APPENDIX B - ANNEX 2

### WORTHING BOROUGH COUNCIL NON-SPECIFIED INVESTMENTS DETERMINED FOR USE BY THE COUNCIL:

Having considered the rationale and risk associated with Non-Specified Investments, the following have been determined for the Council's use:

	In-house use	Use by Fund Managers	Maximum Maturity	Maximum % of portfolio or £m	Capital Expenditure ?
<ul style="list-style-type: none"> <li>☒ Deposits with banks and building societies</li> <li>☒ Certificates of deposit with banks and building societies</li> <li>☒ Deposits with Local Authorities</li> <li>☒ The UK Government</li> </ul>	√	√	5 years	The higher of £8m or 50% of funds, maximum of £2m per institution	No
<p><b>Gilts and Bonds:</b></p> <ul style="list-style-type: none"> <li>☒ Gilts</li> <li>☒ Bonds issued by multilateral development banks</li> <li>☒ Bonds issued by financial institutions guaranteed by the UK government</li> <li>☒ Sterling denominated bonds by non-UK sovereign governments</li> </ul>	√	√	5 years	The higher of £3m or 25% of funds	No
<p>Money Market Funds and Collective Investment Schemes (pooled funds which meet the definition of a collective investment scheme as defined in SI 2004 No. 534 and SI 2007, No. 573), but which are not credit rated.</p>	√ (on advice from treasury advisor)	√	These funds do not have a defined maturity date.	The higher of £5m or 30% of funds, maximum of £3m per fund	No
<p>Government guaranteed bonds and debt instruments (e.g. floating rate notes) issued by corporate bodies</p>	√ (on advice from treasury advisor)	√	5 years	The higher of £2m or 10% of funds	Yes

**WORTHING BOROUGH COUNCIL  
NON-SPECIFIED INVESTMENTS DETERMINED FOR USE BY THE COUNCIL:**

	In-house use	Use by Fund Managers	Maximum Maturity	Maximum % of portfolio or £m	Capital Expenditure?
Non-guaranteed bonds and debt instruments (e.g. floating rate notes) issued by corporate bodies	√ (on advice from treasury advisor)	√	5 years	The higher of £2m or 10% of funds	Yes
Property Funds approved by HM Treasury and operated by managers regulated by the Financial Conduct Authority, such as the Local Authorities' Property Fund	√ (on advice from treasury advisor)	√	These funds do not have a defined maturity date	£5m	To be confirmed
Collective Investment Schemes (pooled funds) which do not meet the definition of collective investment schemes in SI 2004 No. 534 or SI 2007, No. 573.	√ (on advice from treasury advisor)	√	These funds do not have a defined maturity date	The higher of £2m or 20% of funds	Yes

1. In determining the period to maturity of an investment, the investment should be regarded as commencing on the date of the commitment of the investment rather than the date on which funds are paid over to the counterparty.
2. The use of the above instruments by the Council's fund manager(s) will be by reference to the fund guidelines contained in the agreement between the Council and the individual manager.
3. The Council's own banker may also be used if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as possible.

**APPROVED COUNTRIES FOR INVESTMENTS**

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link creditworthiness service.

**Based on lowest available rating as at**

**AAA**

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

**AA+**

- Canada
- Finland
- U.S.A.

**AA**

- Abu Dhabi (UAE)
- France
- New Zealand
- The United Kingdom

**AA-**

- Belgium

*NB Consideration will be given to other factors, including Environmental, Social and Governance standards when considering the destination country of Non-UK investments. As such countries with an appropriate sovereign rating will not be used where matters identified do not align with the respective Council's values.*

*NB As detailed in 6.1.5 it has been determined that the UK will remain an approved country for investment regardless of its sovereign rating. This is due to the avoidance of such investments being operationally prohibitive.*



**COUNTERPARTIES WHERE THE COUNCILS HAVE OPTED UP TO PROFESSIONAL INVESTOR STATUS**

(i) **Money Market Funds**

Invesco  
Federated Investors  
CCLA  
Black Rock  
HSBC ESG Fund  
State Street Global Advisors (SSGA)

(ii) **Building Societies**

Skipton Building Society  
Coventry Building Society  
Leeds Building Society  
Nationwide Building Society  
Yorkshire Building Society

(iii) **Brokers**

BGC (Sterling)  
Tradition  
ICAP  
Imperial  
RP Martin

(iv) **Other**

ICD (Portal used for money market fund investments)  
MUFG Corporate Markets (Formerly Link Group Treasury Advisors)

These arrangements will be regularly reviewed as appropriate.

**TREASURY MANAGEMENT SCHEME OF DELEGATION****(i) Full Council**

- receiving and reviewing reports on treasury management policies, practices and activities
- approval of annual Treasury Management Strategy Statement and Annual Investment Strategy
- approval of MRP Statement

**(ii) Joint Strategic Committee**

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities
- receiving and reviewing regular monitoring reports and acting on recommendations
- approving the selection of external service providers and agreeing terms of appointment.

**(iii) Joint Audit & Governance Committee**

Receiving and reviewing the following, and making recommendations to the Joint Strategic Committee

- the Treasury Management Strategy Statement and regular monitoring reports on compliance with the Treasury Management Strategy, practices and procedures.

**(iv) The S151 (responsible) officer**

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- submitting regular treasury management policy reports
- submitting budgets and budget variations
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit
- recommending the appointment of external service providers.

**TREASURY MANAGEMENT SCHEME OF DELEGATION**

The revised CIPFA Treasury Management and Prudential Codes have extended the functions of the S151 role in respect of non-financial investments

- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management
- ensuring that the capital strategy is prudent, sustainable and affordable in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authorities
- ensuring that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed

## Economic backdrop provided by Link Treasury Advisory

Link Group Interest Rate View	11.11.24												
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
<b>BANK RATE</b>	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 yr PWLB	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 yr PWLB	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

The third quarter of 2024 saw:

- GDP growth stagnating in July following downwardly revised Q2 figures (0.5% q/q)
- A further easing in wage growth as the headline 3myy rate (including bonuses) fell from 4.6% in June to 4.0% in July;
- CPI inflation hitting its target in June before edging above its 2.2% in July and August;
- Core CPI inflation increasing from 3.3% in July to 3.6% in August;
- The Bank of England initiated its easing cycle by lowering interest rates from 5.25% to 5.0% in August and holding them steady in its September meeting
- 10-year gilt yields falling to 4.0% in September

Over the aforementioned period, the economy's stagnation in June and July pointed more to a mild slowdown in UK GDP growth than a sudden drop back into a recession. However, in the interim period, to 12 December, arguably the biggest impact on the economy's performance has been the negative market sentiment in respect of the fallout from the Chancellor's Budget on 30 October.

If we reflect on the 30 October Budget, our central case is that those policy announcements will prove to be inflationary, at least in the near-term. The Office for Budgetary Responsibility and the Bank of England concur with that view. The latter have the CPI measure of inflation hitting 2.5% y/y by the end of 2024 and staying sticky until at least 2026. The Bank forecasts CPI to be elevated at 2.7% y/y (Q4 2025) before dropping back to sub-2% in 2027. Nonetheless, since the Budget, the October inflation print has shown the CPI measure of inflation bouncing up to 2.3% y/y with the prospect that it will be close to 3% by the end of the year before falling back slowly through 2025. The RPI measure has also increased significantly to 3.4% y/y.

How high inflation goes will primarily be determined by several key factors. First amongst those is that the major investment in the public sector, according to the Bank of England, will lift UK real GDP to 1.7% in 2025 before growth moderates in 2026 and 2027. The debate around whether the Government's policies lead to a material uptick in growth primarily focus on the logistics of fast-tracking planning permissions, identifying sufficient skilled labour to undertake a resurgence in building, and an increase in the employee participation rate within the economy.

There are inherent risks to all the above. The worst-case scenario would see systemic blockages of planning permissions and the inability to identify and resource the additional workforce required to deliver large-scale IT, housing and infrastructure projects. This would lead to upside risks to inflation, an increased prospect of further Government borrowing & tax rises in the June 2025 Spending Review (pushed back from the end of March), and a tepid GDP performance.

Regarding having a sufficiently large pool of flexible and healthy workers, the initial outlook does not look bright. Research from Capital Economics has alluded to an increase of some 500,000 construction workers being needed to provide any chance of the Government hitting its target of 300,000 new homes being built in each of the next five years (234,000 net additional dwellings in England in 2022/23). But the last time such an increase was needed, and construction employment is currently at a nine-year low, it took 12 years to get there (1996 to 2008). Also note, as of October 2024, job vacancies in the construction sector were still higher than at any time in the 20 years preceding the pandemic.

Currently, it also seems likely that net inward migration is set to fall, so there is likely to be a smaller pool of migrant workers available who, in the past, have filled the requirement for construction worker demand. The Government plans to heavily promote training schemes, particularly to the one million 16- to 24-year-olds who are neither in education nor work. But it is arguable as to whether the employee shortfall can be made up from this source in the requisite time, even if more do enter the workforce.

Against, this backdrop, there may be a near-term boost to inflation caused by a wave of public sector cash chasing the same construction providers over the course of the next year or so, whilst wages remain higher than the Bank currently forecasts because of general labour shortages, including in social care where Government accepts there is a 150,000 shortfall at present.

Unemployment stands at a low 4.3% (September), whilst wages are rising at 4.3% y/y (including bonuses) and 4.8% (excluding bonuses). The Bank would ideally like to see further wage moderation to underpin any further gradual relaxing of monetary policy. Indeed, over the next six months, the market is currently only pricing in Bank Rate reductions in February and May – which would see Bank Rate fall to 4.25% - but further cuts, thereafter, are highly likely to be even more data-dependent.

If we focus on borrowing, a term we are likely to hear throughout 2025 is “bond vigilante”. Essentially, this represents a generic term for when the market is ill at ease with the level of government borrowing and demands a higher return for holding debt issuance. In the UK, we do not need to go back too far to recall the negative market reaction to the Truss/Kwarteng budget of 2022. But long-term borrowing rates have already gradually moved back to those levels since their recent low point in the middle of September 2024. Of course, the UK is not alone in this respect. Concerns prevail as to what the size of the budget deficit will be in the US, following the election of Donald Trump as President, and in France there are on-going struggles to form a government to address a large budget deficit problem too. Throw into the mix the uncertain outcome to German elections, and there is plenty of bond investor concern to be seen.

Staying with the US, Donald Trump’s victory paves the way for the introduction/extension of tariffs that could prove inflationary whilst the same could be said of further tax cuts. Invariably the direction of US Treasury yields in reaction to his core policies will, in all probability, impact UK gilt yields. So, there are domestic and international factors that could impact PWLB rates whilst, as a general comment, geo-political risks continue to abound in Europe, the Middle East and Asia.

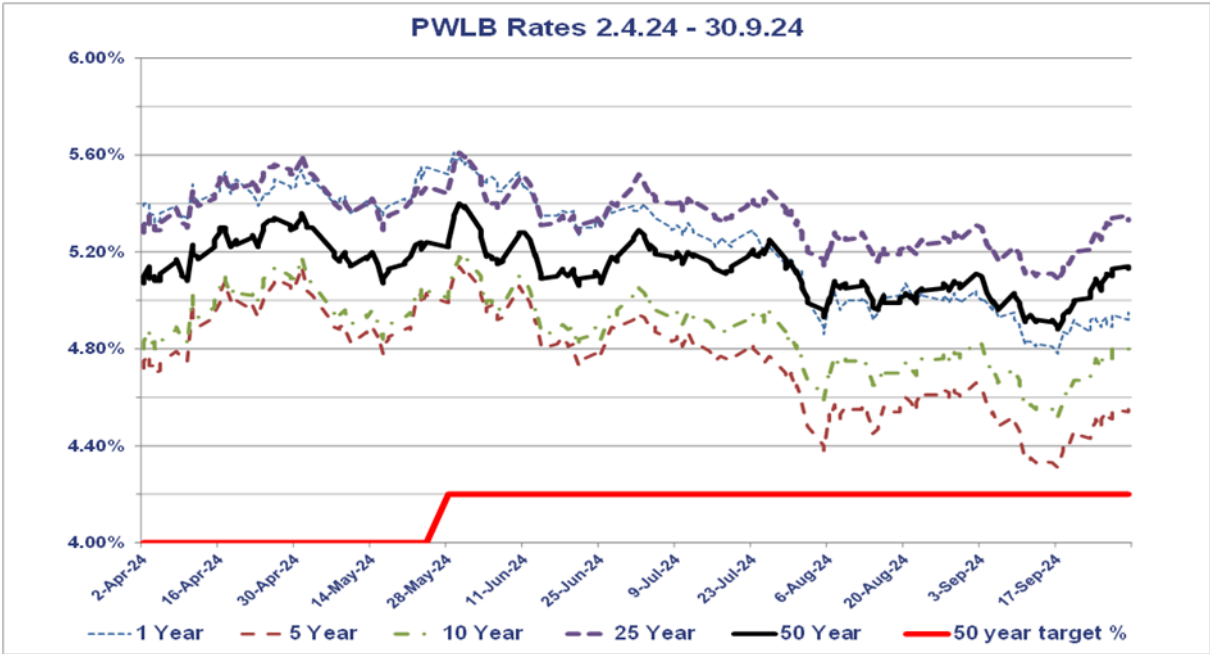
In the past month, the US Core CPI measure of inflation has indicated that inflation is still a concern (3.3% y/y, 0.3% m/m), as has the November Producer Prices Data (up 3.0 y/y v a market estimate of 2.6% y/y, 0.4% m/m v an estimate of 0.2% m/m) albeit probably insufficient to deter the FOMC from cutting US rates a further 0.25% at its December meeting. However, with Trump’s inauguration as President being held on 20 January, further

rate reductions and their timing will very much be determined by his policy announcements and their implications for both inflation and Treasury issuance.

Looking at gilt movements in the first half of 2024/25, and you will note the 10-year gilt yield declined from 4.32% in May to 4.02% in August as the Bank's August rate cut signalled the start of its loosening cycle. More recently, however, 10 year gilt yields have spiked back up to 4.35%.

The FTSE 100 reached a peak of 8,380 in the third quarter of 2024 (currently 8.304), but its performance is firmly in the shade of the US S&P 500, which has breached the 6,000 threshold on several occasions recently, delivering returns upwards of 25% y/y. The catalyst for any further rally (or not) is likely to be the breadth of AI's impact on business growth and performance.

In the chart below, despite a considerable gilt market rally in mid-September, rates started and finished the six-month period under review in broadly the same position.



. The current margins over gilt yields are as follows: -.

- § **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
- § **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
- § **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
- § **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
- § **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)



ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
6th February 2025

Key Decision [Yes/No]

Ward(s) Affected: All

## **Update of Work Programme Progress and Quarter Two 24/25 Performance Update**

**Report by the Assistant Director of People and Change**

### **Officer Contact Details**

**Noel Hatch**

[noel.hatch@adur-worthing.gov.uk](mailto:noel.hatch@adur-worthing.gov.uk)

### **Executive Summary**

#### **Work Programme**

Adur & Worthing Councils are making good progress this year, with key updates across all areas of our work:

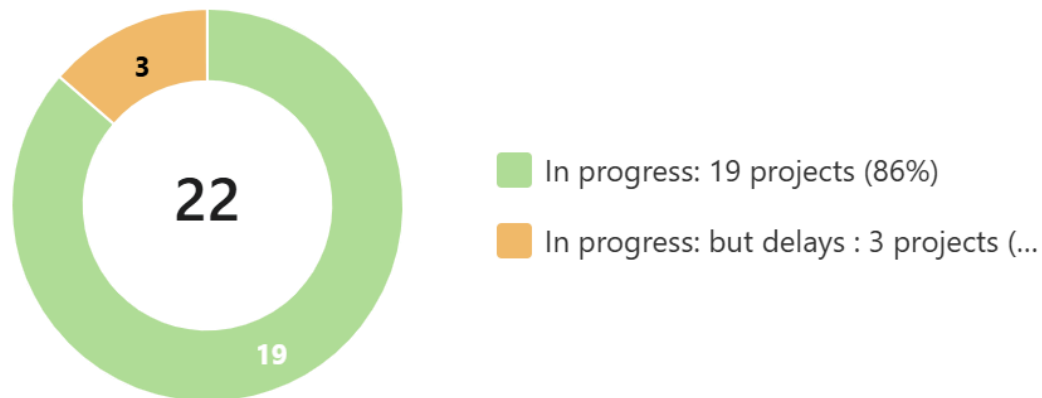
We are focusing on making our economy, environment, and communities stronger and more sustainable:

- Eco-projects like solar panel installations are making a difference to the environment.
- Housing initiatives are reducing costs and adding more temporary accommodation through new builds, leases, and better homelessness prevention.
- Improvements like reopening Worthing Pier and planning the Shoreham Flood Wall are supporting safety, accessibility, and the local economy.
- We are improving how we work with further progress in our Organisational Design and improving systems.

Challenges and actions

- Rising demand for housing and temporary accommodation is being tackled with additional units and debt recovery efforts.
- Supported accommodation and delayed infrastructure projects are being addressed through stronger collaboration with partners and project management.
- Despite challenges, steady progress is being made to create greener, fairer, and more resilient communities.

### Programme by RAG Status



### Performance for Quarter Two

We track 27 key indicators of success and challenges:

#### Achievements:

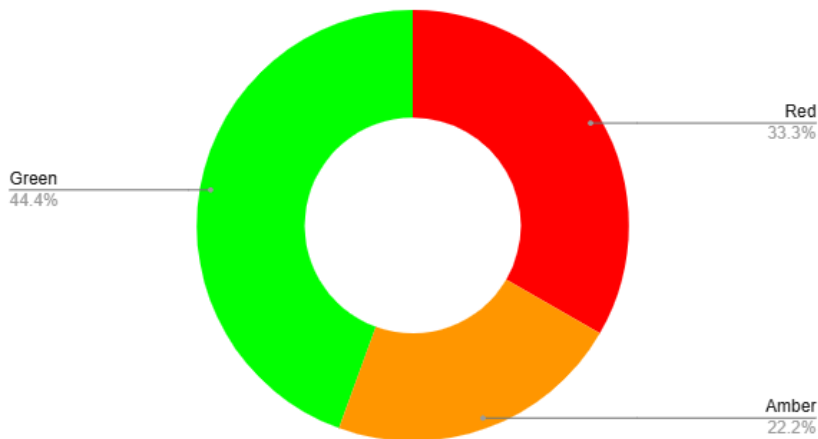
- More people are visiting leisure centres, showing stronger community engagement.
- Recycling rates continue to improve, helping meet environmental targets.

#### Challenges:

- Housing pressures remain high, with growing council housing waiting lists.
- Gaps in handling complaints and information requests are being tackled through new staff and better systems.



Overall



## 1. Purpose

The aim of the Annual Performance Update is to:

- 1.1. Update on the current work programme for Adur & Worthing Councils.
- 1.2. Outline initial progress on the work programme.
- 1.3. Update on the Quarter one performance of council services.
- 1.4. Outline the governance for how programmes and performance will be managed.

The following appendices provide more detail:

- Appendix 1 - Organisational Work Programme
- Appendix 2 - Foundations at Risk
- Appendix 3 - Annual Foundations 2023/24

## 2. Recommendations

Joint Strategic Committee is asked to

- 2.1. Note progress on the work programme for Adur & Worthing Councils
- 2.2. Agree the mitigations on those showing significant issues.
- 2.3. Note the performance of council services
- 2.4. Agree the mitigations on areas at risk
- 2.5. Note the governance for managing programmes & performance



### 3. Overview of the work programme

We have created a work programme for the organisation that is reviewed every three months by the Joint Strategic Committee to track progress and ensure we stay on track. The programme is organised into five focus areas, called Mission areas:

- Thriving Economy: Supporting local businesses and jobs.
- Thriving Environment: Protecting and improving our natural spaces.
- Thriving Organisation: Ensuring the council works effectively.
- Thriving People: Helping residents live healthier and more stable lives.
- Thriving Places: Improving our neighbourhoods, and spaces.

Each Mission area includes major programmes, which are broken down into specific projects. These have timelines showing what is currently being worked on and what is planned for the future. Progress is tracked using a traffic light system (RAG):

- Green: Work is on track.
- Amber: Work is progressing but with delays.
- Red: Work has significant challenges.

To ensure the programme is well-managed, we have set up governance to oversee progress, address risks, and prioritise work - outlined in Section 5.

#### 3.1 Missions Update

Programmes by Mission



A list of all Missions and Programmes can be found in Appendix 1.

#### Key areas of progress across all Missions:

##### Thriving Economy and Places

We continue to drive investment and resources to improve our places and assets to support a thriving economy.

The completion of the temporary support structure to allow us to [reopen Worthing Pier](#) was an outstanding collaboration with contractors and all achieved at pace. Looking ahead, we are [developing a long-term plan](#) to protect the pier, Worthing Lido, and other key heritage sites along the coastline.

The [Worthing Integrated Care Centre](#) completion is progressing and will be the first of its kind in Sussex. Once fully operational, the centre will make it easier for residents to access high-quality healthcare in a single location. The opening of the neighbouring multi-storey car park has provided more parking space for the town.

Maintenance work in the High Street multi-story carpark will ensure its continued use for the Town and support to the Heat Network. Further works and maintenance are planned across our portfolio for 2025 and we look forward to delivering further improvements to our places and assets through the next year.

We have also launched a public consultation for the [new Adur Local Plan](#). This plan will shape the area's growth, sustainability, and success over the next 15 years, ensuring that development aligns with community needs and aspirations.

After two successful years running the Worthing Festival, we have handed over this [summer celebration of arts and culture](#) to the community. We are also inviting local artists and creatives to contribute innovative ideas to ensure [Colonnade House](#) continues to thrive as a vibrant hub for the town's creative sector in the future.

## **Thriving Environment**

Our environment is flourishing with [dozens of trees planted](#) through Worthing's new sponsorship scheme and the phased roll-out of weekly [food waste collections](#) in Adur and Worthing. [Sussex Bay](#) continues its groundbreaking work in nature recovery as the UK's Blue Natural Capital Lab, engaging communities and co-producing a blueprint for seascape recovery. We have also set up a new online approach for people to report neighbourhood-based issues via Report It.

Through [attracting external funding](#), two of Adur and Worthing's swimming facilities are going to become more sustainable thanks to the incoming addition of hundreds of new solar panels.

We have been working with the Environment Agency and Southern Water to [identify sources of pollution impacting the town's seawater](#). Work has also started on a [new memorial garden at Worthing Crematorium](#) that will provide space for 950 new burial plots.

## **Thriving Organisation**

We are taking significant steps to ensure financial sustainability for the future. This includes developing the [Budget for 2025/26](#) and engaging residents through a dedicated budget campaign. As part of this work:

- We have introduced a zero-based capital programme and an asset strategy to maximize the social and economic value of our assets.
- We have developed a procurement strategy focused on buying local and supporting the local economy.

Through our Organisational Design programme, following the redesign of key services, we have progressed with the consultation of staff on the redesign of the Finance, Legal & Democratic Services, People & Change, Place & Economy and Regenerative Development services.

As part of our Councils for the Community programme, we have collaborated with voluntary, community, and social enterprise (VCSE) organisations to identify priorities for future support. This engagement included [gathering insights](#) from nearly 150 stories as well as a community panel and deliberative events.

To further support our communities, we are [commissioning](#) initiatives to help local groups tackle the cost of living and explore new economic models that enable them to grow and thrive.

### **Thriving People**

For our Resident Services which provides the first point of contact for residents accessing our services, the journey of transformation has begun, marking a significant shift in how we connect with our community. Our goal is to create a seamless and personalised experience by offering services that are adaptable and accessible to meet the unique needs of every resident. Whether through digital platforms, in-person interactions, or a blend of both, we are committed to ensuring that each individual can engage with us in the way that suits them best.

As part of our Proactive Support programme, we have hosted a series of cost-of-living events across Worthing and Adur to showcase the wide range of support available and provide practical help to those in need. We are also working with a number of vulnerable residents struggling with debt to enable them to maximise their benefits where we can

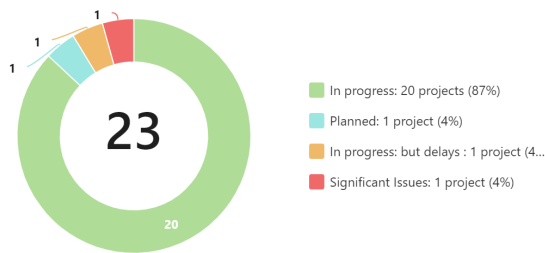
We have strengthened our [partnership with Southern Water](#) to deliver significant financial relief to residents to over 4,000 Adur and Worthing residents, saving each household at least £170 per year. In addition, we have launched a Pension Credit campaign to ensure eligible residents access benefits they are entitled to, putting more money in their pockets.

We have also provided [funding for community groups and not-for-profit organisations](#) to set up warm spaces for people worried about the rising energy prices and to keep people warm. We've also been involved in the [development of a youth forum](#) through the Adur & Worthing Safer Communities Partnership, local schools and Sid Youth to involve young people on safety and help them come up with solutions.

### **3.1.2 Programmes Update**

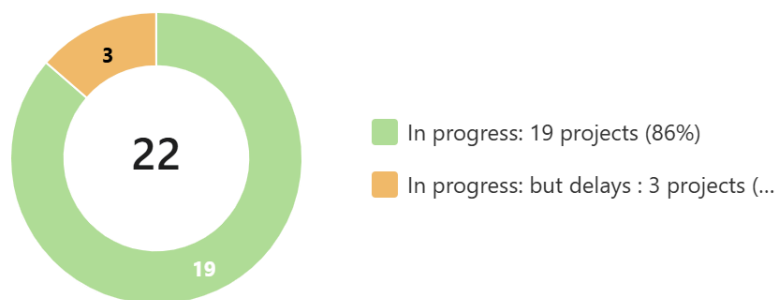
## Status as reported at November Joint Strategic Committee

Programme by RAG Status



## Current status

Programme by RAG Status



## Update since last report in November:

Two programmes one from Thriving Economy and one from Thriving People have merged where projects were covered in other areas.

## Changes in RAG status

One programme has been added to the overall work programme:

- Housing and homelessness demand management and prevention is showing In Progress but delays.

One programme has moved from Significant Issues to In progress but delays:

- Health and Wellbeing and Prevention, due to securing ongoing funding.

Of the twenty two programmes, there are currently Nineteen that are In Progress; and three In Progress but delayed.

## Overview of programmes in progress but with delays

The three programmes that are showing Amber sit within Thriving People:

- Ensure our homes are safe, of good quality and environmentally-friendly

- Health and Wellbeing and Prevention
- Housing and homelessness demand management and prevention

Appendix One outlines the mitigations to these programmes.

### 3.1.3 Projects update

#### Changes since November 2024 JSC report November data:

Projects by RAG Status



Where appropriate some projects have merged where they were reporting on the same outcomes, a number of milestones were also set at project level which is why there are slightly less projects being reported on than in November. The number of projects completed appears to be less, this was due to issues where Milestone had been marked as a project, this has now been rectified. It is worth noting that the report compiles information from live data so information can change quickly.

Changes have taken place by the adding of a new work programme Housing and homelessness demand management and prevention where projects are currently sat at Amber (please see details above).

Shoreham Flood Wall remains the only project currently showing Significant issues, the other projects which all relate to Housing are now sitting at Amber.

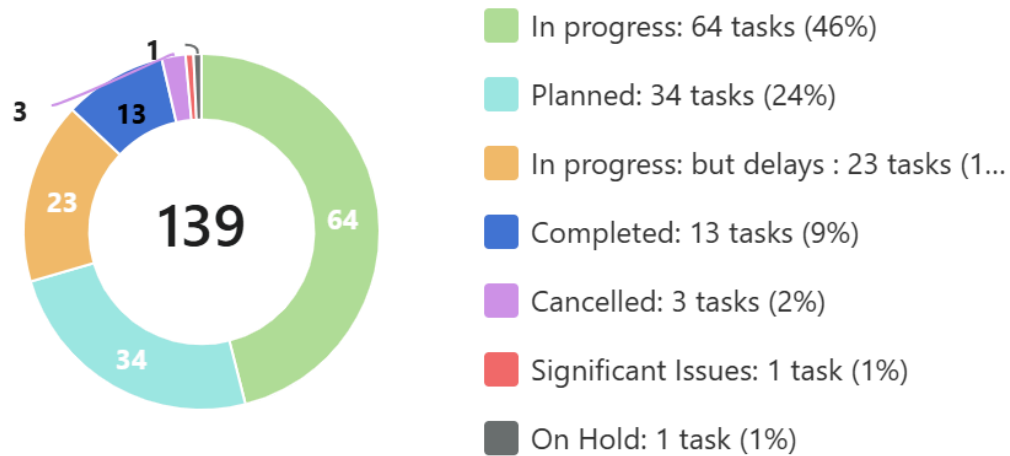
One project, New Southwick Football Club has moved from In Progress to In Progress but delays.

Four projects have been completed since the November 24 JSC Quarterly Performance report: the Digital services redesign, Nature + Community Fund, Beach project (4G) and the transition of the Worthing Festival to the community.

Two projects that were previously showing as Amber have now all moved to In Progress, the Housing Redesign and Regenerative Development Redesign.

The three projects showing as cancelled were reported as On Hold in the November 24 JSC report and relate to Digital projects that have been superseded.

### Total tasks by RAG Status



Appendix 1 - Organisational Work Programme - gives an overview of the whole work programme and mitigations to the projects with significant issues or delays.

#### 4. Managing and tracking the Council's performance of Our Foundations

Underpinning the Mission work sit Our Foundations. These are key performance indicators that are monitored across the organisation. Currently there are twenty eight quarterly Foundation indicators that are spread across four areas.

- Place.
- Sustainability & Resources.
- Housing and Communities.
- Corporate Health.

##### 4.1 Quarter two progress report of the Council's performance of Our Foundations

###### Snapshot

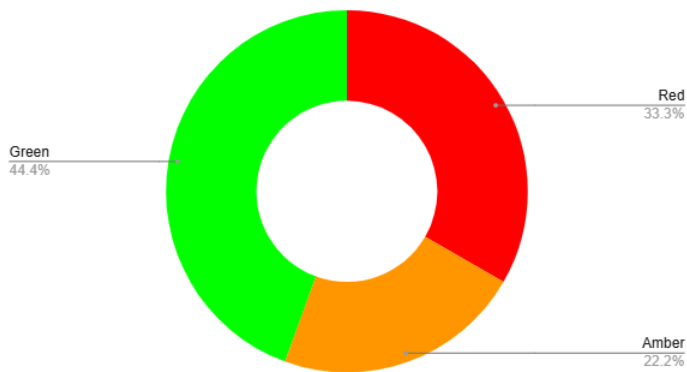
- **27 KPIs tracked: 12 Green, 6 Amber, 9 Red, 3 Data.**
- **Improvements: Recycling rates in Adur moved from Red to Amber.**
- **Challenges: TA costs and households in TA remain Red.**
- **Improvements in reporting: Recruitment addressing data delays (e.g., FOI, DSARs).**
- **Alignment of Foundations with Mission areas to improve strategic tracking.**



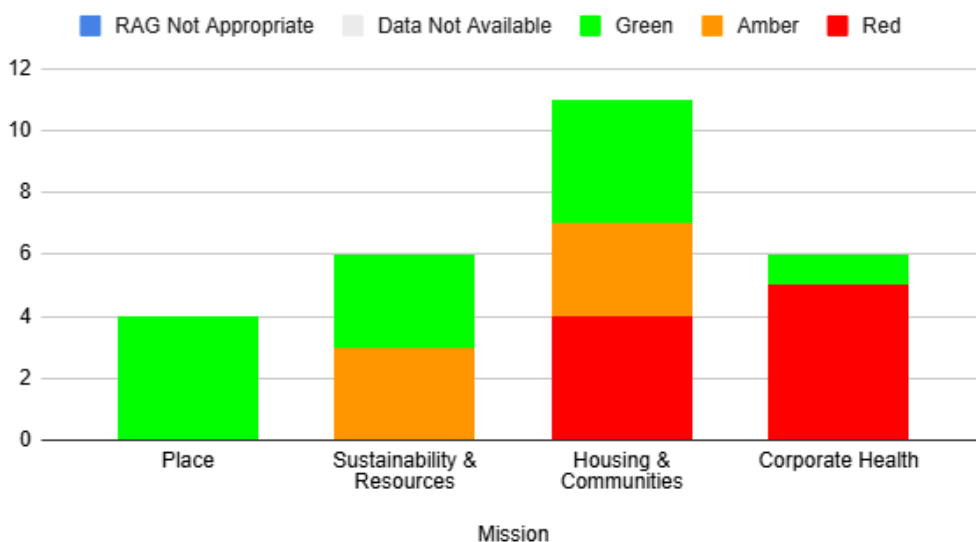
Our corporate performance for quarter 2 is measured through twenty seven key indicators. Twelve KPIs are currently achieving target (Green), six are near target (Amber) and Nine are not achieving target (Red). Two KPIs Kilograms of residual waste Adur and Kilograms of residual waste Worthing previously had no target set as this was a new data set, as we now have 12 months worth of data a target has now been set for these KPIs.

Targets are set either against annual totals, national targets or measured against the same quarter for the previous year. For a KPI to be green they must be at or better than the target figure, for Amber they will be within 5% of the target figure and for Red they would be over 5% of the target figure.

Overall



RAG Status



**4.1.1 Movement from Last Quarter:**

#### 4.1.2 RAG Remaining the same as quarter one:

Mission Area	KPI	RAG Status	Trend
Thriving Economy	Percentage of minor applications determined in 8 weeks or agreed extension of time - Adur	Green	No change
Thriving Economy	Percentage of minor applications determined in 8 weeks or agreed extension of time - Worthing	Green	No change
Thriving Environment	Percentage of food businesses with food hygiene ratings of 3+ on initial inspection (satisfactory and above) - Adur	Green	No change
Thriving Environment	Percentage of food businesses with food hygiene ratings of 3+ on initial inspection (satisfactory and above) - Worthing	Green	No change
Thriving Organisation	Council tax collection - Adur	Green	No change
Thriving Organisation	Council tax collection - Worthing	Green	No change
Thriving Organisation	Average number of sickness days for permanent and temporary staff per quarter - Adur & Worthing	Green	No change
Thriving People	Number of visits to Adur Council Leisure Centres	Green	No change
Thriving People	Number of Visits to Worthing Council Leisure Centres	Green	No change
Thriving People	Number of ASB (Anti-Social Behaviour) cases reported per quarter - Adur	Green	No change

#### Amber to Amber

Mission Area	KPI	RAG Status	Trend
Thriving	Percentage Recycling Rate - Worthing	Amber	No

Environment			change
Thriving Organisation	Business Rates Collection per Quarter - Adur	Amber	No change
Thriving Organisation	Business Rates Collection per Quarter - Worthing	Amber	No change

### Red to Red

Mission Area	KPI	RAG Status	Trend
Thriving People	Net expenditure on Temporary Accommodation per quarter - Adur	Red	No change
Thriving People	Net expenditure on Temporary Accommodation per quarter - Worthing	Red	No change
Thriving People	Number of households in Temporary Accommodation (at end of Quarter) - Adur	Red	No change
Thriving People	Number of households in Temporary Accommodation (at end of the quarter) - Worthing	Red	No change
Thriving Organisation	Percentage of Stage 1 complaint responses per quarter responded to within 10 working days - Adur & Worthing	Red	No change
Thriving Organisation	Percentage of Stage 2 complaint responses per quarter responded to within 15 working days - Adur & Worthing.	Red	No change
Thriving Organisation	Percentage of FOI requests responded to in 20 working days per quarter - Adur & Worthing.	Red	No Change
Thriving Organisation	Percentage of DSARs requests responded to in 1 calendar month per quarter - Adur & Worthing	Red	No Change

#### 4.1.3 RAG Improvement since quarter one:

### Red to Amber

Mission Area	KPI	RAG Status	Trend
Thriving Environment	Percentage Recycling Rate - Adur	Amber	Positive

### Red to Green

Mission Area	KPI	RAG Status	Trend
Thriving People	Percentage of repairs which were fixed on the first visit per quarter (Adur Homes).	Green	Positive

### RAG not appropriate to Green

Mission Area	KPI	RAG Status	Trend
Thriving Environment	Kilograms of residual waste per household - Adur	Green	Positive
Thriving Environment	Kilograms of residual waste per household - Worthing	Green	Positive

### 4.1.4 RAG decline since quarter one:

#### Green to Amber

Mission Area	KPI	RAG Status	Trend
Thriving People	Number of ASB cases reported per quarter - Worthing.	Amber	Negative

#### Amber to Red:

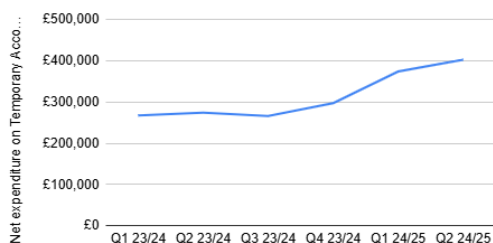
Mission Area	KPI	RAG Status	Trend
Thriving Organisation	Percentage of EIRs requests responded to in 20 working days per quarter - Adur & Worthing.	Red	Negative

#### 4.1.4. Key trends

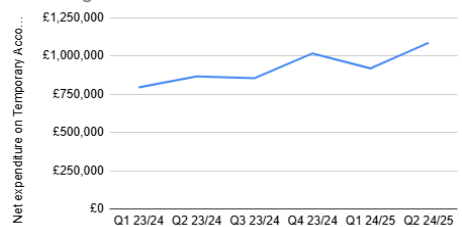
##### Net expenditure on temporary accommodation (TA):

- **Trend:** Both Adur and Worthing councils have seen increases in net expenditure, far exceeding the targets, driven by growing demand for temporary accommodation.
- **Mitigation:** Improvement Plan in place to move to more cost effective and in area accommodation, to manage demand and reduce reliance on nightly paid temporary accommodation and improve prevention efforts, and a focus on reducing voids, managing debt, and improving contracting and housing supply.

Net expenditure on Temporary Accommodation - Adur

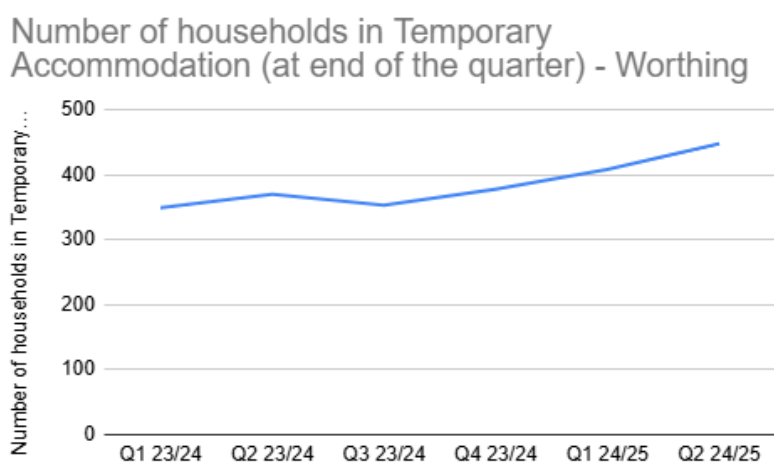
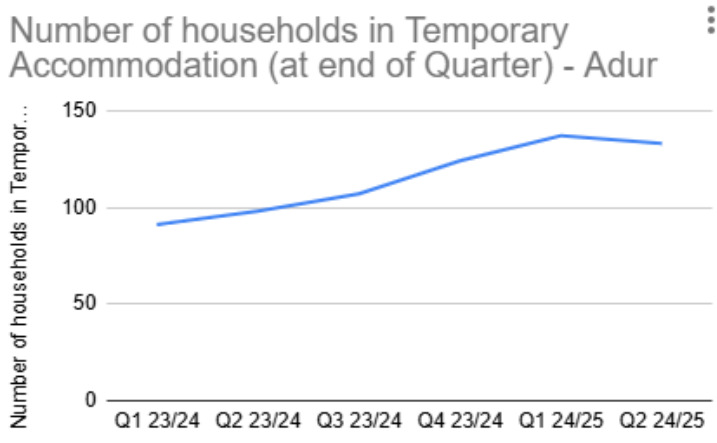


Net expenditure on Temporary Accommodation - Worthing



##### Households in temporary accommodation:

- **Trend:** The number of households in temporary accommodation has increased sharply, highlighting an ongoing housing crisis.
- **Mitigation:** Same as for net expenditure on TA



Appendix 2 - Foundations at Risk has further detail on the Foundations not achieving target and that are near target as well as their cause and mitigation.

Appendix 3 - Foundations Quarter One 2023/24 has the detail of the performance of all the Foundations.

#### 4.4. Next steps to improve how performance is managed

Work to improve the way that performance is reported is being put in place to strengthen Our Foundations, ensuring that they better align with programmes, Mission Themes and ambitions.

Work has taken place to improve target setting and this work will continue as more data is gathered so that we will be able to monitor short and long term trends.

As the Organisation Design work is progressing analysis is taking place on available data and where there are gaps in data collection and monitoring. The next step will

be to work closely within each Mission area to set out a basket of Foundations that will support the continued improvement within the organisation, which will include:

- Aligning Our Foundations to the five Mission areas
- The most important factors that help achieve one of the Mission themes.
- Used to drive improvement on the ground.
- Compared over time to anticipate trends.
- Benchmarked to other local areas.
- A balance of what services are reporting and what residents are experiencing.

## **5. Governance**

With increased oversight of the work programme we are working to ensure that we are making the most of our resources and delivering to the residents of Adur and Worthing.

- Mission boards launched in January will oversee delivery of the programmes within each mission area, prioritisation of resources by teams within the mission areas and Core Services (Digital, Finance, Legal & Democratic Services and People & Change) support.
- A single process has also been developed to prioritise and triage projects based on how well they achieve the mission areas and are feasible to deliver which will support improved management of workload.
- Delivery Managers are now in place to help support the delivery of these programmes and projects, ensuring that work is resourced, risks are identified and monitored and that appropriate project management ensures delivery.
- Each Mission area is reviewed on a monthly basis with the Mission Leads and project leads. These monthly reviews are carried out by Delivery Managers who have been assigned to each Mission and look at the progress of upcoming projects, tasks and milestones, review the status of each and ensure that mitigations are put in place where needed.
- Mission areas have started to look at how they can prioritise their programmes of work going forward, working closely with core services to ensure that projects are correctly resourced and deliverable.
- We also plan to improve programme management skills, create talent pools for secondments, and develop a focused L&D “Mission Labs” programme to test and learn to work in this more agile & mission-based way.
- Capital Programme projects can now be identified within a new database and a new Board will have oversight of this work.
- Any Red or Amber RAG status is monitored at the monthly Major Programme Board to ensure that work is in progress and that mitigations are in place.

## 6. Engagement and Communication

CLT reviewed the work programme, with additional sessions to map out the programmes and align them within the Mission focus areas.

A session with OLT was held to explain and explore the work programme and how this will help to meet and deliver the Councils' Mission objectives.

Informal Cabinets have reviewed the work programme and performance indicators.

## 7. Financial Implications

There are no financial implications in the reporting of the programmes and performance.

## 8. Legal Implications

- 8.1 Article 4.02 of the Constitution confirms that the Council's Policy Framework which consists of supplementary policies, plans, strategies, operating procedures or protocols that sit under the Corporate Plan can be approved by the relevant committee with responsibility for the area of operations concerned.
- 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.

Andrew Mathias

28 January 2025.

## Background Papers

The following appendices provide more detail:

- [Appendix 1 - Organisational Work Programme](#)
- [Appendix 2 - Foundations at Risk Quarter Two 2024/25](#)
- [Appendix 3 - Quarter Two Foundations 2024/25](#)





## **Sustainability & Risk Assessment**

### **1. Economic**

The Thriving Economy mission theme outlines how the councils will support the economic development of local places, including supporting local businesses, attracting external investment, and implementing regeneration projects.

### **2. Social**

#### **2.1 Social Value**

While all the mission themes support local communities, the Thriving People mission theme outlines how the councils will support social development.

#### 2.2 Equality Issues

#### **2.2 Equality Issues**

The report outlines the importance of working with all local communities to tackle issues, as well as focusing on addressing inequalities, such as around cost of living and housing.

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

There is a specific indicator outlined in Appendix 3 - Annual Foundations 2023/24 on tackling anti-social behaviour.

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

The report does not impinge on human rights and is proportionate to the anticipated outcomes of improving community engagement and quality of life.

### **3. Environmental**

### **4. Governance**

The report aligns with the Councils' priorities and shows how these will be delivered. The introduction of clear governance structures and regular performance tracking enhances the Councils' reputation and relationships with partners and the community.

## Appendix One - Work Programme

This shows a list of programmes and projects and their RAG status and Mitigations assigned under Mission areas

### 1. Thriving Economy

Programmes by RAG Status



**Thriving Economy** ▼ ★ ○ Set status

☰ List 📅 Timeline 📊 Dashboard 📈 Progress 👤 Workload 💬 Messages +

+ Add work ▼

Name	Due date	Owner	RAG Status
<span>☰</span> ECO1 - An inclusive economy which provides people with the skills and opportu...	1 Apr, 2024 – 31 Mar, 2025	<span>AW</span> Andy Willems	In progress
<span>☰</span> ECO2 - Ambitious, high-growth companies locate in A&W and smaller indepen...	1 Apr, 2024 – 1 Jun, 2025	<span>AW</span> Andy Willems	In progress
<span>☰</span> ECO3 - Economic growth regenerates places and high streets, helping communi...	1 Mar, 2024 – 1 Sep, 2025	<span>PB</span> Paul Brewer	In progress
<span>☰</span> PLA3 - Active travel is easy, with opportunities for walking, cycling and public tr...	1 Apr, 2024 – 31 Mar, 2025	<span>AW</span> Andy Willems	In progress

Total tasks by RAG Status



ECO1 - An inclusive economy which provides people with the skills and opportunities to secure good-quality jobs ▼

- Overview
- List
- Board
- Timeline
- Dashboard
- Calendar
- Workflow
- Messages
- Files
- 

+ Add task

Task name	Assignee	Due date	RAG Status
Refresh the economic growth deals with WSCC	Andy Willems	1 Apr, 2024 – 31 Mar, 2025	<span>In progress</span>

## ECO2 - Ambitious, high-growth companies locate in A&W and smaller independent businesses thrive

Overview List Board Timeline Dashboard Calendar Workflow Messages Files +

+ Add task

Task name	Assignee	Due date	RAG Status	Mit
▼ Smaller independent businesses thrive				
▶ Development and implement business support programme 2	AW Andy Willems	1 Apr, 2024 – 31 Mar, 2025	In progr...	
▶ Development of business stakeholder groups 2	AW Andy Willems	1 Dec, 2024 – 1 Jun, 2025	Planned	

Add task...

## ECO3 - Economic growth regenerates places and high streets, helping communities to prosper

Overview List Board Timeline Dashboard Calendar Workflow Messages Files +

+ Add task

Task name	Assignee	Due date	RAG Status	
▶ Development inward investment propositions 1	AW Andy Willems	31 Mar, 2025 – 31 Dec, 2026	In progr...	
▶ Update economic data and analysis to inform economic strategy 3	AW Andy Willems	1 Mar, 2024 – 1 Mar, 2025	In progr...	
▶ Develop community wealth building procurement strategy 4	PB Paul Brewer	1 Sep, 2024 – 1 Sep, 2025	Planned	
▶ Deliver Pooled Business Rates funding: partner procurement and high streets	AW Andy Willems	2 Sep, 2024 – 31 Mar, 2025	Planned	

## PLA3 - Active travel is easy, with opportunities for walking, cycling and public transport

Overview List Board Timeline Dashboard Calendar Workflow Messages Files +

+ Add task

Task name	Assignee	Due date	RAG Status
<b>Active travel infrastructure</b>			
▶ <input checked="" type="checkbox"/> Deliver Partnership active travel projects with WSCC 2 🗨️	AW Andy Willems	31 Mar, 2025	In progr...
▶ <input checked="" type="checkbox"/> George V / Sealanes Cycle Lane 6 🗨️	AW Andy Willems	30 Jul, 2026	In progr...
Add task...			
<b>20MPH scheme</b>			
▶ <input checked="" type="checkbox"/> Delivery of 20MPH pilot scheme for Worthing 2 🗨️	AW Andy Willems	31 Mar, 2025	Planned

## 2. Thriving Environment

Programmes by RAG Status



In progress: 3 projects (100%)

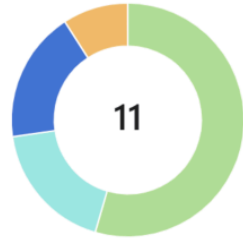
Thriving Environment ▼ ☆ ○ Set status

List Timeline Dashboard Progress Workload Messages +

+ Add work ▼

Name	Due date	Owner	RAG Status
<span>☰</span> PLA1 - Places are designed for people and nature. They are cl...	1 Apr, 2024 – 1 Apr, 2025	<span>AW</span> Andy Willems	In progress
<span>☰</span> ENV2 - Resilience to climate change and increased biodiversi...	1 Dec, 2021 – 31 Dec, 2025	<span>PB</span> Paul Brewer	In progress
<span>☰</span> ENV3 - A circular economy is created, one that minimises wa...	1 Oct, 2023 – 31 Mar, 2025	<span>JJ</span> Jan Jonker	In progress

Total tasks by RAG Status



- In progress: 6 tasks (55%)
- Planned: 2 tasks (18%)
- Completed: 2 tasks (18%)
- In progress: but delays : 1 task (9%)

☰ **PLA1 - Places are designed for people and nature. They are clean, safe and feel looked after** ▾ ☆ ○ Set status

🏠 Overview 📋 List 🗄 Board 📅 Timeline 📊 Dashboard 📅 Calendar ⚙ Workflow 🗨 Messages 📁 Files +

+ Add task ▾

Task name	Assignee	Due date	RAG Status	Mitigatic
▶️ ✓ Develop funding strategy for each mission area 2 🗨	<b>PB</b> Paul Brewer	1 Apr, 2025 – 31 Mar, 2026	Planned	
▶️ ✓ Design & deliver external funding capability & projects pipeline 1 🗨 2 🗨	<b>PB</b> Paul Brewer	1 Jun, 2024 – 31 Mar, 2025	In progr...	

Add task...

▾ **Designed for people and nature**

✓ Worthing Festival - transition to community 1 🗨	<b>AW</b> Andy Willems	1 Jul, 2024 – 30 Mar, 2025	Comple...	
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Add task...

▾ **Clean, safe and feel looked after**

▶️ ✓ Update partnerships and policies associated with Neighbourhood Team 4 🗨	<b>AW</b> Andy Willems	1 Apr, 2024 – 1 Mar, 2025	In progr...	
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## ENV2 - Resilience to climate change and increased biodiversity by restoring natural habitats

Overview List Board Timeline Dashboard Calendar Workflow Messages Files +







+ Add task

Task name	Assignee	Due date	RAG Status
▶ <input checked="" type="checkbox"/> Nature + Community Fund 1 3	Paul Brewer	1 Feb – 31 Oct	Completed
▶ <input checked="" type="checkbox"/> Funding strategy and project development 6	Paul Brewer	1 Oct, 2023 – 31 Mar, 2025	In progr...
Add task...			
▼ Adur River Recovery			
▶ <input checked="" type="checkbox"/> Adur River Recovery 6	Andy Willems	1 Nov, 2021 – 31 Dec, 2025	In progr...
▼ Renaturing			
▶ <input checked="" type="checkbox"/> Renaturing and community involvement in Cissbury Fields 5	Andy Willems	1 Nov, 2021 – 31 Mar, 2025	In progr...
▶ <input checked="" type="checkbox"/> Developing Biodiversity Net Gain and Natural Capital 1 3	Paul Brewer	1 Apr, 2024 – 31 Mar, 2025	In progr...
Add task...			
▼ A&W Nature Plan			
▶ <input checked="" type="checkbox"/> Produce and deliver the Adur & Worthing Nature Plan 5	Andy Willems	1 Apr, 2024 – 31 Mar, 2025	In progr...
Add task...			
▼ Sussex Bay			
▶ <input checked="" type="checkbox"/> Blue Natural Capital Lab 5	Paul Brewer	1 Jul, 2024 – 31 Mar, 2025	Planned

## ENV3 - A circular economy is created, one that minimises waste and keeps materials in use

Overview List Board Timeline Dashboard Calendar Workflow Messages Files +

+ Add task

Task name	Assignee	Due date	RAG Status
e.g. Determine project goal			
e.g. Schedule kickoff meeting			
e.g. Set final deadline			

### Projects completed since November 2024

Project	Outline of work
Nature + Community Fund	Crowd funding approach was launched and funds have been distributed.
Worthing Festival - transition to community	<a href="#">After two successful years the town's summertime celebration of arts and culture has been handed over to the community. Preparations for next year's new look festival are underway.</a>

### Projects In progress but delayed

Project	Key risk/s	Key mitigation/s
Developing an approach to Biodiversity Net Gain	Further funding is needed	Exploring disposal of Tenants Hill to release capital for investment in staff resources. Continued work with South Downs National Park who are providing consultancy support.

### 3. Thriving People

Programmes by RAG Status



- In progress: but delays : 3 projects (...)
- In progress: 2 projects (40%)

Thriving People
▼
★
○ Set status

List
Timeline
Dashboard
Progress
Workload
Messages
+

+ Add work ▼

Name	Due date	Owner	RAG Status
Housing and homelessness demand management and prevention	30 Apr	Rob Jarvis	In progress: but delays
Leisure Services	1 Apr, 2024 – 31 Mar, 2025	Andy Willems	In progress
Health and Wellbeing and Prevention	1 Apr, 2024 – 31 Mar, 2025	Tina Favier	In progress: but delays
Ensure enough genuinely affordable housing	1 Apr, 2024 – 31 Mar, 2025	Rob Jarvis	In progress
Ensure our homes are safe, good quality and environmentally-friendly	31 Mar, 2002 – 31 Mar, 2026	Rob Jarvis	In progress: but delays

Total Tasks by RAG



The three programmes that are showing Amber sit within Thriving People:

Programme	Key Projects	Key mitigation/s
Health and Wellbeing and Prevention	<p>Prevention of Homelessness and sustainment of tenancies</p> <p>Management of income and debt across communities</p> <p>Proactive Programme</p>	<p>Increased number of Housing Officers a focus upon outstanding decisions and ending of duties where appropriate</p> <p>Corporate Debt Management Policy.</p> <p>Programme of work underway to address issues around systems and roles to ensure maximise debt and income recovery.</p> <p>This programme of work has moved from Red to Amber.</p>
Ensure our homes are safe, of good quality and environmentally-friendly	<p>Work though the Adur Homes improvement Plan</p> <p>Private Sector Housing Regulation</p>	<p>New staff are now in place and targeted work is underway.</p> <p>This area of work forms part of the overall improvement work taking place in Housing.</p>

<p>Housing and homelessness demand management and prevention</p>	<p>Temporary accommodation costs reduction.</p> <p>Prevention and managing demand</p> <p>Improving void management</p> <p>Benefits overspend Income and debt Management</p>	<p>Big shift from Nightly paid to Leased Temporary Accommodation (TA) (approx. 100 units) arrangements plus 22 new build schemes to be completed by end 2025. A small number of leasehold buybacks to be used as TA.</p> <p>Recruitment for Housing Services vacancies are underway. Positive reduction in voids expected which will support reduction of numbers in TA.</p>
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**Housing and homelessness demand management and prevention** ☆ ○ Set status

Overview **List** Board Timeline Dashboard Workload Calendar Workflow Messages Files +

+ Add task ▼


Task name	Assignee	Due date	RAG Status
▶ <input checked="" type="checkbox"/> Temporary Accommodation Costs reduce reliance on costly TA 26 🗨️	<span>RJ</span> Rob Jarvis	30 Apr	In progr...
▶ <input checked="" type="checkbox"/> Prevention and managing demand 4 🗨️	<span>RJ</span> Rob Jarvis	7 Apr	In progr...
▶ <input checked="" type="checkbox"/> Improving void management (move to homes safe and quality) 9 🗨️	<span>RJ</span> Rob Jarvis	30 Apr	In progr...
▶ <input checked="" type="checkbox"/> Supported Accommodation overspend (TP headline) 1 🗨️ 4 🗨️	<span>TF</span> Tina Favier	31 Mar	In progr...
▶ <input checked="" type="checkbox"/> Income and debt management (TP headline) 4 🗨️	<span>TS</span> Tracey Strutt	31 Mar	In progr...
▶ <input checked="" type="checkbox"/> Complaints management (TP headline) 7 🗨️	<span>TS</span> Tracey Strutt	31 Mar	In progr...

### Projects In progress but delayed

Project	Key risk/s	Key mitigation/s
Temporary Accommodation Costs reduced reliance on costly TA	Financial implications to the Councils. Residents lack secure housing options.	Moving away from expensive nightly spot purchases and signing new agreements with a number of providers has allowed us to lock in long term contracts realising significant cost reductions over 24/25 and 25/26.  Link to: <a href="#">Housing Services Savings Forecast 2024 - 2026</a>
Prevention and managing demand	Financial implications to the Councils. Residents lack secure housing options.	Greater emphasis on prevention will help prevent homelessness and allow more efficient use of temporary accommodation. The Homeless Needs team are working with the Proactive team to target early help for people at risk of homelessness.  An additional 7 prevention cases per month are expected as a minimum which would reduce TA placements and reduce associated spend by an equivalent £15,562.00 a month or £186,744.00 annually
Improving Void management	Financial implications to the Councils	Attention on the number of void TA properties is a priority with contractors committing additional resources to turnaround voids faster. Void numbers have fallen as a result and this work is ongoing into the New Year.  Halving the number of voids will reduce the total rent loss figure by an estimated £400,000. This figure to be considered against possible additional cost of instructing additional contractor resources.  Prioritising voids against households in TA will reduce TA spend. £13,340


		annually per nightly paid placement.
Management of income and debt across communities	<p>Not enough resources in place.</p> <p>Some debit could be written off due to time limits.</p> <p>Financial cost and implications to the Councils.</p>	<p>The income team is now set up and has established the sources of debt across Housing and Revenues teams. Also defined is the total debt outstanding in each area alongside statute barred debt as well as cases approaching statue barred.</p> <p>Work has started on debt recovery. We have established governance on how we deal with arrears. Initial focus has been on garages we are now focusing on Temporary Accomodation.</p>
Supported Accommodation over	<p>Financial implications to the Councils.</p> <p>Resources are not used efficiently.</p>	<p>We are lobbying MHCLG for increased subsidies to help close the gap. There is ongoing work with local commissioners to understand the reasons for the rise in these costs as well as working with providers to encourage them to become registered providers which would mean 100% of costs being recovered.</p>
Income and Debt management	<p>Financial implications to the Councils.</p>	<p>The income team has now been set up and has established the sources of debt across Housing and Revenues teams. Also defined is the total debt outstanding in each area alongside statute barred debt as well as cases approaching statue barred.</p> <p>Work has started on debt recovery. We have established governance on how we deal with arrears. Initial focus has been on Garages, now focusing on Temporary Accommodation.</p>

Complaints Management	Delays in responding to residents can lead to further complaints and escalations.	Across the organisation there is a focus on getting through the backlog of complaints. A new Complaints Manager has been in post since the start of the month as well as a new Housing Complaints Officer, due to start in early January. They will drive the process of getting through the backlog.
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 **Leisure Services** ☆ ○ Set status

📅 Overview 📋 List 📊 Board 📅 Timeline 📊 Dashboard 📅 Calendar 🔄 Workflow 💬 Messages 📁 Files +

+ Add task ▼

Task name	Assignee	Due date	RAG Status
▶ <input checked="" type="checkbox"/> Leisure Services Contracts <span>1</span> <span>🗨️</span> <span>2</span> <span>🗨️</span>	 Andy Willems	1 Apr, 2024 – 31 Mar, 2025	<span>In progress</span>



# Health and Wellbeing and Prevention ☆ ○ Set status

Overview List Board Timeline Dashboard Calendar Workflow Messages Files +

+ Add task

Task name	Assignee	Due date	Mitigation	RAG Status	Project
▶ <input checked="" type="checkbox"/> Proactive support for vulnerable residents 3  3	Tracey Strutt	1 Apr, 2024 – 31 Mar, 2025	In progress. Tea...	<span style="background-color: #90EE90;">In progress</span>	
▶ <input checked="" type="checkbox"/> Prevention of homelessness and sustainme 1  3	Rob Jarvis	1 Apr, 2024 – 31 Mar, 2025	Nov 24: Two fina...	<span style="background-color: #FFD700;">In progress: but d...</span>	
▶ <input checked="" type="checkbox"/> Co-production of the NHS Integrated Communi 2	Tina Favier	31 Jul		<span style="background-color: #90EE90;">In progress</span>	
▶ <input checked="" type="checkbox"/> Social prescribing with NHS partners 2  2	Tina Favier	31 Mar, 2026	Work with NHS p...	<span style="background-color: #FFD700;">In progress: but d...</span>	

Project	Key risk/s	Key mitigation/s
Prevention of Homelessness and sustainment of tenancies	<p>The continuing impact of the national housing crisis drives the risk of residents losing their homes or becoming homeless.</p> <p>Increases demand and on housing and cost and demand on</p>	<p>Two final roles to recruit to enable a renewed focus upon prevention work to reduce use of nightly paid accommodation. To date we have secured 96 units coming on stream between October and April 2025.</p> <p>With the addition of an increased number of Housing Officers a focus upon outstanding decisions and ending of duties where appropriate.</p> <p>This is estimated to be in the region of 40 cases. The annual cost of each placement is circa £10k PA.</p>

	temporary accommodation.	
Social prescribing with NHS partners	Changes in funding may impact the service	Work with NHS partners on funding arrangements is taking place.

**Ensure enough genuinely affordable housing** ▼ ☆ ○ Set status

Overview List Board Timeline Dashboard Calendar Workflow Messages Files +

+ Add task ▼

Task name	Assignee	Due date	RAG Status
▶ <input checked="" type="checkbox"/> Affordable Housing Programme 2 <span>⋮</span>	<span>RJ</span> Rob Jarvis	1 Apr, 2024 – 31 Mar, 2025	In progr...
▶ <input checked="" type="checkbox"/> Housing Strategy 3 <span>⋮</span>	<span>RJ</span> Rob Jarvis	1 Apr – 31 Dec	In progr...

**Ensure our homes are safe, good quality & green** ▼ ☆ ○ Set status

Overview List Board Timeline Dashboard Calendar Workflow Messages Files +

+ Add task ▼

Task name	Assignee	Due date	RAG Status
▶ <input checked="" type="checkbox"/> Work through the Adur Homes Improvement plan with the Regula 2 <span>○</span> 14 <span>⋮</span>	<span>RJ</span> Rob Jarvis	1 Apr, 2024 – 31 Mar, 2026	In progr...
▶ <input checked="" type="checkbox"/> Private Sector Housing Regulation 4 <span>○</span> 2 <span>⋮</span>	<span>RJ</span> Rob Jarvis	1 Jul – 31 Dec	In progr...

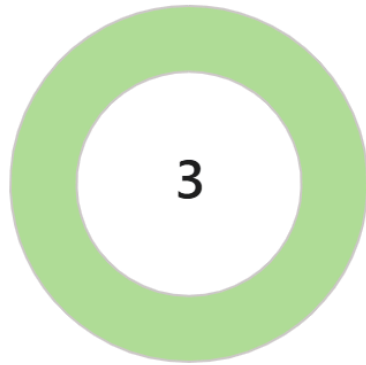
### Projects In progress but delayed

Project	Key risk/s	Key mitigation/s
Private Sector	Uncertainty around	Now that the redesign is complete this area of work forms part of the


<p>Housing Regulation</p>	<p>potential new government legislation.</p> <p>Risks around driving public sector landlords from the market</p>	<p>overall improvement work taking place in Housing. Working actively with private sector housing providers.</p> <p><a href="#">Opening Doors Letting Agency</a> has been set up by Adur and Worthing Councils so that we are able to support landlords.</p>
<p>Adur Homes Improvement plan with the Regulator of social Housing</p>	<p>Resources in order to deliver the required improvements. (Systems, surveyors and contractors)</p>	<p>Now that the redesign is complete this area of work forms part of the overall improvement work taking place in Housing.</p> <p>Undertaking of decent homes standard checks.</p> <p>Redesign has built in resources and systems so issues don't recur.</p> <p>Regular internal performance management with oversight of members and residents.</p> <p>Monthly meetings with the regulator.</p>

#### 4. Thriving Places

## Programmes by RAG Status



■ In progress: 3 projects (100%)

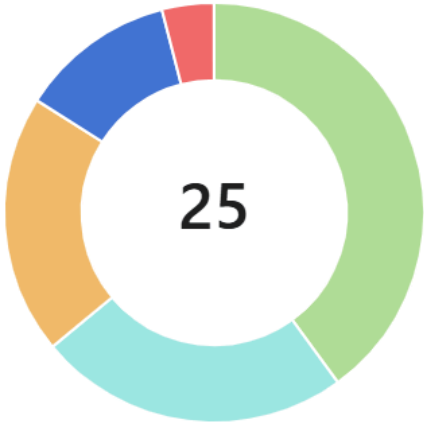
 **Thriving Places** ▼ ★ ○ Set status

List Timeline Dashboard Progress Workload Messages +

+ Add work ▼

Name	Due date	Owner	RAG Status
 Regeneration of our streets and spaces	1 Jan, 2024 – 31 Mar, 2027	 Chris Maughan	In progress
 Well managed council land and assets	10 Jan, 2024 – 1 Apr, 2025	 Chris Maughan	In progress
 ENV1 - Action now achieves a fair transition to Net Zero Carbo...	1 Apr, 2024 – 31 Dec, 2028	 Paul Brewer	In progress

Total tasks by RAG Status



- In progress: 10 tasks (40%)
- Planned: 6 tasks (24%)
- In progress: but delays : 5 tasks (20%)
- Completed: 3 tasks (12%)
- Significant Issues: 1 task (4%)

## Regeneration of our streets and spaces ▼ ☆ ○ Set status

📅 Overview
☰ List
📌 Board
📅 Timeline
📊 Dashboard
📅 Calendar
🔄 Workflow
💬 Messages
📁 Files
📊 Gantt
👤 Workload
+

+ Add task ▼

Task name	Assignee	Due date	RAG Stat... <span>⌵</span>
▶ <span>✓</span> Buckingham MSCP Refurb <span>4</span> <span>🗨️</span> <span>2</span> <span>🔗</span>	<span>CM</span> Chris Maugh...	1 Apr, 2024 – 31 May, 2024	<span>Complet...</span>
▶ <span>✓</span> Beach project. <span>1</span> <span>🗨️</span> <span>3</span> <span>🔗</span>	<span>AW</span> Andy Willems	1 Oct, 2023 – 31 Mar, 2025	<span>Complet...</span>
▶ <span>✓</span> Shoreham Flood Wall <span>1</span> <span>🗨️</span> <span>2</span> <span>🔗</span>	<span>CM</span> Chris Maugh...	1 Jun, 2016 – 1 Aug, 2018	<span>Significa...</span>
<span>✓</span> High Street MSCP Works <span>9</span> <span>🗨️</span>	<span>CM</span> Chris Maugh...	1 Jul, 2024 – 25 Dec, 2024	<span>In progr...</span>
▶ <span>✓</span> "WICC (Worthing Integrated Care Centre) <span>4</span> <span>🗨️</span> <span>3</span> <span>🔗</span>	<span>CM</span> Chris Maugh...	1 Jan, 2022 – 1 Jul, 2024	<span>In progr...</span>
▶ <span>✓</span> Union Place/Gardens development <span>4</span> <span>🗨️</span> <span>8</span> <span>🔗</span>	<span>CM</span> Chris Maugh...	1 Jan, 2024 – 1 Jul, 2028	<span>In progr...</span>
<span>✓</span> New Southwick Football Club <span>2</span> <span>🗨️</span>	<span>AW</span> Andy Willems	1 Apr, 2024 – 31 Mar, 2025	<span>In progr...</span>
<span>✓</span> Deliver Railway approach public realm scheme with WSCC	<span>AW</span> Andy Willems	31 Mar	<span>In progr...</span>
▶ <span>✓</span> Deliver new public spaces and infrastructure improvements <span>2</span> <span>🔗</span>	<span>AW</span> Andy Willems	1 Apr, 2024 – 1 Apr, 2025	<span>In progr...</span>
▶ <span>✓</span> Colonnade House Refurbishment <span>1</span> <span>🗨️</span> <span>4</span> <span>🔗</span>	<span>AW</span> Andy Willems	2 Sep, 2024 – 30 Mar, 2025	<span>In progr...</span>
▶ <span>✓</span> Teville Gate <span>2</span> <span>🗨️</span> <span>4</span> <span>🔗</span>	<span>CM</span> Chris Maugh...	1 Jul, 2023 – 1 Apr, 2027	<span>In progr...</span>
▶ <span>✓</span> Replace Buckingham Park Pavilion <span>3</span> <span>🔗</span>	<span>CM</span> Chris Maugh...	1 Jan, 2024 – 7 Jan, 2025	<span>In progr...</span>
▶ <span>✓</span> Montague Place Gardens regeneration <span>3</span> <span>🔗</span>	<span>AW</span> Andy Willems	1 Apr, 2024 – 31 Mar, 2025	<span>In progr...</span>
<span>✓</span> Grafton Car Park <span>2</span> <span>🗨️</span>	<span>CM</span> Chris Maugh...	1 Jan, 2024 – 31 Mar, 2025	<span>Planned</span>

**Projects completed since November 2024**

Mission Area	Project	Outline of work
Thriving Places	Beach project (4G)	Mobile app My Worthing has launched and 4G network in place and available for activation.

**Projects experiencing Significant Issues**

Project	Key risk/s	Key mitigation/s
Shoreham Flood Wall	Project Delayed	Ongoing discussions with all parties to determine a way forward.  Progress will be reported separately to JSC in the new year 2025.

**Projects In progress but delayed**

Project	Key risk/s	Key mitigation/s
High Street Multi Storey Car Park Works	Forms part of the Long term Parking Strategy and Heat Network Delivery	Funding has been agreed and work is close to completion for essential repair work to the top two decks of the car park, as key to the installation of the energy centre and air source heat pumps.

		Next steps to review investment needs for the MSCP as a long term asset. The Parking Strategy document (in progress) will outline the future intentions for this site.
Union Place/Gardens Development	Commercial negotiations are ongoing.	Worthing Borough Council remains committed to the redevelopment of the Union Place site with Roffey to deliver a positive outcome - negotiations are ongoing.
New Southwick Football Club	Delays to the project.  Financial implications to the Council	Continued conversations with partner organisations and funders ongoing to identify whether financial and project risks can be mitigated in order to proceed.  Next steps are to review the business case, the lease terms and financial assurances to fully consider risk and mitigation.
Worthing Integrated Care Centre	Delays to the project delivery.	The Construction firm handed over the keys to the Worthing Integrated Care Centre (WICC) in December, in readiness for the final internal fit-out of the building needed ahead of NHS services beginning on site.  Preparation of the interior of the building underway.  It is hoped that the first NHS services can start to move into the more sustainable building in the coming weeks.



Well managed council land and assets ☆ ○ Set status

Overview List Board Timeline Dashboard Calendar Workflow Messages Files +

+ Add task ▾

Task name	Assignee	Due date	RAG Status
▶ <input checked="" type="checkbox"/> Corporate Property & Land Asset Strategy 1 <span>🗨</span> 7 <span>🗨</span>	<span>CM</span> Chris Maugh...	1 Jun – 1 Oct	In progr...
▶ <input checked="" type="checkbox"/> Asset investment & disposal programme 3 <span>🗨</span>	<span>CM</span> Chris Maugh...	1 Oct, 2024 – 1 Apr, 2025	Planned
<input checked="" type="checkbox"/> Individual asset strategy	<span>CM</span> Chris Maugh...	10 Jan, 2024 – 4 Jan, 2025	Planned
▶ <input checked="" type="checkbox"/> Disposals Programme 1 <span>🗨</span> 4 <span>🗨</span>	<span>CM</span> Chris Maugh...	10 Jan, 2024 – 4 Jan, 2025	In progr...
<input checked="" type="checkbox"/> Investment Programme	<span>CM</span> Chris Maugh...	10 Jan, 2024 – 4 Jan, 2025	Planned

## ENV1 - Action now achieves a fair transition to Net Zero Carbon by 2045 ▼ ☆ ○ Set status

Overview List Board Timeline Dashboard Calendar Workflow Messages Files +

+ Add task ▼

Task name	Assignee	Due date	RAG Status
▶ <input checked="" type="checkbox"/> Heat Network Delivery 5 <span>○</span> 5 <span>🔗</span>	<span>JJ</span> Jan Jonker	1 Jan, 2023 – 31 Mar, 2026	In progr...
▶ <input checked="" type="checkbox"/> Sussex Energy 6 <span>🔗</span>	<span>PB</span> Paul Brewer	1 Jun, 2024 – 31 Dec, 2029	In progr...
▶ <input checked="" type="checkbox"/> HyCrem hydrogen pilot 3 <span>🔗</span>	<span>PB</span> Paul Brewer	1 Apr, 2024 – 31 Dec, 2024	Comple...
▶ <input checked="" type="checkbox"/> Strategic solar options 5 <span>🔗</span>	<span>PB</span> Paul Brewer	1 Oct, 2024 – 31 Dec, 2028	In progr...
▶ <input checked="" type="checkbox"/> Sustainability capability building 1 <span>🔗</span>	<span>PB</span> Paul Brewer	1 Oct, 2024 – 30 Apr, 2025	Planned
▶ <input checked="" type="checkbox"/> Adur Homes decarbonisation 1 <span>○</span> 1 <span>🔗</span>	<span>PB</span> Paul Brewer	31 Mar	Planned

### Projects In progress but delayed

Project	Key risk/s	Key mitigation/s
Heat Network Delivery	Fixed deadline for grant funding	<p>Delivery of the project is largely grant funded. Deadlines for expenditure of grant monies are fixed, and delivery of all the works within those deadlines is challenging.</p> <p>Project team working closely with design experts and delivery partners to minimise risks.</p> <p>Regular dialogue with grant funding providers to keep them informed of progress.</p>

# 5. Thriving Organisation

Programmes by RAG Status



## Thriving Organisation ☆ ○ Set status

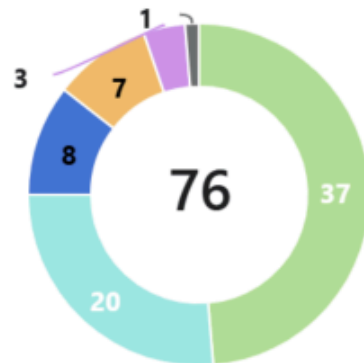
List Timeline Dashboard Progress Workload Messages +

+ Add work

Filter Sort

Name	Due date	Owner	RAG Status
Strategic planning that helps the organisation be resilient	1 Apr, 2024 – 31 Mar, 2025	NH Noel Hatch	In progress
Capital programme that delivers social and economic value	1 May, 2024 – 31 Mar, 2025	CM Chris Maughan	In progress
Improved skills and performance by our staff and teams	1 Apr, 2024 – 31 Mar, 2025	NH Noel Hatch	In progress
Better empowered communities through improved participat...	1 Apr, 2024 – 31 Mar, 2025	NH Noel Hatch	In progress
Services are designed in a way that support residents and ou...	1 Apr, 2024 – 31 Mar, 2025	NH Noel Hatch	In progress
A Digital first approach for our services	1 Apr, 2024 – 31 Mar, 2026	AS Adam Saunders	In progress
Waste and Cleansing Service Redesign	1 Apr, 2024 – 31 Mar, 2027	JJ Jan Jonker	In progress

### Total tasks by RAG status



- In progress: 37 tasks (49%)
- Planned: 20 tasks (26%)
- Completed: 8 tasks (11%)
- In progress but delays : 7 tasks (9%)
- Cancelled: 3 tasks (4%)
- On Hold: 1 task (1%)

# Strategic planning that helps the organisation be resilient

Overview List Board Timeline Dashboard Calendar Workflow Messages Files Gantt Workload +

+ Add task

Task name	Assignee	Due date	RAG Status
▶ Agency Improvements 4	NH Noel Hatch	28 Feb	Planned
▶ Improving procurement and contract management 1 7	PB Paul Brewer	1 Feb, 2024 – 31 Dec, 2025	In progr...
▶ Financial strategy that helps the organisation be financially resilient 30	NH Noel Hatch	1 Jul, 2024 – 1 Feb, 2025	In progr...
▶ Programme & performance tracking that helps improve performance of service 32	NH Noel Hatch	1 Jan, 2024 – 1 Mar, 2025	In progr...
▶ Safeguarding policy and processes continue to be embedded 2 2	TF Tina Favier	1 Apr, 2024 – 31 Mar, 2025	In progr...
▶ Audit provides independent recommendations to help improve processes 1 38	ET Emma Thomas	1 Apr, 2024 – 31 Mar, 2025	In progr...
▶ Repair Spend 1 4	PB Paul Brewer	29 Nov, 2024	Comple...
▶ Consultancy & Legal Spend 1	CH Catherine H...	29 Nov, 2024	Planned
▶ Grants & Subscriptions Spend	TF Tina Favier	29 Nov, 2024	Planned
▶ Equipment & Expenses Spend	NH Noel Hatch	29 Nov, 2024	Planned
▶ Printing & Postages Spend	NH Noel Hatch	29 Nov, 2024	Planned

Project	Key risk/s	Key mitigation/s
Safeguarding Policy and	Failure to meet legal requirements	A new Inclusion Manager post is out for recruitment and will support this work and deliver the Safeguarding improvement plan.

processes		Anticipated in post Feb 25.
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## Capital programme that delivers social and economic value ☆ ○ Set status

Overview **List** Board Timeline Dashboard Calendar Workflow Messages Files +

+ Add task ▾

Task name	Assignee	Due date	RAG Status
▶ <span>✓</span> Well-managed capital programme to deliver social & financial value 6 <span>🔗</span>	<span>CM</span> Chris Maugh...	1 Apr, 2024 – 31 Mar, 2025	In progr...

## Improved skills and performance by our staff and teams ☆ ○ Set status

Overview **List** Board Timeline Dashboard Calendar Workflow Messages Files Gantt Workloa

+ Add task ▾

Task name	Assignee	Due date	RAG Status
▶ <span>✓</span> Skills and Capability Framework 3 <span>🔗</span>	<span>NH</span> Noel Hatch	1 Apr, 2024 – 28 Mar, 2025	Comple...
▶ <span>✓</span> Learning & Development Programme 4 <span>🔗</span>	<span>NH</span> Noel Hatch	1 Mar, 2024 – 28 Mar, 2025	In progr...
▶ <span>✓</span> Capability Programme 5 <span>🔗</span>	<span>NH</span> Noel Hatch	1 May, 2024 – 31 Mar, 2025	In progr...
▶ <span>✓</span> Workforce & Employee Value Proposition 3 <span>🔗</span>	<span>NH</span> Noel Hatch	1 Jun, 2024 – 28 Mar, 2025	Planned

## Better empowered communities through improved participation ▼ ☆ ○ Set status

📅 Overview
📋 List
🗃 Board
📅 Timeline
📊 Dashboard
📅 Calendar
🔄 Workflow
💬 Messages
📁 Files
📊 Gantt
👤 Workload
+

+ Add task ▼

Task name	Assignee	Due date	RAG Status
▶ <span>✔</span> Participation Roadmap 7 🗃	<span>NH</span> Noel Hatch	1 Apr, 2024 – 28 Mar, 2025	In progr...
▶ <span>✔</span> Engagement on Areas of Focus 3 🗃	<span>NH</span> Noel Hatch	1 Sep, 2024 – 27 Dec, 2024	Completed
▶ <span>✔</span> VCS Commissioning 33 🗃	<span>NH</span> Noel Hatch	1 Sep, 2024 – 31 Jul, 2025	In progr...
▶ <span>✔</span> Neighbourhood CIL 1 🗃	<span>NH</span> Noel Hatch	1 May, 2024 – 28 Mar, 2025	In progr...
▶ <span>✔</span> Internal Communications 8 🗃	<span>NH</span> Noel Hatch	1 May, 2024 – 28 Mar, 2025	In progr...

## Services are designed in a way that support residents and our finances ▼ ☆ ○ Set status

📅 Overview
📋 List
🗃 Board
📅 Timeline
📊 Dashboard
📅 Calendar
🔄 Workflow
💬 Messages
📁 Files
📊 Gantt
👤 Workload
+

+ Add task ▼

Task name	Assignee	Due date	RAG Status
<span>✔</span> Parking Redesign 3 🗃	<span>JJ</span> Jan Jonker	1 Oct, 2024 – 31 Mar, 2025	Completed

Add task...

### ▼ Group 1 Areas of Focus

▶ <span>✔</span> Housing 1 🗃 8 🗃	<span>RJ</span> Rob Jarvis	1 Apr, 2024 – 31 Mar, 2025	In progress
▶ <span>✔</span> Neighbourhoods 1 🗃 9 🗃	<span>AW</span> Andy Willems	20 Sep, 2024 – 31 Mar, 2025	Completed
▶ <span>✔</span> Resident Services 2 🗃 10 🗃	<span>TS</span> Tracey Strutt	1 Jan, 2024 – 31 Mar, 2025	In progress

### ▼ Group 2 Areas of Focus

▶  Place and Economy 21	Andy Willems	1 Jul, 2024 – 20 Dec, 2024	<b>Completed</b>
▶  Digital Redesign 22		1 Apr, 2024 – 18 Oct, 2024	<b>Completed</b>
▶  Regenerative Development 1  23	Chris Maugh...	1 Apr, 2024 – 31 Mar, 2025	<b>In progress</b>
▶  Core Services 7	Paul Brewer	19 Jul, 2024 – 21 Feb, 2025	<b>In progress</b>
▶  Finance 21	Emma Thomas	25 Apr, 2024 – 31 Mar, 2025	<b>In progress</b>
▶  Legal & Democratic Services 21	Joanne Lee	31 Mar, 2025 – 25 Mar, 2032	<b>In progress</b>
▶  People & Change 29	Noel Hatch	22 Jul, 2024 – 7 Mar, 2025	<b>In progress</b>
▶  Public Health & Regulation 5	Jan Jonker	2 Aug, 2024 – 21 Feb, 2025	<b>In progress</b>
▶  Bereavement Service 15	Jan Jonker	11 Jun, 2024 – 28 Mar, 2025	<b>In progress</b>
▶  Waste Redesign 5	Jan Jonker	16 Aug, 2024 – 7 Mar, 2025	<b>In progress</b>
▶  Revenue and Benefits 21	Tracey Strutt	1 Jan – 1 Jul	<b>In progress</b>

### Projects completed since November 2024

Project	Outline of work
Digital Redesign	As part of the redesign work, this project has now completed and new structure and ways of working are in place.
Neighbourhoods Redesign	As part of the redesign work, this project has completed and new structure and ways of working are in place.
Place and Economy	As part of the redesign work, this project has completed and new structure and ways of working are in place.





# A Digital first approach for our services ▼ ☆ ○ Set status

- Overview
- List**
- Board
- Timeline
- Dashboard
- Calendar
- Workflow
- Messages
- Files
- Gantt
- Workload
- +














+ Add task ▼

Task name	Assignee	Due date	RAG Status
<b>▼ Digitisation of Services</b>			
▶ <input checked="" type="checkbox"/> Housing - Orchard Roadmap 7	<span>RJ</span> Rob Jarvis	1 Jan, 2024 – 1 May, 2025	In progr...
▶ <input checked="" type="checkbox"/> Complete digitisation of Resident Services 56	<span>TS</span> Tracey Strutt	31 Mar	In progr...
▶ <input checked="" type="checkbox"/> Complete digitisation of Housing service 6	<span>RJ</span> Rob Jarvis		Planned
▶ <input checked="" type="checkbox"/> Launch and Digitisation Neighbourhood Model 2  32	<span>JJ</span> Jan Jonker	1 Apr, 2024 – 30 Sep, 2024	On Hold

▼ Improved digital infrastructure and cyber resilience



















<input type="checkbox"/> SSO (Single Sign On) Project		31 Mar	Planned
<input checked="" type="checkbox"/> Lookout Mobile Security Implementation		31 Aug, 2024	Completed
<input type="checkbox"/> Achieve Cyber Essentials		31 May	Planned
<input type="checkbox"/> Upgrade Capita Cash System 4	ET Emma Thomas	14 Feb	In progress
<input type="checkbox"/> Windows Server 2012 Upgrades 2		31 Dec, 2024	In progress
<input type="checkbox"/> Mobile phone & Tablet replacement programme		31 Dec, 2024	In progress
<input checked="" type="checkbox"/> Google DLP Project		31 Dec, 2024	Cancelled
<input type="checkbox"/> Network Replacement Project 1		31 Mar	In progress
<input type="checkbox"/> Gigabit Project 2		31 Mar	In progress
<input type="checkbox"/> Hardware Refresh		31 Mar	Planned
<input type="checkbox"/> IDOX Uniform & Oracle Upgrades		31 Jan	Planned

▼ A cloud first approach to our digital systems

<input type="checkbox"/> Google vs Microsoft Programme - Scope		31 Dec, 2024	<span>In progr...</span>
<input checked="" type="checkbox"/> PlotBox Implementation			<span>Cancelled</span>
<input checked="" type="checkbox"/> Xpress SaaS 1 		31 May	<span>Planned</span>
<input type="checkbox"/> NEC Document Management		31 Mar, 2026	<span>In progr...</span>
<input type="checkbox"/> IKEN Replacement			<span>Planned</span>
<input checked="" type="checkbox"/> IDOX Cloud Implementation 5  3 		1 Mar	<span>Cancelled</span>
<input type="checkbox"/> Housing Needs System - Home Connections			<span>Planned</span>

Add task...

▼ Triage Backlog

☑ Off boarding of WTAM			In progr...
☑ MFD contract			In progr...
☑ Bereavement Services Discovery (Service Design)	 JJ Jan Jonker		In progr...
▶ ☑ Planning 1 🗨			Planned
▶ ☑ Core services 8 🗨			Planned
▶ ☑ Waste services 5 🗨			Planned
☑ Estates System Development 1 🗨	 CM Chris Maugh...		Planned
☑ Liberty - Book, Pay, Notify (x6) 1 🗨			Planned
☑ Liberty - Community Support (x2) 1 🗨			Planned

# Waste and Cleansing Service Redesign ▼ ☆ ○ Set status

[Overview](#) [List](#) [Board](#) [Timeline](#) [Dashboard](#) [Calendar](#) [Workflow](#) [Messages](#) [Files](#) [Gantt](#) [Workload](#) [+](#)

+ Add task ▼

Task name	Assignee	Due date	RAG Status
<b>▼ Fleet replacement</b>			
<span>▶</span> <input checked="" type="checkbox"/> Fleet replacement #lowcarbon 4	<span>JJ</span> Jan Jonker	28 Aug, 2023 – 31 Mar, 2027	In progr...
Add task...			
<b>▼ Parking</b>			
<span>▶</span> <input checked="" type="checkbox"/> Revised Operating model MSCP car parks 1  3	<span>JJ</span> Jan Jonker	1 Jan, 2024 – 28 Feb, 2025	In progr...
<span>▶</span> <input checked="" type="checkbox"/> Develop Parking Strategy 1  3	<span>JJ</span> Jan Jonker	1 Apr	In progr...

▼ Public Conveniences

▶ <input checked="" type="checkbox"/> Community Toilet scheme review 1  3	Jan Jonker	31 Jul	In progr...
▶ <input checked="" type="checkbox"/> Public Conveniences review 10	Jan Jonker	31 Oct	In progr...

Add task...

▼ Waste & Cleansing

▶ <input checked="" type="checkbox"/> Redesign of kerbside collections and street cleansing 4	Jan Jonker	1 Jan, 2024 – 28 Feb, 2025	In progr...
<input checked="" type="checkbox"/> Rounds review and implementation 1	Jan Jonker	27 May, 2024 – 28 Feb, 2025	In progr...
▶ <input checked="" type="checkbox"/> Commercial waste review 1  1	Jan Jonker	1 Apr, 2024 – 31 Mar, 2025	In progr...
▶ <input checked="" type="checkbox"/> Implementation of food waste collections 1  4	Jan Jonker	26 Jun, 2023 – 30 Mar, 2026	In progr...

Project	Key risk/s	Key mitigation/s
Develop Parking Strategy	Financial Implications for the Council  Future Asset Management	Baseline data being collated. Strategy development needs to be scheduled with other relevant teams and stakeholders
Revised Operation model MSCP car parks	Financial Implications for the Council	Report presented to JOSCP in Dec 2024, Go-Live Mid Feb 2025.

	Future Asset Management	
Community Toilet Scheme	Financial Implications for the Council Future Asset Management	Project Initiation documentation completed. Awaiting approval before further action.

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**Appendix 2 - Foundations at Risk  
Quarter Two 2024/25**

**1. Foundations not achieving target**

Of the twenty seven foundations there are nine Foundations that are not achieving target.

**1.1. Net Expenditure on Temporary Accommodation (TA) Adur and Worthing (2 Red indicators).**

Area	Measure	Target	Quarter Two 23/24	Quarter Two 24/25	RAG
Housing and Homelessness	Net expenditure on Temporary accommodation - Adur	£274,627	£274,627	£402,898	<b>Not Achieving Target</b>
Housing and Homelessness	Net expenditure on Temporary accommodation - Worthing	£866,063	£866,063	£1,085,655	<b>Not Achieving Target</b>

**1.1.1. Cause & Mitigation**

The continuing rise in the number of households in Temporary Accommodation (TA) and increase in costs for TA in Worthing and Adur matches national trends. At 31/3/23, the numbers of households in TA were 104,510 (England) and 12,320 (South East of England); at 31/3/24, the latest available reporting period, they had risen to 117,450 (England) and 14,430 (South East), an increase in one year of 12% and 17% respectively. Both councils continue to have a high number of people presenting, particularly single people, who are already homeless at the point of first contact and to whom there is a legal duty to provide temporary accommodation while their homeless application is assessed. The pressures on numbers in TA and the costs are also impacted by the lack of suitable move-on options for all homeless households due to the lack of affordable general needs housing and insufficient supported housing for single people.

We are currently undertaking an analysis of cases into TA to establish how resources could be utilised better or improved to increase prevention opportunities, enabling the service to intervene at a much earlier stage and avoiding the need for temporary accommodation in the first place.

## 1.2 Number of households in temporary accommodation - Adur and Worthing (2 Red indicators).

Area	Measure	Target	Quarter Two 23/24	Quarter Two 24/25	RAG
Housing and Homelessness	Number of households in temporary accommodation - Adur	98	98	133	<b>Not Achieving Target</b>
Housing and Homelessness	Number of households in temporary accommodation - Worthing	370	370	448	<b>Not Achieving Target</b>

### 1.2.1. Cause and Mitigation

These figures have increased nationally since 2020. The number of single people in temporary accommodation has seen the most significant increase. Additional issues in Adur are due to the shortage of Adur properties. An Improvement Plan has been developed to incorporate mitigation activity (see above) (NOTE: these are not cumulative figures, they represent the number of the last day of the reporting period).

## 1.3 Percentage of stage 1 responses per quarter responded to within 10 working days - Adur and Worthing and

Percentage of stage 2 complaint responses per quarter responded to within 10 working days - Adur and Worthing

Area	Measure	Target	Quarter Two 23/24	Quarter Two 24/25	
Complaints	Percentage of Stage 1 complaint responses per quarter responded to within 10 working days - Adur & Worthing	75%	49.6%	64%	<b>Not Achieving Target</b>
Complaints	Percentage of Stage 2 complaint responses per quarter responded to within 15 working days - Adur & Worthing	75.0%	65.4%	50%	<b>Not Achieving Target</b>

### 1.3.1 Cause and Mitigation

A new Complaints Manager and Complaint Officer are now in post and work to improve response times are underway. For Stage 1 complaints there has been improvement from the previous quarter two 23/24 (49.6% ) and from quarter one 24/25 (54.14%).

For Stage 2 complaints there has been improvement from the previous quarter two 23/24 (49.6% ) and from quarter one 24/25 (34.62%).

### 1.4 Percentage of FOIs, EIRs and DSARs responded to in time in Adur and Worthing

Service	Measure	Assess by	Q2 23/24	Q2 24/25	Target	RAG
FOI Requests	Percentage of FOI requests responded to in 20 working days per quarter - Adur & Worthing	Higher is better	84.10%	73.6%	84.10	<b>Not Achieving Target</b>

FOI Requests	Percentage of EIRs requests responded to in 20 working days per quarter - Adur & Worthing	Higher is better	71.00%	55.80%	71%	<b>Not Achieving Target</b>
FOI Requests	Percentage of DSARs requests responded to in 1 calendar month per quarter - Adur & Worthing	Higher is better	75.00%	22.70%	75.00%	<b>Not Achieving Target</b>

#### 1.4.1 Cause and Mitigation

The recruitment of Information Governance staff and system upgrades in this area are expected to reduce response times for FOI and complaint handling, ensuring residents receive timely and transparent communication.

## 2. Foundations achieving near target

Of the twenty seven Foundations six are Near Target:

The Foundations which are sitting at near target are:

### 2.1. Percentage Recycling Rate

Area	Measure	Target	Quarter Two 23/24	Quarter Two 24/25	RAG
Waste and Recycling	Percentage Recycling Rate - Adur	50%	43.25%	46%	<b>Near Target</b>
Waste and recycling	Percentage Recycling Rate - Worthing	50%	47.82%	47.47%	<b>Near Target</b>

### 2.1.1. Cause and Mitigation

Adur District Council is +2.75% points up in this quarter compared to the same quarter last year. Kerbside recycling is also up by +2.69% points with garden waste showing results of +0.05% points increase. The overall recycling rate and an increase in kerbside recycling figures account for the overall increase in Adur District Council recycling rate. Higher recycling rates mean less waste sent to landfills helping reduce carbon emissions and promoting a greener area.

Worthing Borough Council is -0.35% points down in this quarter compared to the same quarter last year. Kerbside recycling is slightly down by -0.85% points with garden waste showing results of +0.50% points increase. The second quarter of 2024 has shown a fairly neutral period.

### 2.2 Business rates collection per quarter -Adur and Business rates collection per quarter - Worthing (two amber indicators)

Area	Measure	Target	Quarter Two 23/24	Quarter Two 24/25	RAG
Resident Services	Business rates collection per quarter - Adur.	59.31%	59.31%	58.54%	Near Target
Resident Services	Business rates collection per quarter - Worthing.	64.16%	64.16%	62.62%	Near Target

### 2.2.1. Cause and Mitigation

More ratepayers are opting to pay over twelve instalments including Southlands Hospital & Worthing Hospital who previously paid their rates in full during the first quarter. We are working with businesses opting for instalments to ensure timely payments, safeguarding the council's ability to deliver essential services.

### 2.3. Kilograms of residual waste per household

Area	Measure	Target	Quarter Two 23/24	Quarter Two 24/25	RAG
Sustainability and Resources	Kilograms of residual waste per household - Adur	7.09 Kg	7.09 Kg	7.1 Kg	Near Target

#### 2.3.1 Cause and Mitigation

This is a variable figure that is dependent on tonnage of residual waste collected in each quarter. This is very close to the target figure set from last year. A slight reduction in residual waste per household can reduce landfill usage and associated environmental impacts.

### 2.4. Number of ASB cases reported per quarter

Area	Measure	Target	Quarter One 23/24	Quarter One 24/25	RAG
Housing and Communities	Number of ASB cases reported per quarter - Worthing. Annual total number per year.	32	32	39	Near Target

#### 2.4.1 Cause and Mitigation

Reports are generally higher over the summer months due to increased time outside and anti-social behaviour from young people.

Full list of Foundations can be found in Appendix 3 - Annual Foundations Quarter Two.

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Appendix 3 Quarter Two Foundations 2024/25									
	Service	Measures	Outcome	Assess by? (e.g higher is better)	Quarter Two 2023/24 (April, May, June)	Quarter Two 2024/25 (July, August, Sept)	Target	RAG (near target = within 5%, Not achieving target = over 5%)	Please briefly explain your performance data, highlighting changes, reasons and mitigations if not on target
<b>MISSION AREA</b>	<b>PLACE</b>								
Thriving Economy	Planning and regulation	Percentage of minor applications determined in 8 weeks or agreed extension of time - Adur	Timely processing of minor planning applications supports local development and reduces delays, enabling residents and businesses to progress projects.	Higher is better	99%	93.00%	75%	Achieving Target	Exceeding the target ensures quicker approvals for local developments.
Thriving Economy	Planning and regulation	Percentage of minor applications determined in 8 weeks or agreed extension of time - Worthing	As above	Higher is better	95%	97.00%	75%	Achieving Target	Exceeding the target ensures quicker approvals for local developments.
Thriving Places	Leisure	Number of visits to Adur Council Leisure Centres	Higher attendance at our leisure centres demonstrates the success of initiatives promoting healthy lifestyles and inclusive recreational spaces, benefiting residents.	Higher is better	85,822	114,936	85,822	Achieving Target	By quarter two in 23/24 we had recorded a total of 167,872 visitors, by quarter 2 this year we have seen 230,644 visitors and increase of 62,192. This means we are at currently on track to exceed the number of visitors of 398,993 that were recorded in total for 23/24. This growth reflects the community's strong engagement in health and fitness activities, providing affordable and accessible options for families to stay active and improve their well-being.
Thriving Places	Leisure	Number of Visits to Worthing Council Leisure Centres	As above	Higher is better	227,469	255,520	227,469	Achieving Target	Worthing leisure centres welcomed over 33,000 additional visitors compared to the same period last year. This highlights the popularity of the facilities and their role in promoting healthier lifestyles while offering recreational opportunities for all age groups.
<b>Sustainability &amp; Resources</b>									
Thriving Environment	Waste and recycling	Percentage Recycling Rate - Adur	Improving recycling rates supports the council's commitment to environmental sustainability, reducing waste sent to landfills, and lowering the town's carbon footprint.	Higher is better	43.25%	46.00%	50%	Near Target	Adur District Council is +2.75% points up in this quarter compared to the same quarter last year. Kerbside recycling is also up by -2.69% points with garden waste showing results of +0.05% points increase. The overall recycling rate and an increase in kerbside recycling figures account for the overall increase in Adur District Council recycling rate.
Thriving Environment	Waste and recycling	Percentage Recycling Rate - Worthing	As above	Higher is better	47.82%	47.47%	50%	Near Target	WBC is -0.35% points down in this qtr compared to the same quarter last year. Kerbside recycling is slightly down by -0.85% points with garden waste showing results of +0.50% points increase. The second qtr of 2024 has shown a fairly neutral period.

Appendix 3 Quarter Two Foundations 2024/25									
	Service	Measures	Outcome	Assess by? (e.g higher is better)	Quarter Two 2023/24 (April, May, June)	Quarter Two 2024/25 (July, August, Sept)	Target	RAG (near target = within 5%, Not achieving target = over 5%)	Please briefly explain your performance data, highlighting changes, reasons and mitigations if not on target
Thriving Environment	Waste and recycling	Kilograms of residual waste per household - Adur	Lowering the amount of residual waste generated per household aligns with environmental sustainability goals, reducing environmental impact and promoting responsible waste management practices.	Lower is better	7.09	7.1	7.09	Near Target	This is a variable figure that is dependant on tonnage of residual waste collected in each quarter.
Thriving Environment	Waste and recycling	Kilograms of residual waste per household - Worthing	As above	Lower is better	7.49	7.33	7.49	Achieving Target	Newly reported figure and have no previous figures to compare to. This is a variable figure that is dependant on tonnage of residual waste collected in each quarter.
Thriving Environment	Environmental Health and Regulation	Percentage food businesses with food hygiene ratings of 3+ on initial inspection (satisfactory and above) - Adur	Achieving excellent food hygiene ratings enhances the town's reputation as a safe and vibrant destination for dining and tourism, while safeguarding public health.	Higher is better	99%	97.00%	90%	Achieving Target	
Thriving Environment	Environmental Health and Regulation	Percentage food businesses with food hygiene ratings of 3+ on initial inspection (satisfactory and above) - Worthing	As above.	Higher is better	98.40%	91.50%	90%	Achieving Target	Resources have focused on higher risk and non-compliant premises as well increased complaint work.
<b>Housing &amp; Communities</b>									
Thriving People	Housing and homelessness	Percentage of repairs which were fixed on the first visit per quarter (Adur Homes).	By focusing on first-visit fixes, Adur Homes ensures that residents can enjoy safer, better-maintained homes, contributing to their overall quality of life and well-being.	Higher is better	94%	94.00%	90%	Achieving Target	
Thriving Places	Community safety	Number of ASB cases reported per quarter - Adur. Annual is total number per year.	Monitoring anti-social behaviour enables targeted interventions, improving community safety, and enhancing quality of life for residents.	Lower is better	24	23	24	Achieving Target	
Thriving Places	Community safety	Number of ASB cases reported per quarter - Worthing.	As above	Lower is better	32	39	32	Near Target	Reports are generally higher over the summer months due to increased time outside, youth ASB etc

Appendix 3 Quarter Two Foundations 2024/25									
	Service	Measures	Outcome	Assess by? (e.g higher is better)	Quarter Two 2023/24 (April, May, June)	Quarter Two 2024/25 (July, August, Sept)	Target	RAG (near target = within 5%, Not achieving target = over 5%)	Please briefly explain your performance data, highlighting changes, reasons and mitigations if not on target
Thriving People	Resident Services	Business rates collection per quarter - Adur.	Achieving strong business rates collection underpins the councils' ability to deliver essential services, invest in infrastructure, and support the local business community.	Higher is better	59.31%	58.54%	59.31%	Near Target	More ratepayers are opting to pay over twelve instalments including Southlands Hospital & Worthing Hospital who previously paid their rates in full during the first quarter. More ratepayers opting for 12 instalments ensures consistent revenue for services throughout the year
Thriving People	Resident Services	Business rates collection - Worthing.	As above	Higher is better	64.16%	62.62%	64.16%	Near Target	More ratepayers are opting to pay over twelve instalments including Southlands Hospital & Worthing Hospital who previously paid their rates in full during the first quarter. More ratepayers opting for 12 instalments ensures consistent revenue for services throughout the year
Thriving People	Resident Services	Council tax collection - Adur.	High council tax collection rates maintain financial sustainability, enabling investment in key services and infrastructure for residents and businesses.	Higher is better	59.51%	60.13%	59.51%	Achieving Target	High council tax collection rates mean the council can continue to invest in vital services, such as housing support and public infrastructure.
Thriving People	Resident Services	Council tax collection - Worthing.	As above	Higher is better	57.95%	58.64%	57.95%	Achieving Target	High council tax collection rates mean the council can continue to invest in vital services, such as housing support and public infrastructure.
Thriving People	Housing and homelessness	Net expenditure on Temporary Accommodation per quarter - Adur	Reducing net expenditure on temporary accommodation ensures financial sustainability for the council while enabling resources to be redirected towards long-term housing solutions and prevention efforts.	Lower is better	£274,627	£402,898	£274,627	Not Achieving Target	The continuing rise in the number of households in TA and increase in costs for TA in Worthing and Adur matches national trends. At 31/3/23, the numbers of households in TA were 104,510 (England) and 12,320 (South East of England); at 31/3/24, the latest available reporting period, they had risen to 117,450 (England) and 14,430 (South East), an increase in one year of 12% and 17% respectively. Both councils continue to have a high number of people presenting, particularly single people, who are already homeless at the point of first contact and to whom there is a legal duty to provide temporary accommodation while their homeless application is assessed. The pressures on numbers in TA and the costs are also impacted by the lack of suitable move-on options for all homeless households due to the lack of affordable general needs housing and insufficient supported housing for single people. We are currently undertaking an analysis of cases into TA to establish how resources could be utilised better or improved to increase prevention opportunities, enabling the service to intervene at a much earlier stage and avoiding the need for TA.
Thriving People	Housing and homelessness	Net expenditure on Temporary Accommodation per quarter - Worthing	As above	Lower is better	£866,063	£1,085,655	£866,063	Not Achieving Target	See above
Thriving People	Housing and homelessness	Number of households in Temporary Accommodation (at end of Quarter) - Adur	Reducing the number of households in temporary accommodation improves resident stability, minimises disruption for families, and enhances access to secure housing options.	Lower is better	98	133	98	Not Achieving Target	See above

Appendix 3 Quarter Two Foundations 2024/25									
	Service	Measures	Outcome	Assess by? (e.g higher is better)	Quarter Two 2023/24 (April, May, June)	Quarter Two 2024/25 (July, August, Sept)	Target	RAG (near target = within 5%, Not achieving target = over 5%)	Please briefly explain your performance data, highlighting changes, reasons and mitigations if not on target
Thriving People	Housing and homelessness	Number of households in Temporary Accommodation (at end of the quarter) - Worthing	As above	Lower is better	370	448	370	Not Achieving Target	See above
<b>Corporate Health</b>									
Thriving Organisation	People Team	Average number of sickness days for permanent and temporary staff per quarter - Adur & Worthing	Reducing sickness absence across Adur and Worthing reflects improved staff wellbeing and morale, enhancing productivity and ensuring consistent delivery of public services.	Lower is Better	0.53	0.58	1.95	Achieving Target	The data from Q2 in 23/24 and 24/25 show a slight increase on average number of sickness days for the staff specified. This is only a slight increase, and we are still performing well against the target of 1.95 and also significantly below the national average quoted by CIPD of 7.8 days. In Q3 we can expect an increase as we enter the winter period where sickness absence days tend to increase.
Thriving Organisation	Information Governance	Percentage of FOI requests responded to in 20 working days per quarter - Adur & Worthing	Timely responses to FOI (Freedom of Information) requests uphold transparency and accountability, strengthening trust in the council's operations and responsiveness to public inquiries.	Higher is better	84.10%	73.60%	84.10	Not Achieving Target	In quarter 2 there were 174 FOI request and 128 were responded to within 20 working days. The recruitment of Information Governance staff and system upgrades in this area are expected to reduce response times for FOI and complaint handling, ensuring residents receive timely and transparent communication.
Thriving Organisation	Information Governance	Percentage of EIRs requests responded to in 20 working days per quarter - Adur & Worthing	Ensuring prompt responses to EIRs promotes transparency in environmental decision-making and demonstrates the council's commitment to addressing community concerns about sustainability and natural resource management.	Higher is better	71.00%	55.80%	71%	Not Achieving Target	In quarter 2 there were 43 EIRs requests and 24 were responded to within 20 working days. on time. The recruitment of Information Governance staff and system upgrades in this area are expected to reduce response times for FOI and complaint handling, ensuring residents receive timely and transparent communication.

Appendix 3 Quarter Two Foundations 2024/25									
	Service	Measures	Outcome	Assess by? (e.g higher is better)	Quarter Two 2023/24 (April, May, June)	Quarter Two 2024/25 (July, August, Sept)	Target	RAG (near target = within 5%, Not achieving target = over 5%)	Please briefly explain your performance data, highlighting changes, reasons and mitigations if not on target
Thriving Organisation	Information Governance	Percentage of DSARs requests responded to in 1 calendar month per quarter - Adur & Worthing	Responding promptly to DSARs (Data Subject Access Requests) ensures compliance with legal requirements, demonstrates respect for individuals' data rights, and reinforces the council's commitment to data protection and privacy.	Higher is better	75.00%	22.70%	75.00%	Not Achieving Target	In quarter 2 there were 22 DSARs and 5 were responded to within 1 calendar month. The recruitment of Information Governance staff and system upgrades in this area are expected to reduce response times for FOI and complaint handling, ensuring residents receive timely and transparent communication.
Thriving Organisation	Resident Services	Percentage of Stage 1 complaint responses per quarter responded to within 10 working days - Adur & Worthing	Addressing Stage 1 complaints within the target timeframe enhances resident satisfaction, reduces escalation rates, and showcases the council's commitment to effective issue resolution.	Higher is better	49.6%	64.10%	75%	Not Achieving Target	A new Complaints Manager and Complaint Officer are now in post and work to improve response times are underway. There has been improvement from the previous quarter two 23/24 (49.6% ) and from quarter one 24/25 (54.14%).
Thriving Organisation	Resident Services	Percentage of Stage 2 complaint responses per quarter responded to within 15 working days - Adur & Worthing	As above for Stage 2	Higher is better	65.4%	50.00%	75.0%	Not Achieving Target	A new Complaints Manager and Complaint Officer are now in post and work to improve response times are underway. There has been improvement from the previous quarter two 23/24 (49.6% ) and from quarter one 24/25 (34.62%).

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ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
6 February 2025

Key Decision [Yes/No]

Ward(s) Affected:

## **Adur & Worthing Fleet Strategy**

### **Report by the Director for Sustainability & Resources**

#### **Officer Contact Details**

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#### **Executive Summary**

Adur and Worthing councils operate a fleet of vehicles to deliver frontline services, including waste and cleansing, parks services and building services. The fleet is council owned and largely operated from the Commerce Way depot on Lancing Business Park. The fleet is a costly but essential aspect of service delivery and its reliability determines the quality and resilience of services and has a direct impact on the reputation of the Councils.

The fleet largely consists of diesel ICE (internal combustion engine) vehicles responsible for >45% of the council's carbon emissions, and the majority of that (75%) is emitted by the 31 HGV vehicles the council operates. These are mainly refuse and recycling vehicles. The councils have committed to being carbon neutral by 2030 and addressing the fleet emissions is a critical aspect to meeting that target.

In 2023 the councils commissioned the consultancy Ricardo to develop an options appraisal for our fleet strategy that delivers the decarbonisation required to meet the carbon neutral target whilst meeting the operational needs of the service. The main consideration is the replacement of the HGV fleet. 21 of the current refuse and recycling vehicles were purchased in 2016/17 and are due for replacement in 2026/27.

This report summarises the option appraisal that was carried out and sets out recommendations for the replacement of the HGV waste and cleansing fleet that have regard for the operational requirements of the services, value for money (taking into account vehicle life cycle costs) and the council's carbon neutral targets. It seeks authorisation to proceed with the fleet replacement program for the waste and cleansing service through delegated authority to the Director for Sustainability and Resources and the relevant Executive Members. The replacement program for the wider fleet is also being worked up in the background. These are smaller vehicles, being replaced more gradually through scheduled replacement.

## **1. Purpose**

- 1.1.** To summarise the findings of the Fleet Options Appraisal completed by Ricardo in 2023
- 1.2.** To seek approval for the proposed replacement strategy for the Council's HGV fleet taking into account service resilience and reliability, capital and life cycle costs and the commitment of both councils to being carbon neutral by 2030.
- 1.3.** To agree the principles for the replacement of the remainder of the smaller fleet

## **2. Recommendations**

- 2.1** That the committee agrees to replacing the council HGV fleet along the following principles:
  - 2.1.1** To transition away from diesel/ICE vehicles by 2030/31, with a formal review point in 2027 to reassess costs and technology.
  - 2.1.2** To purchase and start to test one eRCV in the next financial year (2025/26)
  - 2.1.3** To flatten the vehicle replacement curve for HGVs, moving away from bulk replacement of 21 vehicles in one year, instead purchasing a smaller number of vehicles on an annual basis.
  - 2.1.4** In order to deliver the flattening of the curve to take a blended approach (as detailed in this report) consisting of refurbishing existing HGV vehicles, and purchasing a small number of second hand vehicles reducing the immediate demand for new diesel vehicles.



- 2.1.5 To minimise our carbon emissions to transition the remaining diesel vehicles which are suitable for HVO to this fuel source in 2025/26 at the latest subject to budget availability and availability of sustainably certified fuel.
- 2.2 That the committee agrees to replacing the council's fleet of smaller vehicles (up to 3.5t) with EVs when they are due for replacement subject to market availability and the technology meeting operational requirements and falling within the agreed capital program.
- 2.3 That the Committee give delegated authority to the Director for Sustainability and Resources, in consultation with the Adur Cabinet Member for Finance and Resources and the Worthing Member for Resources, to proceed with the implementation of the fleet replacement program, including initiating and concluding procurement processes and entering into contracts for the supply of containers and vehicles for the service.
- 2.4 That, in line with the recommendations agreed at the 17 July 2024 JSC report on Simpler Recycling and Food Waste Collections, the committee notes that officers will commence with the procurement of vehicles and containers for the food waste collection service, within the limitations of the capital funds allocated by DEFRA.

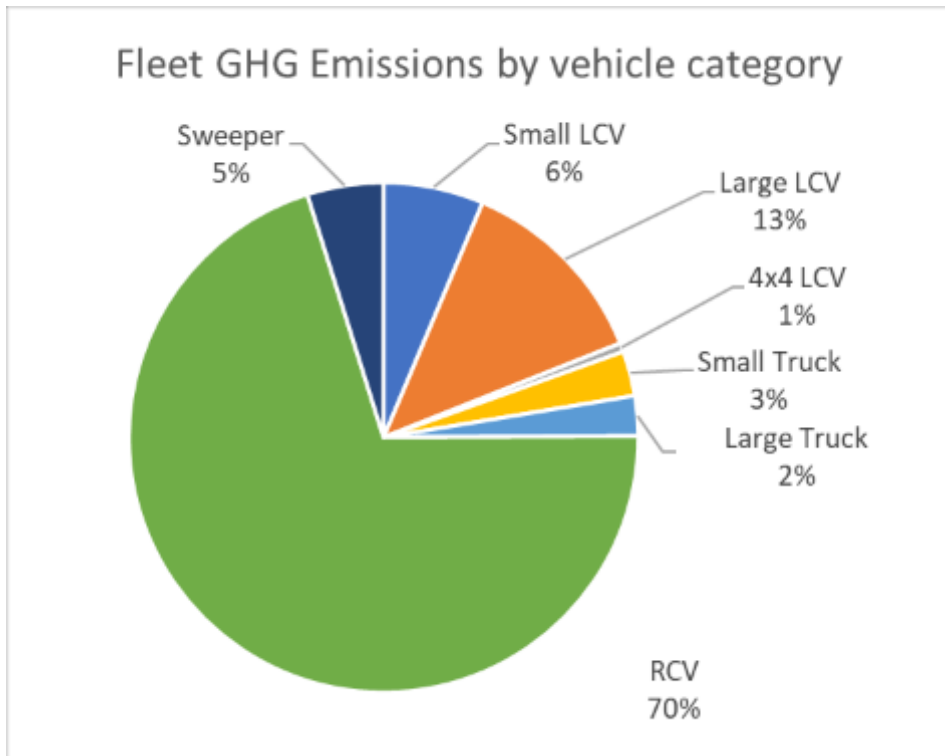
### 3. Context

3.1 The councils operate a fleet of 115 vehicles which mainly serve refuse and cleansing (approximately 70 vehicles), parks and building services. 31 of the vehicles are HGV refuse and recycling collection vehicles and one skip lorry. The anticipated rollout of food waste collections is expected to add a further ten 7.5t vehicles to the fleet. The composition of the existing fleet is summarised in the table below.

Category	Vehicle category description	No. in fleet	Life Years
Small LCV	Small-medium van (light commercial vehicle) up to around 3 tonnes*	36	8
Large LCV	Large light commercial vehicle of 3 to 3.5 tonnes*	34	8
4x4 LCV	Four wheel drive light commercial (e.g. pick-up)	2	10
Small Truck	Commercial vehicle 3.5-12 (typically 7.5) tonne*	6	8
Large Truck	Truck over 12 tonne (one 8-wheel rigid 32 tonne)*	1	9
RCV	Refuse collection vehicle 15 to 26 tonne*	31	9
Sweeper	Road sweeper, truck conversion or specialist	5	8
Food waste	Food waste collection 4 to 7.5 tonne GVW	8 expected	8

3.2 Light commercial vehicles make up the largest proportion of the fleet, which is dominated by diesel vehicles. Nine small electric vans are in use which are proving effective despite the limited range.

3.3 The fleet is responsible for 45% of the councils scope 1 greenhouse gas (GHG) emissions and is therefore an important area of focus for the 2030 carbon neutral target. The HGV vehicles make up less than  $\frac{1}{3}$  of the fleet but are responsible for  $\frac{3}{4}$  of GHG emissions.



#### **4 Decarbonisation Options**

- 4.1 The smaller fleet is being replaced with Battery Electric Vehicles where appropriate. The technology for these types of vehicles is tried and tested and the replacements are gradual. For some vehicles electric options are not well established and tested (particularly mechanical sweepers) and these are still being replaced with diesel vehicles.
- 4.2 The focus of the remainder of this report is therefore on the replacement options for the 31 HGV refuse and recycling vehicles.
- 4.3 Various technologies can be used to decarbonise commercial vehicles, depending on the application. Different technologies have different attributes as summarised in the table below. Three options were considered in the appraisal:
- Battery Electric Vehicles (BEV)
  - Hydrogen in internal combustion engine
  - Biodiesel from hydro-treated vegetable oil - HVO. HVO is a fuel that is used in conventional diesel engines.
- 4.4 Each of these options are summarised below.

## **4.5 Battery Electric Vehicles**

4.6 There is an established market in electric refuse collection vehicles (eRCVs) and more local authorities are starting to add them to their fleet, most taking a gradual approach. Very few councils have adopted large scale eRCV replacement programmes. Adur and Worthing Councils have deliberately not been early adopters of electric RCV vehicles given the costs of the technology, which is developing and reducing quickly, and to minimise risks to service resilience.

4.7 Advantages of battery electric vehicles include:

4.7.1 High efficiency as electricity is used to drive the vehicle directly, with only small losses in electrical systems and when charging batteries

4.7.2 Zero-emission in use, supported by future UK policy

4.7.3 GHG emissions come only from electricity generation, and will fall as UK grid decarbonises. Using renewable electricity allows for zero GHG emissions well-to-wheel

4.7.4 Range depends on battery size, charging can take a long time and needs charging infrastructure. Our refuse and recycling rounds are quite compact (compared to more rural authorities) and modelling shows that range is not a significant concern. Our vehicles have sufficient downtime to allow for charging.

4.7.5 Technology is fast becoming established for road vehicles, with increasing variety of vans and trucks entering market, and smaller plant becoming available

4.8 These advantages are expected to become more significant as the technology matures, reducing risks, costs and improving service resilience.

## **4.9 Charging Infrastructure**

4.10 A switch to a battery electric fleet requires significant investment in charging infrastructure at Commerce Way Depot in Lancing from where the fleet operates. Depending on the configuration up to 80 chargers could be required ranging from slow overnight chargers (similar to those used by households or that are seen on street) to high power chargers for eRCVs.

4.11 The site may also need an upgraded connection through UK Power Networks (UKPN) the local District Network Operator. The costs associated with high power connections can be mitigated by:

4.11.1 Phasing the introduction of chargers over time

4.11.2 Maximising charging outside of peak hours

- 4.12 Vehicle costs are very high currently, expected to fall as volumes increase and battery manufacturing costs fall. Electricity costs are volatile but cheaper per mile than diesel due to high efficiency. Lifecycle costs are considered in the finance section of this report.

Key attributes: Electricity through BEV	
Sourced from	Grid (national generation) or dedicated renewable electricity supply
Properties	Electricity needs to be delivered to/stored onboard vehicle batteries
Infrastructure	Overnight AC or rapid DC chargers. High power demands may need grid reinforcement
Powertrain	Electric motor, battery storage
Range for truck	150-250 miles, increasing with technology developments. 6x2 tractors especially limited
Recharging time	1 to 12 hours depending on charger power
GHG emissions	Depends on supply and decarbonisation of grid Up to 100% reduction using renewable power
Tailpipe emissions	Zero
Vehicle impacts	Weight and space impact of batteries
Retrofit possible	Possible but costly
Applicable to	Most vehicles where adequate energy/range is practical; increasing as technology developing

#### 4.13 Hydrogen Fuel Cell Electric Vehicles

- 4.14 The market for hydrogen RCVs vehicles is much less established than it is for electric vehicles. The technology works producing electricity from hydrogen, with only water as a by-product.
- 4.15 The source of hydrogen is key to the GHG emissions. Most hydrogen is currently produced from methane (known as grey hydrogen) which will result in similar GHG to diesel. Renewable “green” hydrogen (generated using renewable energy such as solar or wind) must be used to achieve low GHG impact.

- 4.16 There is currently only a very limited supply of green hydrogen. Shoreham Port is working with H2Green to develop green hydrogen production at the site as well as a HGV hydrogen refuelling station. Over time this could provide an opportunity to transition to hydrogen if vehicle technology and vehicle servicing and refuelling technology keeps up with the pace of change.
- 4.17 Building hydrogen refuelling infrastructure is extremely complex and costly and operating a hydrogen fleet would require significant changes to, and investment in our vehicle workshops (which may even need a complete replacement to comply with safety requirements).
- 4.18 Overall the technology is not well enough developed and is too expensive to be adopted at this stage. It is expected to mature over the next 5 to 10 years and it may have a role to play in our medium to long term plans.

Key attributes: Hydrogen FCEV	
Sourced from	Various production pathways
Properties	Gas (may be stored as liquid)
Infrastructure	Hydrogen storage and dispensing – costly and needs space. Very few public sites as yet
Powertrain	Fuel cell, battery, electric motor
Range for truck	250-420 miles (30-70 kg at 350 bar). May increase with more/improved storage
Refuelling time	10-20 minutes
GHG emissions	Dependent on hydrogen production process. Future green hydrogen could achieve over 90% reduction of in-use emissions via FCEV
Tailpipe emissions	Zero
Vehicle impacts	Space for batteries and bulky hydrogen tanks
Retrofit possible	Possible but costly, demonstrated for buses
Applicable to	All medium and heavy duty applications from late 2020s, but limited availability now

#### 4.19 Biodiesel from HVO

- 4.20 Hydrotreated Vegetable Oil (HVO) is a paraffinic diesel-like fuel produced from vegetable oils and fats. It is suitable for 100% use in diesel engines without

modification (a “drop-in” fuel), and in many cases is approved by the manufacturer within warranty. All but one of our HGV vehicles could run on HVO. A number of local authorities have adopted HVO to reduce their carbon emissions. It results in a net reduction in carbon because the plant based feedstock for the fuel has absorbed carbon.

- 4.21 The impact of HVO compared to diesel on tailpipe emissions from vehicles is dependent on a number of factors. HVO generally results in lower nitrous oxides (NOx) and particulates (PM10), however this benefit is more limited in newer vehicles which are based on much cleaner technologies. Our fleet is built to the EV6 standard so the impact can be expected to be positive, albeit marginal.
- 4.22 Using HVO in place of diesel has no significant impact on vehicle capability, range, or maintenance needs.
- 4.23 Whilst HVO can certainly contribute to the Council’s carbon neutral targets in the short to medium it is not considered a long term solution, or an alternative to moving away from ICE vehicles for the following reasons:
  - 4.23.1 ICE vehicles are expected to be phased out by 2035, so HVO will not be an option
  - 4.23.2 Supply of certified HVO is limited by the availability of a sustainable feedstock, so its future availability can not be guaranteed. The feedstock needs to be certified as sustainable to avoid any adverse impacts associated with land being used for feedstock in a way that is not sustainable, or taking land out of food production. Furthermore prices of HVO have fluctuated significantly over the last few years
  - 4.23.3 The government is expected to prioritise HVO to help decarbonise aviation and shipping which may further restrict its availability in future and increase costs.
- 4.24 HVO prices have fluctuated significantly over the last 12 months and can be expected to continue to be volatile. Over the last year the additional cost of running a fleet on HVO has ranged between £6,000 and £160,000.

Key attributes: HVO in ICE	
Sourced from	Vegetable oils and fats. Waste feedstocks should be used for low environmental impact
Properties	Liquid paraffinic diesel fuel
Infrastructure	Repurposed diesel tanks

Powertrain	ICE – compression ignition (existing engines)
Range for truck	600-1000 miles (as diesel)
Refuelling time	Less than 10 minutes
GHG emissions (100% bio blend)	75% to 90% reduction (assuming waste feedstock), depends on feedstock and source
Tailpipe emissions	Yes, similar to diesel
Vehicle impacts	None compared to diesel: payload unchanged
Retrofit possible	Can be used in most existing diesel engines – if vehicle stated compatible with EN15940 the engine warranty will not be affected
Applicable to	Heavy duty applications from now, road use phase out from 2035 (new vehicles)

## 5 Fleet Technology Replacement Considerations

### 5.1 Flattening the HGV replacement curve

5.2 The council's HGV fleet is critical to the provision of residential and commercial refuse and recycling services. The vehicles need to be fit for purpose and reliable to ensure service resilience. Due to historic procurement time-scales, 21 HGV vehicles are due for replacement in 2026/27. Replacing this number of vehicles over a short time-scale presents a number of challenges:

5.2.1 Whilst the whole fleet is new, maintenance costs and resources are low. As the fleet ages this puts increasing pressure on the workshop capacity and costs and has an impact on service reliability

5.2.2 The capital outlay for 21 vehicles is significant, irrespective of technology choice (between £4 million for diesel and £9 million for EV), putting a significant burden on council finances

5.2.3 Purchasing a large number of vehicles in one year means that the councils are less able to take advantage of technologies evolving and costs coming down, compared to a more gradual replacement program.

5.2.4 It also results in higher risks, particularly with new and emerging technologies. In the event that there are teething problems or reliability issues a large proportion of the fleet is affected.

5.3 A fleet with a more balanced age profile will enable a more gradual, routine replacement cycle addressing the above issues. It is proposed to do this through adopting a blended approach consisting of:



- 5.3.1 Refurbishing a number of our existing vehicles. In this process they are completely stripped down and rebuilt, extending their useful life by up to a maximum of five years. A full refurbishment takes a number of months, limiting the number of vehicles that can be taken out of the service at any time, as well as requiring a spare vehicle to help manage the reduced capacity.
- 5.3.2 Replacing a number of end of life vehicles with second hand diesel RCVs. We have recently taken delivery of two second hand vehicles as part of our commercial fleet. A drawback of second hand vehicles is that it can increase the diversity of the fleet, requiring a wider range of parts to be held and sourced by workshop staff and the need for staff (drivers, operatives and mechanics) on different types of vehicles. These issues can be mitigated through being selective with vehicles purchased and ensuring robust warranties are in place.

#### **5.4 Decarbonising the HGV Fleet**

- 5.5 The Council's HGV fleet is responsible for approximately 34% of carbon emissions so decarbonisation is critical to meeting our 2030 carbon neutral targets. In determining the preferred option to decarbonise the fleet the following factors need to be considered:
  - 5.5.1 Fleet technology needs to be reliable to ensure resilience in service delivery;
  - 5.5.2 Infrastructure requirements need to be factored in (eg EV charging or hydrogen refuelling facilities) in terms of deliverability and affordability;
  - 5.5.3 Vehicle life-cycle costs need to be assessed, with particular focus on total revenue costs including depreciation and borrowing costs;
  - 5.5.4 Implications for vehicle maintenance need to be considered in terms of workshop technology, staff training and qualifications;
  - 5.5.5 Wider environmental impacts, other than emissions, of different technologies need to be considered.
- 5.6 Based on the options appraisal, and as summarised in section 4 above, hydrogen technology is not considered to be a viable option for the councils HGV fleet at this time. Having ruled out hydrogen, the only option to fully decarbonise the fleet is to move to electric RCV vehicles. Capital and lifecycle costs are still higher, and there are mixed reports from users around vehicle reliability. The switch to electric vehicles will also require significant investment in depot infrastructure.

- 5.7 Whilst it is technically possible to deliver a large scale transition to eRCVs at this point in time, this is not recommended for the following reasons:
- 5.7.1 Technology is still evolving, reliability and range are improving and costs are coming down. Bulk replacement at this stage would result in the fleet having dated technology very quickly and depreciating more rapidly.
  - 5.7.2 There is limited evidence on the long-term use of electric RCVs in terms of cost, battery life and reliability.
  - 5.7.3 Lifecycle costs are still higher for electric RCVs compared to diesel. A diesel RCV costs approximately £230,000 compared to £465,000 for an electric RCV. The annual revenue cost difference is approximately £10,000 higher for electric vehicles.
  - 5.7.4 Lead times for vehicles are longer, and significant infrastructure works will be required to Commerce Way Depot. In practice, delivering a switch in technology in two years would be very challenging even if resilience and costs were not a consideration.
- 5.8 HVO is an option that could be adopted to reduce the HGV fleet carbon emissions. A number of authorities in West Sussex have adopted this approach. If switching to HVO, the following factors need to be considered:
- 5.8.1 The tailpipe emissions from vehicles running on HVO depends on a number of factors as detailed in section 4. Whilst there might be a marginal improvement in NOx and PM10 emissions there is a net reduction in carbon (due to absorption by the feedstock) .
  - 5.8.2 HVO is more expensive than diesel, but the price differential fluctuates significantly. Over the last 12 months the annual cost of HVO compared to Diesel has fluctuated between £6,000 and £160,000.
  - 5.8.3 Any HVO should be sourced with an independent verification of sustainability to guarantee the feedstock. Unless the feedstock is certified, it could come from land taken out of use for food production, either in the UK or abroad.
  - 5.8.4 By 2030 the government is expected to prioritise HVO for aviation and shipping rather than road transport. It is anticipated that that this demand will

## **6. Recommendation: Blended Approach to HGV Fleet Replacement**

- 6.1 In light of the options appraisal and the subsequent further work carried out by officers in the waste and finance teams it is proposed to create a medium term (9 year) HGV fleet replacement program which consists of a blended approach, as summarised in the table below:

- 6.1.1 Purchasing 1 electric RCV vehicle in 2025/26 to enable the service to properly test the technology and start to make the necessary investments in infrastructure and workshops. Further eRCVs will be added to the fleet every subsequent year subject to evaluation of the early testing
- 6.1.2 Purchasing 8 new ICE RCVs in 2025/26. These will be the last new ICE HGV vehicles purchased by the councils before transitioning away from ICE vehicles in order to meet 2030 carbon neutral targets. These vehicles will have an operational life of up to 10 years, but may be replaced earlier with alternative technologies.
- 6.1.3 Refurbishing 4 vehicles, in 2026/27 year.
- 6.2 The procurement decisions will be reviewed annually against cost and technology development to identify the fastest route to meet our carbon neutral target. For example, the second hand EV market is likely to evolve, reducing reliance on diesel at a quicker rate.

Vehicle Type	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Total
EV	1	4	4	3	1	4	2	4	23
Diesel	8	-	-	-	-	-	-	-	8
Used Diesel	0	3	2	-	-	-	-	-	5
Refurb Diesel	0	4	-	-	-	-	-	-	4
Total capital cost (£ million)	£2.383m	£2.946m	£2.289m	£1.439m	£0.307m	£2.096m	£1.065m	£2.125m	£14.650m

#### Revenue costs of financing the capital expenditure

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Interest on borrowing	£54,800	£172,208	£269,340	£320,212	£323,980	£335,235	£360,120	£377,825	£380,935
Minimum Revenue Provision	-	£219,664	£495,227	£712,372	£848,905	£878,062	£1,076,932	£1,177,942	£1,379,612
Cumulative total cost of borrowing	£54,800	£391,872	£764,567	£1,032,584	£1,172,885	£1,213,297	£1,437,052	£1,555,767	£1,760,546

- 6.3 This approach will result in:
- 6.3.1 Starting to flatten the HGV replacement curve
- 6.3.2 A path to moving away from diesel vehicles to a net zero fleet
- 6.3.3 Enabling the service to transition to new technology gradually

#### 6.4 Procurement of Food Waste Collection Vehicles

6.5 Proposals for food waste collections were considered by this committee on 17 July 2024. For completeness, the number of proposed vehicles and their costs are summarised in the table below. These vehicles are separately funded through DEFRA capital funding and are therefore not included in the recommendations for this report. Previously, authority was delegated to the Director for Sustainability and Resources, in consultation with the relevant cabinet members to procure and enter into contracts for the supply of these vehicles.

	<b>8 x 7.5t Diesel vehicle 2 x 7.5t electric vehicles</b>	<b>EV chargers</b>
Vehicle Cost	£1,258,000	£6,000

#### 6.6 Replacement of non-HGV Fleet

6.7 Whilst the focus of this report is on the HGV fleet, the non HGV fleet makes up the largest number of vehicles and contributes to approximately 10% of the councils total Scope 1 emissions. Replacement of these smaller vehicles with EV vehicles is already underway. The cleansing service operates nine EV vans with four new ones having come into service in the last two months..

6.8 The number of replacement vehicles, and the total cost is summarised in the table below.

Vehicle Type	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Diesel	-	-	-	-	-	1	-
EV	1	4	4	5	12	-	1
Hybrid	3	-	-	-	-	-	-
Total capital cost	£491,700	£334,026	£940,163	£246,235	£1,339,901	£26,454	£36,161

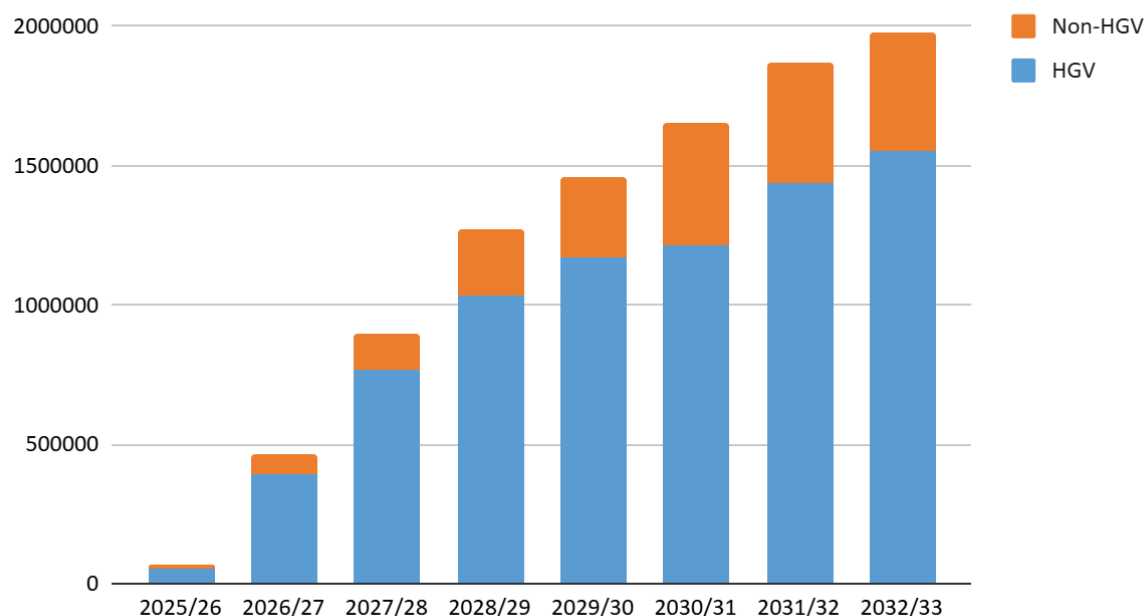
## Revenue costs of financing the capital expenditure

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Interest on borrowing	£11,309	£29,716	£53,062	£72,784	£97,992	£118,002	£106,240	£93,864
Minimum Revenue Provision		£45,332	£76,573	£165,777	£189,140	£321,964	£324,474	£327,905
Cumulative total cost of borrowing	£11,309	£86,357	£215,992	£454,553	£741,685	£1,181,651	£1,612,365	£2,034,134

### 6.9 Summary of Capital Requirement

6.10 The total MRP requirement for the waste and cleansing fleet (HGV and non-HGV) is summarised in the chart below. Other services, with smaller fleets schedule replacements through the annual capital program. It is proposed to also bring the replacement cycle for these services into an 8 year rolling program to facilitate better medium to long term planning of the capital program.

Total Financing Costs to the Revenue Budget per year



## **6.11 Contribution to Carbon Neutral 2030 Target**

- 6.12 In order for the councils to meet their carbon neutral target by 2030, Scope 1 carbon emissions, including those from our fleet, either need to be eliminated (the preferred option) or offset.
- 6.13 The blended approach to RCV replacement would result in a minimum of 16 eRCVs in the fleet by 2030. Depending on the pace of technology development and prices coming down the rate of implementation could be faster through replacement of the remaining diesel fleet with new, or as the market evolves, second hand eRCVs. A formal review point and reassessment of technology and costs is proposed in 2027. Using existing replacement cycles the majority of the small fleet will be converted to EV vehicles as this will be the default option.
- 6.14 It is anticipated that any remaining diesel vehicles are transferred to HVO in 2025/26 subject to the funding. This will provide an earlier step change in carbon reduction from the existing fleet. By 2030 at the latest, any emissions from remaining diesel vehicles will need to be offset either by the transition to HVO or other off-setting measures as per the commitment in our carbon neutral plan.

## **7. Financial Implications**

- 7.1 The years 1 capital costs associated with the replacement of the HGV and non HGV fleet as set out in sections 6.2 and 6.8 are included within the capital programme for 2025/26, with further phasing within the indicative programmes for 2026/27 and 2027/28.
- 7.2 The capital cost of borrowing has been built into the 5 years medium term financial plan.
- 7.3 The 2025/26 budget includes an proposal for an investment in service of £100,000 across Adur and Worthing for the introduction of HVO. This is to be considered and recommended for approval at the Full Councils meetings in February.2025. Other revenue costs will need to be met from the service budget.
- 7.4 The costs associated with the introduction of food waste are excluded from the costs associated with the fleet replacement covered in this report.

## **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 Section 3(1) of the Local Government Act 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.

8.3 Section 1 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

8.4 Any procurement arising from the recommendations in this report must be in accordance with the Council's Contract Standing Orders and the Public Contract Regulations 2015.

### **Background Papers**

- Adur & Worthing Councils Net Zero Fleet Options Appraisal
- Strategy / Policy Documents
- Guidance Documents

## **Sustainability & Risk Assessment**

### **1. Economic**

- Having a reliable fleet is essential to the the delivery of frontline council services, including commercial waste and recycling collections

### **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**

- The strategy sets out a roadmap to decarbonise the fleet which is responsible for 45% of scope 1 emissions.
- The use of HVO needs to be based on sources certified as sustainable.

### **4. Governance**

- The Fleet Strategy aligns to the council's priorities in terms of environment and economy.
- The fleet replacement program has been built into the Medium Term Financial Plan. The recommendations for vehicle replacement take into account life-cycle costs and service resilience.





ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
6 February 2025

Ward(s) Affected: Adur All

## Transfer of Adur s106 funding to Sussex Police

### Report by the Assistant Director for Regenerative Development

#### Officer Contact Details

David Attmore  
Community Infrastructure Officer  
01903 221493  
david.attmore@adur-worthing.gov.uk

#### Executive Summary

##### 1. Purpose

- 1.1. Adur District Council secured the obligation for a financial contribution of £104,376.97 (index linked) of s106 funds for Police Services in the s106 legal agreement dated 04/08/2023 under the development AWDM/0323/19 at Land South Of West Street And West Of Loose Lane, Sompting.
- 1.2. £107,155.06 is due to be paid by the end of January 2025. The stipulations of how the s106 funds should be spent are “towards improvements to the Sussex Police Service”.
- 1.3. Sussex Police are requesting the utilisation of s106 funds received by Adur District Council in accordance with section 4.

##### 2. Recommendations

The Joint Strategic Committee is recommended to:

- 2.1. Approve the release of £107,155.06 of s106 funds held by Adur District Council to Sussex Police as detailed in 3.1 onwards and to approve a budget virement of £107,155.06 from S106 monies for Adur District Council, creating a capital budget of the same amount.
- 2.2. Authorise the Assistant Director for Regenerative Development to enter into a Deed of Agreement with Sussex Police to release those funds.

### 3. Context

- 3.1. The s106 agreement dated 04/08/2023 under the development AWDM/0323/19 at Land South Of West Street And West Of Loose Lane, Sompting (West Sompting) contained an obligation for the developer to provide a financial contribution of £104,376.97 (index linked) to Adur District Council to be used 'towards improvements to the Sussex Police Service'.
- 3.2. The payment was due 'on or before the Occupation of the first (1st) Dwelling'. The payment of £107,155.06 (which was index linked from the date of the agreement) is due to be paid by the end of January 2025. There is a deadline of 10 years from the receipt of a contribution for it to be spent, as stipulated in the s106 agreement.
- 3.3. The legal agreement also covenants 'the Council to pay the Policing Contribution received under this Deed to Sussex Police or to any successor group which undertakes the same function ("the Group") upon receipt of a document from the Group confirming that it will apply the Contribution for the purpose set out in this Deed and for no other purposes whatsoever and further that it shall refund any unspent portion of the Contribution within ten (10) years of the date was paid to the Council by the Owner.'
- 3.4. The Adur Infrastructure Delivery Plan (IDP) 2016, which was prepared alongside the Adur Local Plan 2017, in section C lists the infrastructure requirements needed to meet the needs generated by the development proposed with the Adur Local Plan and to ensure that infrastructure is properly planned for and delivered in line with the identified requirement.

- 3.5. In relation to the West Sompting development planned for in the Adur Local Plan 'Improvements to police services' was included as being essential to meet demand arising from the development. It was noted that this would be funded through developer contributions.
- 3.6. The Planning Committee Report includes the following comments from Sussex Police relating to the application:  
*Advises that the development will place permanent, on-going demands on Sussex Police which cannot be fully shouldered by direct taxation. In order to maintain the current level of policing, developer contributions towards the provision of capital infrastructure will be required. The capital cost of policing new growth as a result of this major planning application equates to £104,376.97, to go towards the cost of additional police officers and support staff, the cost of accommodating additional staff and one additional vehicle.*

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

- 4.1. Since the development was approaching the trigger point for the contribution being due from the developer, discussions have been held between ADC officers and Sussex Police on how the s106 funds could be best utilised in Adur.
- 4.2. Sussex Police have suggested that the funds are likely to be spent on the following:
- £14,368.80 - Officer – Set-up kit/equipment – Within Peverel Sompting Neighbourhood Police Team
  - £5,067.49 - Staff – Setup – kit/equipment – Shoreham Police Station
  - £66,245.12 - Premises/Reprovision – Shoreham Police Station
  - £21,473.65 - Fleet – Peverel (Sompting) Neighbourhood Policing Team
- 4.3. Sussex Police's original request for a developer contribution in respect of planning application AWDM/0323/19 can be found under the list of background papers. This document sets out the formula with regard to calculating the required contribution. The document also provides the justification for policing contributions.

- 4.4. The Council and Sussex Police will need to enter into a Deed of Agreement relating to the transfer of the s106 funds. Once this has been completed and signed by all parties, the funds will be transferred. The Deed meets the requirement of the legal agreement relating to the clawback of the funds from the developer should they remain unspent after 10 years.

## **5. Engagement and Communication**

- 5.1. Discussions between the parties have taken place regarding the s106 obligations which have been secured by Adur District Council in relation to Police services in the district. Included in these discussions are the utilisation of any forthcoming s106 funds.

## **6. Financial Implications**

- 6.1. Financial regulations require that the release of S106 funding be approved by the Joint Strategic Committee where it is in excess of £100,000.
- 6.2. Section 25 of 2003 Statutory Instrument No. 3146 - Local Authorities (Capital Finance and Accounting) regulations 2003 requires that 'the making of an advance or the giving of a grant or other financial assistance to any person, whether for use by that person or by a third party, towards expenditure, which would, if incurred by the authority, be capital expenditure shall be treated as capital expenditure. Consequently, if approved, this funding will need to be recognised in the capital programme.
- 6.3. s106 funds are held by ADC in relation to the transfer and therefore there are no revenue or capital financing implications to be considered.

## 7. Legal Implications

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

### Background Papers

- [AWDM/0323/19 - s106 agreement](#)
- [AWDM/0323/19 - Schedules 1 to 9 of s106 agreement](#)
- [AWDM/0323/19 - Committee Report](#)
- [AWDM/0323/19 - Sussex Police consultation response](#)

## **Sustainability & Risk Assessment**

### **1. Economic**

- Use of the ADC s106 funds to improve the level of police services in Adur will help to improve our economy.

### **2. Social**

#### **2.1 Social Value**

- Improvements to the level of police services in Adur will bring a social benefit to the residents of Adur.

#### **2.2 Equality Issues**

- Matter considered and no issues identified

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

- Use of the ADC s106 funds to improve the level of police services in Adur will help to improve the safety of the residents and visitors to the district.

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

- Matter considered and no issues identified

### **3. Environmental**

- Matter considered and no issues identified

### **4. Governance**

- This proposal helps to meet the strategies included in the adopted Adur Local Plan and Adur Infrastructure Delivery Plan (IDP) 2016.



ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
6 February 2025

Key Decision [No]

Ward(s) Affected: All.

## Update on the Sussex Bay Programme

### Report by the Director for Sustainability & Resources

#### Officer Contact Details:

Dean Spears, Head of Sussex Bay

[dean.spears@sussexbay.org.uk](mailto:dean.spears@sussexbay.org.uk)

## Executive Summary

### 1. Purpose

1.1. The Sussex Bay programme, initiated by Worthing Borough and Adur District Councils demonstrates the Council's existing clear strategic commitment to ocean recovery and working both within the Council's geographical boundaries and regionally: a fully externally funded, nature first, project of hope without Councils funds, attracting over £1M in the first year.

1.2. A report was presented to the Joint Strategic Committee on 8th June 2021 entitled "Sussex Bay: Restoring our marine and estuarine habitats, supporting our coastal communities". This report set out the considerable progress being made to develop a significant strategic programme to drive marine recovery and including an agreement about next steps, including to actively seek external funding and to identify progress with marine restoration and recovery projects with partners, including The Crown Estate, seabed owners. The commitment to "Improve our Blue Space and Deliver Sussex Bay" was identified as a Strategic Priority for Worthing Borough Council (JSC, June 2023) noting the successful application for additional bathing waters in Worthing,

installation of publicly accessible litter picks along the foreshore at Sealane and East Beach to help citizens remove plastic pollution from the foreshore, in addition to the foundational work to help reuse and recycle ghost netting.

## **2. Recommendations**

- 2.1. The Joint Strategic Committee is asked to reflect on the progress made with the Sussex Bay programme post its launch, from June 2024.
- 2.2. Endorse the Sussex Bay approach to continue to build a delivery model for marine, coastal and estuarine habitat restoration at scale, creating the exciting prospect of Sussex Bay as a “destination” and new economic opportunity expressed via the three emergent work packages noted in 2.11 below.
- 2.3. Accept the external funding that the Sussex Bay programme has attracted to date and endorse the headline and ring-fenced areas for its expenditure.
- 2.4. Endorse the programme of future events, including a quarterly Members forum with Leaders from each of the 11 Councils in the Sussex Bay programme area whilst balancing the need for ownership and the regional inclusivity.
- 2.5. To approve the bringing forward of the capital budget of £49,632 from the proposed 25/26 programme and to accept the additional funding and subsequent variation as set out in Section 5.2.

### **Context**

#### **Addressing the problem.**



- 2.5 A full summary of the significant depletion of our seascape, rivers and watercourses was detailed in the 8th June 2021 JSC paper, reflected in Councils priorities in the 13 June JSC paper and further updated in the 6 February 2024 JSC paper. Early review of the issues identified that there is no sustainable funding for the sea and rivers, nor one government department with strategic ownership. There is no body of government with a clear regional strategic leadership role. With the significant biodiversity decline across the seascape in recent decades, including 98% loss of historic West Sussex kelp beds, a range of organisations, from national and local government departments, regulators to charities and individuals are working hard in this space, but lack coordination and direction. Intertidal rivers, coastlines and inshore waters across Sussex are under pressure with sea temperatures predicted to rise due to climate change, and storms, flood events and erosion risk expected to increase as we seek ways to adapt to a changing climate with ever increasing demographic pressures. Much of the work is disconnected, without an overarching strategic and coordinated approach.
- 2.6 Sussex Bay has been developed as a pioneering regional response to the biodiversity and climate change crises in the seascape, and the collapse of coastal ecosystems. Founded upon radical collaboration amongst hundreds of organisations and communities over the past four years, the programme benefits from being hosted by a coastal local authority, whilst acting as an entrepreneur regionally and nationally to lead the development of high integrity blended finance to power communities-driven seascape work.
- 2.7 Geographically, we define Sussex Bay as the Sussex coastline (across 11 Councils) from Selsey in the west to Camber Sands in the east, the intertidal zones of our Sussex rivers and our inshore waters, taking a whole seascape approach to interconnected habitats and the communities and businesses within the area. Sussex Bay is the “blue mirror to the South Downs”, a means to give an identity to the connected seascape for the first time.
- 2.8 Since 2019, when a significant number of organisations declared a climate emergency, including ADR & Worthing Councils, amongst hundreds of organisations and individuals, the approach to collaborate across sectors and to seek ways to attract sustainable funding sources was born, based on the need for sound scientific research coupled with community participation. The Councils also declared a Biodiversity Crisis in 2020.

- 2.9 In line with the Priorities to ‘Deliver Sussex Bay’ in the June 2023 JSC paper, in November 2023, Adur & Worthing Councils were successful in attracting early seed funding of £150,000 from the Esmée Fairbairn Foundation for one year, to set up a Sussex Bay programme to address these problems. A Head of Blue Natural Capital was appointed alongside marketing and engagement consultants to develop a package of projects and launch the programme. A funding allocation was given for small test-case projects, and a small overhead return into the Councils for associated running costs required to host this regional programme.
- 2.10 The Sussex Bay programme successfully launched on 13 June 2024 to a broad audience of 450 at Brighton Dome, with a day of guest speakers followed by an evening event delivered by the Blue Earth Summit.

### **Announcing the three work packages**

- 2.11 During the launch, following careful analysis of a synthesis of sources, data and studies, three overarching work packages were announced which support our vision for a healthy blue ecosystem in which nature, people and economy thrive into the future.

#### (i) Forming the UK virtual Blue Natural Capital Lab and Network

The BNC Lab is a place to attract and ‘test-out’ new high integrity funding to develop a pipeline of projects, tests and trials, bringing them to investment ready status. Working behind the scenes with financiers and regulators to advance understanding of the high integrity credits and funding markets, linking biodiversity net gain, marine net gain and voluntary credits, blended with external large grant funding for project delivery. A headline target of attracting a £50 Million fund for nature recovery was published. In May 2024, [The Crown Estate and Blue Marine Foundation with partners published ‘A Road Map for Action’](#) for high integrity blue natural capital markets in the UK and featured Sussex Bay Blue Natural Capital Lab as a best practice case study (p56) reflecting our contributions to ideas workshops and the significance of our work nationally.

#### (ii) Develop a blueprint for areawide seascape recovery

Science and community led, the blueprint will provide an integrated approach and road map to ecological recovery, considering how projects in the ocean impact on one another. The work, which will also examine the social and economic

benefits of nature recovery, will become the voluntary marine extension to the Local Nature Recovery Strategy (LNRS) for Sussex.

(ii) Engage communities and build participation around our work

Sussex Bay is broadly defined as one hundred miles of coastline, from Camber Sands to Selsy Bill, encompassing over one million residents and eleven Councils areas. Esmée Fairbairn Foundation as the core funder, requires the Sussex Bay programme to encourage and find safe spaces for those who do not normally get involved in nature or marine type thinking to do so. The Sussex Bay programme places diversity, equality and inclusion front and centre in the way community engagement and participation is designed.

2.12 The Sussex Bay team of two employees are operating within a network of 450 local, regional and national organisations working at pace and are either leading or co-producing at least 60 projects. The focus is nature first. As the host coastal local authority, key benefits include:

- Attracting over £1.2M for the Sussex Bay programme delivery with funds managed safely into the Councils ring-fenced accounts, breakdown as noted in 3.1 below.
- Developing an online work experience toolkit for people wishing to enter into the marine profession, in partnership with the Weald to Waves project and the pupils of the Eco-Committee of Bohunt School, Worthing who will help to test the module from March 2025.
- Being a Location Partners for the government's innovation agency, with four national businesses testing out brand new highly technical, space enabled projects across Sussex Bay, using AI to talk to rivers, monitoring storks, mapping large areas of tree health and biodiversity within the Councils land and across our partners, in work that has never been done before in the UK with a non-cash value of £1M.
- Managing the refurbishment of the Rotunda, building upon years of Council's work, opening Summer 2025 as a place for local fishers to prepare their fish in addition to their small boats should they wish.
- As the home to the UK virtual Blue Natural Capital Lab, enabling government departments to work in Sussex Bay as a case study to trial new approaches and work, showcasing Adur & Worthing Councils nationally.
- Rolling out citizen science programmes with partners to test and trial.

- Being home to the development of an areawide blueprint for seascape recovery across the 100 miles of Sussex Bay, on behalf of the 11 Councils in the project area, forming the voluntary extension to the Local Nature Recovery Strategy.
- Creating new jobs and opportunities in the marine and nature sector.
- Shining a light on projects made in Adur & Worthing and working with other partners locally, regionally and nationally to share best practice and try out innovative approaches.
- Creating new networks across sectors to develop further collaboration and regenerative opportunities.
- Operating within existing geographical boundaries and regionally.

### **3. Issues for consideration**

*Progress made with the Sussex Bay programme since its launch.*

3.1 We are on track to bring in well over £1m of external funding in our first year of operation. Our funding strategy is to ensure that all funding is of high integrity, directed to our work packages and represents value for money by ensuring that outcomes make a difference to communities. Following our initial £150,000 seed funding from Esmee Fairbairn Foundation, we have secured:

- £100,000, July 2024, from Rewilding Britain principally to appoint a Seascape Recovery science lead to co-produce the seascape recovery plan; to develop with the Weald to Waves project an online work experience tool-kit; a contribution to the Sussex Dolphin Project so that early stage researchers can do their work in Sussex Bay if they cannot afford to travel overseas; and a much needed contribution towards a Worthing based Fishing Net Reuse and Recycling scheme. We were also able to support the United Nations World Ocean Symposium running costs in their Bexhill conference which attracted an audience of 150 people. The Councils were also able to support the Anglers National Line Recycling Scheme via CiL funds to help.
- £30,000, November 2024, from the Championing Coastal Communities fund (administered by the Environment Agency from DEFRA) to deliver a piece of research to help us build the participation foundations for a new Engagement specialist to work with communities and engage them around our work as a national exemplar for others.
- £53,000, October 2024, from the Marine Management Organisation as a contribution towards the refurbishment of the Windsor Lawns Rotunda project, with work underway and due to be completed by Spring 2025 as a place for local small-boat fishers to sell their fish on

Worthing seafront. The fishers initially made the funding application and then approached Sussex Bay for help to deliver.

- £26,700, June 2024 - January 2025, from our public crowdfunder and from local businesses who wish to support the pipeline of projects, including Properlternet, Get Set Hire, RSA Aqua, Royal Haskoning Dhv.
- £2,300 December 2024, from marine charity Sea Changers, as a contribution towards some new immersive signs, tracing the history of Worthing coastal communities that will be attached to the Rotunda post opening.

*£762,000 Forthcoming, from January 2025.*

- £450,000, from January 2025 (£150,000 per year for three years), from Esmee Fairbairn Foundation to continue with our core, foundational operating costs and to attract longer sustainable income streams post 2028.
- £40,000, from January 2025 from the Marine Management Organisation to fund an academic piece of research exploring regional decision making in the ocean with the University of Sussex.
- £27,000, from January 2025 from Natural England to roll out an ocean literacy survey, currently underway across Sussex Bay for 2,000 respondents. We are co-project managing. Results are due from Spring 2025 and will provide further detail of communities' connection to nature.
- £60,000, from January 2025 from Innovate UK, known as Connected Places Satellite, as a contribution towards expertise and time from the Head of Sussex Bay and the Seascape Research Lead in supporting four businesses who are delivering cutting edge space enabled projects that connect people to nature in Sussex Bay between January - March 2025. A showcase event is planned on 28 March 2025, details to be announced by Innovate UK.
- £85,000, from June 2025 from Innovate UK, known as Connected Places Satellite, as a contribution towards expertise and time from the Head of Sussex Bay and the Seascape Research Lead in supporting two of the four businesses to develop their product further and take to market over six months. This allocation is subject to confirmation in March 2025.
- £100,000, January 2025 from the USA based Novo Foundation to principally appoint a Participation Lead for one year to engage communities around our work and put in place measures for long term

regional communities participation around our blueprint for seascape recovery. Small allocations were agreed with the funder and included a contribution towards an online mapping tool for communities across Sussex Bay to upload their details and encourage volunteers to join them, and a contribution towards supporting fishing communities expressed via the Rotunda project above.

#### *Additional areas of non-cash support and impact*

- 3.3 Reflecting local, regional, national and international interest in the Sussex Bay programme, we have received over 100 pro-bono offers of free support from local communities and organisations who whilst may be unable to offer cash, have provided specialist services at no cost. We are very grateful to all contributors. Some highlights include local lawyers who have helped with legal advice about trade marking and licences, building and surveying firms who are providing expertise for the Rotunda Project and numerous communications and engagement professionals. We have also been provided with free office space at co-working areas in Brighton, on the University of Sussex Campus, in shared offices in Newhaven from Lewes and Eastbourne Councils in addition to our core base in Adur & Worthing Councils. Through links with the Universities, the Seascape Recovery Lead has negotiated workshop space, academic production of maps and more which would have cost around £20,000 per year.
- 3.4 We won, via a competitive process, academic research support from University College London to conduct a three month research investigation, at our request, into the future governance, operating and stakeholder analysis. The team conducted interviews with 20 cross-sector stakeholders, and helped to clarify the Sussex Bay mission, whilst seeking feedback from stakeholders to enable us to exceed expectations. Sussex Bay remains a project in local government with clear benefits associated with the long term custodianship role of local authorities, and there are currently no plans to become any other type of organisation.
- 3.5 We are developing strong links with colleagues in Cornwall, The Solent, The Crown Estate, DEFRA, Natural England, The Environment Agency, Marine Management Organisation to form our Blue Natural Capital Lab and network. The Crown Estate is exploring ways to support the network. More details will be announced over 2025.
- 3.6 In Summer 2024, we received news that our Trademark application for our logo and the words together, Sussex Bay, was unchallenged and successful in key areas, including research, finance, education, tourism and more. We want everyone to refer to Sussex Bay in the ways that they wish. The trademark is owned by Adur and Worthing Councils with the current designation due to run for ten years, 2034, the standard term with a future application for continuation due from 2032. We trademarked to ensure that any further financial benefit is returned to

the public sector and to avoid any confusion i.e., that we are the official Sussex Bay programme.

- 3.7 We are in the early days of exploring the place shaping and regenerative aspects of Sussex Bay, as we know from our website records, that people are searching for a way to stay in Sussex Bay, and as people take ownership of the programme in their areas. We will collaborate further in this area of the year ahead.

*Looking to the next six months, post launch anniversary, June 2025.*

- 3.8 We will continue to make progress against the three work packages noted above and will produce a full report to coincide with our anniversary from June 2025. In addition to the forthcoming engagement noted below, we continue to meet and share ideas with the Cabinet Members for Environment Services for Worthing and Adur and are very grateful for their time.
- 3.9 There are currently two team members, the Head of Sussex Bay, supported by a Seascape Science Research Lead, and a to be recruited Participation Lead, all externally funded.

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

- 4.1 Sussex Bay launched in June 2024 and was founded upon five years of preceding collaboration amongst hundreds of groups and organisations. We are currently developing our participation plans ahead of the recruitment of our participation lead from Spring 2025, funded by the Novo foundation. Whilst our priority is primarily focused on projects in the ocean, we are keen to support, where we can, organisations that are involved in tackling some of the challenges that our coastal communities face, with expertise and external bid writing.
- 4.2 Sussex Bay seeks to develop a suite of best practice, participatory citizen projects that can be replicated by the coastal authorities across the Sussex Bay project area. Examples include the development of a citizen science land Search project in conjunction with Sussex Dolphin Project, connecting disadvantaged coastal communities with the seascape to help improve mental well being, while gathering vital scientific data to monitor seascape recovery, and a forthcoming online work experience tool kit.
- 4.3 In January 2024, we published [www.sussexbay.org.uk](http://www.sussexbay.org.uk) which attracts on average 500 hits per week-day and 300 over the weekend, rushing to 6,000 daily hits around our launch, featuring projects and ways to get involved, with over 130,000 visitors to-date. We have since launched a LinkedIn page (1,700 followers), published a monthly e-newsletter (1,000

followers) and have recently launched BlueSky, TikTok and Instagram accounts. We are seeking input from students from the Chichester College Group, which includes 7 Colleges in West Sussex and Brighton & Hove, about how to create fresh and vibrant content to attract new audiences.

- 4.4 Following demand, we began #SussexBay conversations by themes, including investment, business, communications, communities, creativity and more to bring together like-minded individuals to co-produce and engage communities innovatively. We are pooling these conversations together as we plan for a summer event.
- 4.5 From March 2025, following demand, we will host our first online Sussex Bay Council Leaders Briefing, with the 11 Councils (including the Countys) that make up Sussex Bay, with the purpose to update, share examples of how Councils are making use of the Sussex Bay programme and to begin a quarterly dialogue to foster further collaboration. These forums build upon the good officer collaboration underway regionally.
- 4.6 The Sussex Bay programme has attracted much media interest, locally, regionally and nationally, including coverage in The Guardian and The Observer, and a published Tedx Talk on the global Tedx network. When requested to provide media input, we always put forward the partners first, the groups and organisations working in Sussex Bay in our amplifying role.
- 4.7 We have established links with charities regionally focusing on older people, people of colour, LGBTQ+ communities to prepare joint funding bids with them, to engage communities who do not usually participate in seascape work to do so.
- 4.8 We have been asked to form a civic engagement partnership with the University of Sussex, who provide our Seascape Research Lead with desk space and access to Journals and members of their academic community, with links to the Universities of: Portsmouth, Southampton, York, SAMS, Plymouth, Leeds.
- 4.9 Upon the request of our core funder, Esmee Fairbairn Foundation, complementing our local government scrutiny and governance arrangements, we run an informal advisory group, who provide ideas, support, challenge and network introductions, acting as a critical friend outside of their day-to-day jobs. Bringing expertise from their specialist areas, the group meet quarterly in venues across Sussex Bay and their profiles are published: [www.sussexbay.org.uk/people](http://www.sussexbay.org.uk/people) Following the appointment of the new Participation Lead, we will welcome additional members via an application process to be developed.

## **5. Financial Implications**



- 5.1 There are no financial implications for the Councils other than to seek endorsement of the acceptance of additional forthcoming funding as noted above. The project is on track to attract over £1M of external funding in its first year of operation, and within this funding includes funds for Councils overheads and support to the programme including office space, HR, legal, Finance.
- 5.2 In relation to the Rotunda Project mentioned in the report content above, the current funding offers and options achieved total £89,000. Members are asked to accept the external funding of £53,000 from the Marine Management Organisation, and £20,000 from the wider Novo funding achieved by Sussex Bay. A further £16,000 is to be funded by CIL funds. Members are therefore asked to approve the virement of £39,368 from these funding sources in order to reflect the additional funding achieved and extend the budget of the project to £89,000.

## **6. Legal Implications.**

- 6.1 Sussex Bay is not a legal entity and operates as a project via Adur and Worthing Councils and the Councils have to comply with their respective constitutions and statutory obligations in all dealings for and on behalf of the Sussex Bay project.
- 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 1 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
- 6.4 Section 3(1) of the Local Government Act 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.
- 6.5 The funding streams referred to in paragraph 3 of this report must be spent by the Councils in a way that does not breach the funding terms

and conditions or create any unlawful state aid to any commercial undertaking.

### **Background Papers**

[8 June 2021 JSC Sussex Bay report.](#)

[5 June 2023 Strategic Priorities for Worthing Borough Council: 2022/3 Progress Update Report and New Priorities for 2023/24.](#)

[6 February 2024 JSC Motion for the Ocean report.](#)

[15 May 2024 The Crown Estate High-Integrity Marine Natural Capital Markets in the UK – A Roadmap for Action](#)

## **Sustainability & Risk Assessment**

- The positive benefits for sustainability in Sussex Bay expressed through the three work packages are noted above.

### **1. Economic**

- Some examples include: supporting coastal communities, especially fishers, and more include the significant opportunities that come with the recovery of the seascape, and increased biodiversity and water quality. These include the revival of small boat fishing, opportunities for aquaculture, circular economy opportunities regarding ocean plastics recovery and ecotourism and leisure. There are also opportunities for Sussex Bay to become a centre of excellence for innovation in marine research and habitat monitoring, including the use of new technologies as exemplified by the Innovate UK work. The developing work experience tool-kit has the potential to attract and create green and blue sector jobs.

### **2. Social**

#### **2.1 Social Value**

- Opportunities to develop highly inclusive learning and volunteering options across multiple Sussex Bay projects, with a focus on a just transition. The forthcoming blueprint for seascape recovery and the developing participation strategy will empower communities through a sense of place to participate in the work.

#### **2.2 Equality Issues**

- Particular attention is required to ensure projects and volunteering opportunities are not exclusive, and are offered and marketed in ways that ensure diversity and inclusion. We are actively working with LGBTQ+ groups, the Black and Anti Racism Organisation (BARCO) based in Southwick, and people who wish to get involved in our work.

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

- No impacts identified.

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

- No impacts identified.

### **3. Environmental**

- As a coastal local authority, marine recovery and sustainability is vital in the Council's overall approach to climate and biodiversity crises, ensuring land and sea are recovered with an integrated approach.

### **4. Governance**

- Sussex Bay is hosted at Adur & Worthing Councils, and there are no plans for the programme to change at this point in time. An Informal Advisory Board and a number of consultative forums have been established in 2024 and more will be produced once the Participation Lead is in post.



WORTHING BOROUGH  
COUNCIL

Joint Strategic Committee  
6 February 2025

Key Decision [Yes]

Ward(s) Affected:  
Cabinet Portfolio:

## 38 Teville Road Proposal

### Report by the Director for Housing and Communities

Officer Contact Details: Steve Hay, Acquisitions and Landlord Support  
Coordinator, [steve.hay@adur-worthing.gov.uk](mailto:steve.hay@adur-worthing.gov.uk)

### Executive Summary

#### 1. Purpose

- 1.1. This report seeks approval for the purchase of 38 Teville Road, Worthing for Temporary Accommodation (TA) use. The councils currently house residents in the property. The property is to be sold, and the current owner has offered to sell to the Council.
- 1.2. Worthing Borough Council currently houses residents in the property for use as temporary accommodation. If the property is sold to a third party the Council would likely be required to rehouse the residents in spot purchased accommodation at higher cost.
- 1.3. This report sets out the savings which would be made by purchasing the property, and directly letting the rooms to Adur and Worthing residents in need of TA.

#### 2. Recommendations

- 2.1. To approve the purchase of 38 Teville Road, Worthing, for the purpose of letting the property to Council residents in need of TA.

- 2.2. To approve allocation of £569,000 from the Housing Development capital budget, to allow for the purchase of the property, including associated purchase costs, as detailed in 7.1.
- 2.3. To note the proposed savings which would be made if 38 Teville Road is purchased, compared to housing the displaced residents in alternative nightly paid spot booked accommodation.
- 2.4. To delegate authority to the Assistant Director for Housing and Homelessness Prevention to enter into all necessary contracts to purchase 38 Teville Road.

### **3. Context**

- 3.1. 38 Teville Road comprises a 7-bed HMO. Worthing Borough Council let the entire property for the purpose of housing residents in need of Temporary Accommodation (TA). The landlord is looking to sell the property, and is actively marketing it on rightmove.
- 3.2. The seller has offered to sell the property to the Council. If the Council purchases the property and let the rooms directly to the existing tenants, or residents on the Council's housing register, this will generate income for the Council.
- 3.3. If the property is not sold to the Council, a different buyer may charge the Council more to keep the tenants in situ (the current rate is considered to be very reasonable), or they may serve notice on the tenants, and then the Council would likely be required to house the tenants in much more expensive spot-booked accommodation, which increasingly is only found outside of the Borough.
- 3.4. The purchase of 38 Teville Road would secure the future of much needed TA accommodation in Worthing.

## 4. Policy Context

- 4.1. Purchasing the site to secure the property as Temporary Accommodation will meet the Council's policy aims around affordable housing and provision of Temporary Accommodation. Chapter 3 of the Housing Strategy outlines the local need for affordable housing, in the context of increasing prices and rents.
- 4.2. Priority 3 of the Housing Strategy demonstrates the Council's commitment to the delivery of affordable housing, including a commitment to deliver 250 homes directly by Adur & Worthing Councils. This commitment is reiterated in 'Delivering Pathways to Affordable Homes' which was adopted in March 2021.
- 4.3. Adur & Worthing's Temporary Accommodation Strategy was adopted in 2017 and focuses on the placement and procurement of accommodation. There is recognition in the Housing Strategy that the Temporary Accommodation Strategy should be reviewed and updated with extra emphasis on developing our own accommodation for these purposes.
- 4.4. The demand for Temporary Accommodation continues to increase year on year. This places a significant burden on Council finances, especially in Worthing. Jointly the Councils spent £4.4m on Temporary Accommodation in 2023/2024. This is forecast to increase to almost £5m in 2024/2025 and to increase at perhaps an even more significant rate (based on the latest data from the Council's Housing team) beyond 2024/2025.
- 4.5. Due to the increased demand for Temporary Accommodation, the Councils are currently housing a number of families outside of Adur & Worthing. There is an urgent need to provide accommodation to bring these families back into the area. Out of area placements significantly disrupts support networks, making it harder for people to work towards being in more permanent accommodation. As of July 2024, 410 households from Worthing were in temporary accommodation, with 211 of these households placed outside their local authority area.
- 4.6. The proposal to purchase 38 Teville Road to provide TA fully meets the policy strategy set out in the Housing Strategy, and will assist in reducing financial pressures on the Council and avoiding placing yet more residents in out of area accommodation.

## 5. Issues & Recommendation

5.1. Worthing Borough Council has been offered the opportunity to purchase 38 Teville Road. This would be a market value sale. The options available to the Council are to purchase the property to generate long term savings for the Council, or to not purchase the property to avoid the initial investment expenditure. Both options are considered below, followed by a recommendation to Members on how to proceed.

### 5.2. Option to not purchase 38 Teville Road

5.2.1. The current owner of 38 Teville Road is actively marketing the property for sale on rightmove. Currently Worthing Council let all 7 rooms in the property directly from the owner. There are 7 Worthing residents in need of accommodation placed in the property.

5.2.2. If the Council does not purchase the property, an alternative owner could continue to let the property to the Council, or they could let it privately. Even if they continue to let the property to the Council, it is very likely that they will increase the rents currently being charged.

5.2.3. If the property was sold to an owner who wished to let the rooms out privately, the cost impact on the Council would be greater still.

5.2.4. Therefore, not purchasing 38 Teville Road will very likely result in a long term negative financial impact on the Council.

### 5.3. Option to purchase 38 Teville Road

5.3.1. If the Council were to purchase 38 Teville Road, the initial cost of the property purchase and the associated costs would be approximately £569,000 (approximate because the purchase price will be subject to an independent valuation, and negotiation to achieve best value).

5.3.2. The financial appraisals show, taking in account maintenance and running costs, and the income generated by the rent from residents compared to the cost of housing residents in spot



booked accommodation, that in year 1 of housing residents the Council would gain a saving of £71,375. This reflects the rapidly rising costs of private, spot booked accommodation, which the Council is required to pay when there is not sufficient TA accommodation in their ownership.

#### 5.4. Recommendation

- 5.4.1. The key consideration for the Council is whether the long term savings which will be generated by purchasing the property is worth the initial investment in the purchase.
- 5.4.2. Following the purchase, no work is required to the property, therefore from day 1 after purchase the Council will begin to see a return on investment. The financial appraisal shows that long term savings of £2.985m could be achieved.
- 5.4.3. It is recommended that the Council proceed with the purchase of 38 Teville Road, to generate long term savings for the Council.

### **6. Engagement and Communication**

- 6.1. The proposal has been discussed with finance and senior officers at the Affordable Homes Delivery Group, who have been supportive of the proposal.
- 6.2. It is anticipated that the purchase of the property by the Council would be welcomed by the existing residents, as this would result in minimal disruption to the residents.

### **7. Financial Implications**

- 7.1. The Council has an unallocated budget for Housing Development of £1.980m for the provision of temporary and emergency accommodation funded through borrowing which is released on the presentation of a business case. This purchase proposes the use of £569k of this budget to purchase the property and bring it in to use.
- 7.2. A financial viability assessment has been carried out based on estimates of costs as provided by the service.

7.3. Over a projected 30 year life the property is expected to cost £3.986m, with the projected costs of similar accommodation expected to exceed £6.9m over a similar period of time.

7.4. The first year costs of the project are given below:

<b>Annual costs</b>	<b>Purchase outright</b>	<b>Bed and Breakfast</b>
	£	£
<b>Debt charges</b>		
Interest	28,735	
Principal repayment	8,491	
<b>Total borrowing cost</b>	<b>37,226</b>	
Maintenance	14,280	
Annual buildings insurance	3,570	
Staff management costs	9,780	9,780
Bed and Breakfast charges		133,820
<b>Total costs</b>	<b>64,856</b>	<b>133,820</b>
Less: Potential rental income	38,023	38,023
Allowance for rental voids	-1,901	
Council Tax Void Allowance	-513	
Net annual income	100,465	181,623
<b>First operational years revenue saving</b>	<b>71,375</b>	

7.5. In the longer term, it is expected that the proposed development will continue to save the council resources over the future 30 years. The scheme results in a net cost to the council in the delivery of the service, however the Net present value of the purchase is £1.937m more favourable than proceeding with nightly booked accommodation based on current projections. Therefore the purchase, based on the current projections meets the requirements to be considered an invest to save proposal.

## 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 Section 3(1) of the Local Government Act 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.

- 8.3 Section1 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
- 8.4 Section1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation

### **Background Papers**

- [Housing Strategy 2020-2023](#)

## **Sustainability & Risk Assessment**

### **1. Economic**

- The proposal will secure Temporary Accommodation for eligible households in Worthing. The rent will be set at an 'affordable' level, currently based 90% of the 2011 Local Housing Allowance. This helps to ensure that the individuals who are in need can afford the accommodation.

### **2. Social**

#### **2.1 Social Value**

- The proposal will provide temporary homes within the Borough for Worthing residents in need. This avoids putting residents in sometimes substandard 'bnb' accommodation, or in accommodation which is outside of the Borough.

#### **2.2 Equality Issues**

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

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

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

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

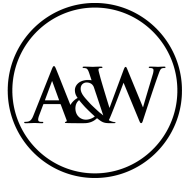
- Matter considered and no issue identified.

### **3. Environmental**

- The property is in a highly sustainable location within the immediate vicinity of Worthing Train station and Worthing Town Centre, allowing residents to live and travel sustainably.

### **4. Governance**

- The proposals in this report are in line with the Councils' Housing Strategy.



ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
6 February 2025

Key Decision: Yes

Ward(s) Affected: Central

## Worthing Public Realm - Delivering Montague Gardens

### Report by the Assistance Director for Place & Economy

#### Officer Contact Details

Fiona Burn  
Head of Place, Place & Economy  
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#### Executive Summary

##### 1. Purpose

- 1.1. The purpose of this report is to provide Members with the opportunity to formally collaborate with West Sussex County Council (WSCC) in the mutually agreed regeneration of Montague Place.
- 1.2. To outline the required capital funding for the development of a new town centre public realm scheme in its place, Montague Gardens.
- 1.3. To ensure that Members are thoroughly informed regarding the WSCC/Growth Deal business rates funding contribution that supports the scheme.
- 1.4. To note the release of previously agreed Worthing Borough Council (WBC) Community Infrastructure Levy funding at £2.7m.

- 1.5. To recognise the importance of Montague Gardens as a key connection to and from the seafront, to the town centre, and therefore a key anchor point as part of a new strategy to support our incredible seafront and to help it thrive into the future.

## **2. Recommendations**

- 2.1. The Joint Strategic Committee is recommended to:
  - 2.1.1. Approve the collaboration between WSCC and WBC in the delivery of Montague Gardens, noting WBC responsibility for project management and scheme delivery; supported by the WSCC Growth Deal Officers.
  - 2.1.2. Authorise the acceptance of Pooled Business Rates, £300k funding with up to a further £100k available to underwrite the scheme's capital budget as required, subject to successful s278 technical approval and traffic regulation order (TRO).
  - 2.1.3. Delegate authority to the Assistant Director for Place & Economy, in consultation with the Cabinet Member for Regeneration, the authority to approve and award a contract for the construction of the public realm project, subject to the outcome of a compliant procurement process.
  - 2.1.4. Approve the increase of £400k to the capital programme budget, funded by Pooled Business Rates funding of £400k. This will bring the budget available to the delivery phase to a total of £3.1m.

## **3. Context**

- 3.1. The Adur and Worthing Growth Deal (A&WG), signed in March 2017, identified up to 8 public realm schemes aimed at supporting the regeneration of Worthing town centre. The agreed programme included initial funding from WSCC Capital Programme (£5m) with the remainder being sourced through developer contributions, to include Community Infrastructure Levy (CIL); planning obligations (Section

106) and grants and available pooled business rates to support delivery of later phases of the programme.

- 3.2. The delivery of the Worthing Public Realm programme is overseen by an officer and member group, namely the Public Realm Board. The Public Realm Board is a joint WBC and WSCC Board. This programme of public realm delivery was born out of the Worthing Investment Prospectus (2016).
- 3.3. The Montague Place public realm project is the third scheme to move to fruition from the Adur & Worthing Growth Deal (2017). In partnership between WBC and WSCC the two completed schemes are Portland Road and most recently, Railway Approach. Responsibility for the delivery of these projects have alternated between authorities. Worthing Borough Council is delivering the new Montague Place, which has also received a name change for the area to Montague Gardens; a title better suiting the design and desired use of the space.
- 3.4. As a key town centre crossing point between the promenade and town centre retail, Montague Place has seen numerous changes in use and design over the years. In 2016 the northern section received some economic investment and works delivered by WSCC in partnership with Coast to Capital LEP. Latterly (in response to the Covid pandemic) the southern end of Montague Place was closed to vehicles and reopened for pedestrian use only. Funded through the central government Reopening High Street Safely Fund (RHSSF) the temporary changes supported the need for social distancing. Local cafes and restaurants expanded their trading, under new Pavement Licensing, into Montague Place creating a cafe culture featuring increased seating and sustainable planting.
- 3.5. The new Montague Gardens scheme features a design inspired by the seaside gardens that existed when Montague Place was first built in the 19th century. The emphasis is on increasing biodiversity with a green space that links the seafront to the nearby Liverpool Gardens. Improvements will be made to the large expanse of wall in the north eastern corner with the addition of a performance deck, instagram 'place signage' and green wall. The bespoke children's play area takes inspiration from the sea kelp restoration along Sussex Bay and is accompanied by outdoor dining, sustainable planting and 30 new trees.
- 3.6. Working alongside urban landscaping design and project management company Project Centre Ltd and following a thorough community and business consultation the design for the Montague Place received

leader approval in April 2024. Using a two stage procurement process for construction the first stage of a tender procedure was completed in November 2024; the second stage of procurement is currently underway and due for completion in early Spring 2025. WBC has recently submitted a s278 application to WSCC Highways, in addition to an accompanying Traffic Regulation Order. In essence the preparatory works for the scheme are nearing completion and onsite delivery is due to start in late Spring 2025.

#### 4. Issues for consideration

- 4.1. On 12 September 2023 Worthing JSSCC recommended the use of £2.7m CIL funding for the Montague Gardens scheme. Following an extensive design phase, including phases of value engineering, the Montague Gardens concept design has now concluded and a draft construction budget created. This carefully considered budget set the cost of the project at just under £3m.
- 4.2. WSCC have approved £400k Pooled Business Rates funding to the scheme, subject to the conclusion of Highways agreements. This is formed of a direct £300k fund to WBC, followed by (up to) an additional £100k which may be used to underwrite the project in its current design. The project budget has good contingency and optimism bias within the £3m. This report seeks the authority to accept this funding from WSCC for use on Montague Gardens.
- 4.3. The high level programme for the project is as follows:
  - Procurement - January to March 2025
  - Partner & Contractor Press Release - March/April 2025
  - Mobilisation - April/May 2025
  - Construction - Late Spring 2025 to Autumn 2026
- 4.4. Policy Alignment - the design for Montague Gardens aligns to the administration's values and desires for the wider electorate. The purposeful use of sustainable planting, areas for rest and relaxation, a platform for performance or screenings, a bespoke play area for families to enjoy and safer pedestrian access to the Promenade evidences the **people centred** approach to new urban landscaping in Worthing.
- 4.5. It should also be noted the importance of Montague Place / Gardens as a key connector between the town centre and the seafront, and this



new scheme will further enhance that connection. This scheme represents an important first step of investment to establish a longer term plan for the seafront, which includes how investment will be sourced to support its future, including for Worthing Pier and Lido as notable assets.

## **5. Engagement and Communication**

- 5.1. Throughout the design stages the Council has actively engaged in a thorough and considered consultation process with residents, access groups, local business, stakeholders and members. As well as a series of individual walkabouts, a 'world café' at Montague Quarter, allowed stakeholders to discuss the design and shape the concept. Based on this feedback, Project Centre Ltd refined the plans. The design aligned closely with the feedback and the aspirations of the Members. To validate this, the Council held another public consultation in June/July 2023 to confirm the findings.
- 5.2. Throughout all stages, the Council has seen strong participation, with constructive feedback and insightful discussions. The final consultation took place over four weeks, from 7 June to 5 July 2023, during which the public was encouraged to fill out an online form, garnering more than 100 responses.
- 5.3. Council Cabinet members, supported by Neighbourhood Project Officers, have proactively sought to consult and communicate directly with businesses and residents in Montague Place. Physical information panels, web and social media updates and regular newsletters will form to create a communications plan during the construction phase as a means to inform the community and visitors, and to reduce disturbance to those living and working in the area.

## **6. Financial Implications**

- 6.1. At the 13th of July 2021 meeting of the Joint Strategic Committee an initial budget of £200k was approved for phase 2, main design works funded by the Community Infrastructure Levy (CIL). This work was carried out to inform design proposals. Subsequently following these works at the 12th September 2023 meeting of the Joint Strategic Sub Committee (Worthing) a further budget of £2.7m was approved for the works to be funded by CIL.

- 6.2. Considering the design phased closed the active budget available to the project is £2.7m (less any committed spend during the current financial year). The agreement of WSCC to use pooled business rates funding of £400k enables this project's budget to be extended by £400k whilst remaining fully funded. There is currently no anticipated overspend, meaning there are no costs of borrowing to be considered.

## **7. Legal Implications**

- 7.1. Under section 111 of the Local Government Act 1972 the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 7.2. Section 3(1) of the Local Government Act 1999 contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy , efficiency and effectiveness.
- 7.3. Section1 Local Government (Contracts) Act 1997 confers power on the local authority to enter into a contract for the provision of making available of assets or services for the purposes of, or in connection with, the discharge of the function by the local authority.
- 7.4. In procuring for a preferred contractor, the Council is required to follow a lawful process as required by its Contract Standing Orders and have regard to the Public Contract Regulations 2015 and the Concession Contracts Regulations 2016. All the terms of the proposed arrangement are to be set out in a fair and transparent manner to all potential bidders.

### **Background Papers**

- [2023.09.12 - WJSSC - agenda item 11 - Montague Place](#)
- [Montague Place Engagement Report](#)

### **Sustainability & Risk Assessment**

## **1. Economic**

- Public realm improvements are important to create the right setting for our town centres and economy, including our business base, to operate. Not only does this project represent an opportunity for our businesses, it will also provide alternate possibilities for 'open space' activities, including events and markets.
- The aforementioned activities are vital to support and revitalise our changing high streets; even more so in response to the current economic uncertainty. Public realm improvements at Montague Place/Gardens, and future schemes, will support and give confidence to residents and visitors regarding the outdoor environment, and show these places need to be cared for and improved.

## **2. Social**

### **2.1 Social Value**

- The scheme will enhance the open space at Montague Gardens, benefiting both local businesses and community groups. It will improve the town centre experience for residents and visitors, promote walking and cycling, and support overall wellbeing. These changes will help make Worthing town centre more vibrant and socially valuable.
- New public realm spaces with more greening help prevent anti-social behaviour by creating inviting environments that encourage positive social interaction. Green areas promote a sense of community, improve mental well-being, and foster a collective responsibility for public spaces. Well-maintained, open spaces also increase natural surveillance, reducing opportunities for disruptive activity. Additionally, green spaces provide safe, calming environments that reduce stress and isolation, ultimately supporting safer, more inclusive communities and deterring anti-social behaviours.

### **2.2 Equality Issues**

- The design for Montague Gardens has included specific consultation with accessible groups and organisations. This consultation, and wider equality points, have been considered and will be implemented further as the project progresses through detailed design, procurement and delivery.

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

- The improved public realm works will fully consider crime and disorder act implications through the detailed design phase of the project. Consideration will also be given to the ongoing environment that the new public realm will create in relation to providing a safe and enjoyable space.

## **2.4 Human Rights Issues**

- Town centre public realm promotes the right to participate in cultural, social, and recreational activities, supporting well-being and mental health. By prioritising accessibility and fostering a sense of community, such schemes help uphold the right to live in dignity, free from discrimination, and contribute to a more equitable society.
- The improvements at Montague Gardens will require significant construction work. During this period it's anticipated there will be disruption to local residents and businesses in the immediate area. WBC, with guidance from the appointed design team and contractors, will assess the impacts throughout and consider mitigating actions to reduce the disruption where possible. The phased approach to construction will be clearly advertised.

## **3. Environmental**

- The design for Montague Gardens holds environmental improvements as a central theme. The new scheme includes a living wall, drought resistant planting, SUDs drainage and fully recycled spoil. 30 new trees will also be planted, increasing oxygenation and providing shade in the Summer months.
- The design also supports and encourages improvement to active travel. Providing improved walking and cycling infrastructure.
- A further consideration is ensuring, where possible, that resources, materials and contractors are sourced as local as possible, therefore reducing the overall carbon footprint of the scheme.

## **4. Governance**

- The Growth Board and Public Realm Board are existing and functional, and they will act as the key governance control for this project. These will have strict oversight of all elements of the project, including spend and programme.
- The CIL Board will also be kept informed of the project as CIL will be the funding source for the scheme.
- A Decision notice will be published prior to an award to contract the build contractor, as per the council's standing orders.