



3rd Quarter Capital Investment Programme & Projects Monitoring 2022/23

Report by the Director for Digital, Sustainability and Resources

EXECUTIVE SUMMARY

1. PURPOSE

1.1 This report updates the Sub-Committee on the progress made on the delivery of the 2022/23 Capital Investment Programme for Worthing Borough Council. The programme includes schemes which support the delivery of services by the Joint Services Committee.

1.2 The following appendices have been attached to this report:

Appendix 1: Worthing Borough Council Capital Monitoring Summary

Appendix 2: Worthing Borough Council Reprofiled Budgets

2. RECOMMENDATIONS

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

- i) To note the reprofiling of the Worthing Borough Council capital schemes as advised in paragraph 6.1 and appendix 2.
- ii) To approve the urgent Health and Safety works at Commerce Way, and the addition of the schemes to the 2023/24 Capital Investment Programme funded from the 2023/24 capital contingency budget as detailed in paragraph 6.2.1.
- iii) To approve the decommission of the old diesel tank at Meadow Road and restoration of the site, and the addition of the scheme to the 2023/24 Capital Investment Programme. The estimated cost of the works is £30,000 to be funded from the 2023/24 capital contingency budget as detailed in paragraph 6.2.2.

iv) To approve the additional funding of £100,000 for the Decoy Farm Business Case, funded from the Strategic Property Investment Fund as detailed in paragraph 6.2.3.

3. CONTEXT

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

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

3.3 Full summaries of the progress of all the schemes in the 2022/23 Capital Investment Programmes are prepared each quarter highlighting:

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

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

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

4. PROGRESS OF THE WORTHING BOROUGH COUNCIL 2022/23 CAPITAL INVESTMENT PROGRAMME – JANUARY 2023

- 4.1 There are 107 schemes in the 2022/23 current capital investment programme which are progressing as follows:

	Number of schemes	Percentage %
Schemes which are progressing satisfactorily or have completed	82	76.6
Schemes where progress is being closely monitored	24	22.4
Schemes with significant challenges or financial issues	1	1.0

- 4.2 A summary of the financial movements of the 2022/23 Capital Investment Programme is attached as Appendix 2 to this report. A summary of the progress of all the schemes in the 2022/23 Capital Investment Programme is available from the Councils' Joint Intranet.

5.0 SUCCESSES AND CHALLENGES IN THE WORTHING BOROUGH COUNCIL 2022/23 CAPITAL INVESTMENT PROGRAMME

- 5.1. The following schemes are progressing well:

5.1.1 AW Workspaces (Partnership Scheme with Adur District Council)

All works have now completed and the Sussex Partnership NHS Foundation Trust (SPFT) will occupy part of Portland House. As part of this project, improvement works have been undertaken at Portland House and Worthing Town Hall.

Whilst the project was initially expected to deliver a saving of £365,000 (£188,000 after funding the associated debt charges), an opportunity to increase the space rented to SPFT which will increase the saving after debt charges to circa £388k.

5.1.2 Information and Communications Technology - Digital Programme (Partnership Scheme with Adur District Council)

The following projects are progressing well:

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

5.2. Challenges in the 2022/23 Capital Investment Programme:

- 5.2.1 There has been significant reprofiling of budgets from 2022/23 to 2023/24 and future years this financial year caused by both Brexit and Covid 19 resulting in

significant supply problems for equipment and materials, and also increases in prices:

Delays have been encountered as follows:

- i) In obtaining quotes and estimates from suppliers.
- ii) In placing orders due to supplier's availability of stock.
- iv) Long lead in times for deliveries due to supply issues.

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

5.2.2 Worthing Pier, Southern Pavilion and Seafront Amusements - Fire Safety Compliance Works

Phase 1: Installation of the fire main and sewerage pipe completed in previous years.

Phase 2: New sprinkler system for seafront buildings. The tenant of the Southern Pavilion installed a new sprinkler system whilst undertaking renovation works to the building, and has been reimbursed by the Council for the cost of these works.

Discussions are currently in progress regarding the siting of the sprinkler pump and a new supply pipe underneath the Pier for the Seafront buildings. Two options are being considered for housing the new pump i) Conversion of a public convenience ii) New building. Costs are being obtained for both options and an additional budget provision has been included in the 2023/24 Capital Investment Programme.

5.2.3 Colonnade House - Extension of Digital Hub

A total budget of £4.05m was approved for this scheme in March 2021. Adjoining properties were vacated and planning permission was approved.

However, tenders were received in excess of the current budget and options are now being considered. The budget has been reprofiled whilst the scheme is under consideration.

5.2.4 High Street MSCP - Major Refurbishment

A budget provision of £2.7m for the major refurbishment of the High Street MSCP, funded from borrowing, was included in the Capital Investment Programme.

Due to the Council's current financial position, the major refurbishment has been put on hold and the budget deferred. However, a smaller refurbishment scheme now needs to be undertaken to address health and safety issues arising from structural works required to low railings, structural corrosion and windows. A detailed structural condition survey has been commissioned and Officers will use this information to determine a prioritised programme of

works and inform future investment proposals. A smaller budget provision of £300,000 been included in the Capital Investment Programme for any urgent works to be undertaken in 2023/24.

5.2.5 Major Projects

The Council has a number of construction projects underway at present. The construction industry has experienced significant inflation, material and labour shortages which has affected the cost and timely delivery of projects. A further detailed report will be submitted to provide a full update of market conditions on the Council's projects and the latest expected costs for the major projects.

6. ISSUES FOR CONSIDERATION

6.1 Budgets totalling £30,220,550 have been reprofiled to 2023/24 and future years where the original project plan has changed and the schemes are unable to complete in 2022/23. A list of schemes reprofiled is attached as Appendix 2 to this report.

6.2 The following amendments to the Worthing Borough Council 2022/23 Capital Investment Programme are recommended:

6.2.1 Commerce Way - Urgent Health and Safety Works at Depot

Commerce Way is the operational base for the Waste, Cleansing and Parks Service and also houses the Council's vehicle workshop. The site is in need of investment and work is already underway to improve toilet and shower facilities, carry out repairs to the roof and replace flooring. In addition to these works the oil tank on site needs replacing to comply with the latest standards and minimise the risk of oil pollution. The system to extract exhaust fumes from the workshop needs to be replaced, as does the machine to test vehicle brakes. The oil tanks and ventilation system are urgent H&S works and the brake tester is critical to business continuity.

The estimated cost of the works is:

- i) Replacement of Oil Tank £21,500
- ii) replacement of the workshop ventilation / exhaust £15,000
- iii) Replacement of the Brake Tester £30,000

It is recommended that the above schemes are added to the 2023/24 Adur District Council and Worthing Borough Council Capital Investment Programmes funded 50% from the 2023/24 Adur District Council Capital Contingency provision (£33,250) and 50% from the 2023/24 Worthing Borough Council Capital Contingency provision (£33,250).

6.2.2 Meadow Road Depot - Decommission of diesel tank and restoration of the site

There is a disused underground fuel tank at Meadow Road Depot. The contents and condition of the tank is unknown and it presents a potential

pollution risk to groundwater. It is proposed to remove any contents from the tanks, pressure test to check it is still sound and subsequently fill it with slurry to eliminate any future contamination risk.

The estimated cost of the works is £30,000 and it is recommended that the scheme is added to the 2023/24 Capital Investment Programme funded from the Worthing Borough Council 2023/24 Capital Contingency Provision.

6.2.3 Decoy Farm - Site Development

All remediation works have been completed and the site has been handed back to the Council.

Phase 2 of the development and the output to deliver a new business park at Decoy Farm which will create jobs and provide new employment floor space is progressing well.

Specialist consultants and an architectural team have been appointed to design the scheme, submit a planning application and tender the construction of the development. A further report is due to be considered by members once the full costs of the proposal are known.

The Joint Strategic Committee 13th July 2021 approved the allocation of £600,000 for the development of a Full Business Case, and an additional £100,000 is now requested from the Strategic Property Investment Fund to complete the Business Case.

7. ENGAGEMENT AND COMMUNICATION

7.1 The purpose of this report is to communicate with stakeholders on the progress of the Adur District Council and Worthing Borough Council 2021/22 Capital Investment Programmes. Officers of the Council have been consulted on the progress of the schemes which they are responsible for delivering.

7.2 Specific schemes are subject to public consultation (e.g new playgrounds) to ensure that they meet community needs.

8. FINANCIAL IMPLICATIONS

8.1 There are no unbudgeted financial implications arising from this report as the Worthing Borough Council 2022/23 Capital Investment Programmes were approved by the Council in December 2021. Subsequent changes have been reported to and approved by the Joint Strategic Committee. The issues considered in this report can be funded from within existing resources or through external funding.

9. LEGAL IMPLICATIONS

9.1 Section 28 Local Government Act 2003, as amended by the Localism Act 2011, provides that where in relation to a financial year, a Local Authority has made the calculations required by section 43 Local Government Finance Act 1992, it must review them from time to time during the year. If it appears that

there has been a deterioration in its financial position it must take such action, if any, as it considers is necessary to deal with the situation.

- 9.2 Section 151 of the Local Government Act 1972 requires the Councils to make arrangements for the proper administration of their financial affairs.

Background Papers

- Capital Investment Programme 2021/22 – 2023/24 Adur District Council, Worthing Borough Council and Joint Committee
- Capital Strategy 2022/25.
- Enabling the Digital Future for Adur & Worthing: Extending Ultrafast - Report to the Joint Strategic Committee dated 2nd April 2019.

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SUSTAINABILITY AND RISK ASSESSMENT

1. ECONOMIC

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

2. SOCIAL

2.1 Social Value

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

2.2 Equality Issues

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

3. ENVIRONMENTAL

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

4. GOVERNANCE

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

CAPITAL MONITORING SUMMARY 2022/23
3rd Quarter

Executive Portfolios	(1) Total WBC Scheme Budgets £	(2) Previous Years' Spend £	(3) 2022/23 Original Budget £	(4) Net Budget b/f from 2021/22 £	(5) Approved Changes to Original Budget £	(6) 2022/23 Budget Reprofiled to and (from) 2023/24 £	(7) 2022/23 Current Budget £	(8) 2022/23 Spend to Date £	(9) Spend % of Current Budget
Citizen Services	14,852,800	-	6,631,320	1,266,480	440,000	(6,238,240)	2,099,560	698,902	33.29%
Climate Emergency	5,644,470	2,450	1,520,000	-	-	(570,000)	950,000	321,945	33.89%
Community Wellbeing	472,860	-	165,240	10,120	50,000	(120,000)	105,360	2,391	2.27%
Culture and Leisure	2,081,880	415,960	1,395,710	71,810	(68,100)	(977,310)	422,110	159,310	37.74%
Environment	7,015,200	830,160	3,588,330	441,970	264,260	(1,023,930)	3,270,630	1,077,476	32.94%
Regeneration	63,499,770	26,157,640	32,819,420	4,269,340	(3,220,800)	(5,404,720)	28,463,240	20,505,746	72.04%
Resources	131,134,750	87,237,890	44,903,860	1,260,400	(3,682,000)	(15,886,350)	26,595,910	24,121,034	90.69%
TOTALS	224,701,730	114,644,100	91,023,880	7,320,120	(6,216,640)	(30,220,550)	61,906,810	46,886,804	75.74%

Financing of 2022/23 Programme:

	£'000
Borrowing:	55984
Capital Receipts:	50
Revenue Contributions and Reserves:	266
Government Grants:	3405
S106 Receipts	479
Other Contributions:	1,723
	<u>61,907</u>

Capital Monitoring - Summary of Progress:

Schemes with significant challenges:	1
Schemes where progress is being closely monitored:	24
Schemes which are progressing satisfactorily or have completed:	83
Total Schemes:	<u>108</u>

WORTHING BOROUGH COUNCIL - 3RD QUARTER CAPITAL MONITORING SUMMARY

APPENDIX 1

(1) SCHEME (Responsible Officer)	(2) Total WBC Scheme Budget £	(3) Previous Years' Spend £	(4) 2022/23 Original Budget £	(5) Budget Reprofiles to and from 2023/24 and Future Years £	(6) 2022/23 Current Budget £	(7) 2022/23 Spend to Date £	(8) Anticipated Completion Date (C) / Approval Report(D)/ P.I.D.(P)	(9) 2022/23 Anticipated (Underspend) /Overspend (Council Resources) £	(10) COMMENTS AND PROGRESS	(11) Status
Extension of Colonnade House 1 Digital Hub	4,100,980	171,560	3,930,980	3,919,100	10,320	10,315	10.4.18 (D) 3.11.2020 (D) 30.3.2021(D)		● Progress Beyond Council's Control £ Schemes with financial issues ^ Scheme Progress Improved v Scheme Progress Deteriorated	RED
TOTAL:	4,100,980	171,560	3,930,980	3,919,100	10,320	10,315.00		-		

RESPONSIBLE OFFICERS: Phil Graham Project Manager



WORTHING BOROUGH
COUNCIL

WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
1. Schemes in Progress where the completion has been delayed beyond March 2023		
Broadwater Green Pavilion - Contribution to refurbishment	89,600	Meetings in progress regarding the future lease and responsibility for undertaking the works. Budget reprofiled in line with anticipated expenditure.
Corporate Buildings - Condition Surveys	100,000	Budget reprofiled in line with anticipated expenditure.
IT - Network Refresh Wifi Upgrade	27,380	Scheme to continue into 2023/24. Budget reprofiled in line with anticipated expenditure.
Leased Buildings - Condition Surveys	100,000	Budget reprofiled in line with anticipated expenditure.
Portland House - Replacement of building management system	100,000	Scheme currently out for tender. Works anticipated in 2023/24.
Ultrafast Fibre Network Extension	1,221,440	Timescales extended, expected completion date is now Summer 2023. Budget reprofiled in line with anticipated expenditure.
Worthing Pier - Fire Safety compliance works	435,620	Discussions in progress regarding the siting of the sprinkler pump. PID submitted for additional resources in 2023/24.
2. Schemes due to start in 23/24		
Affordable Housing - Grants to Registered Social Landlords for the provision of affordable housing	2,671,800	Budget reprofiled due to lead times for new developments.
Church House Ground (Tarring) Pavilion - Contribution to refurbishment	50,000	Works anticipated January 2023 with completion expected April/May 2023.
Connaught Studio - Replacement of slate roof	200,000	Budget reprofiled due to resourcing issues in Technical Services.
Connaught Theatre - Replacement windows	85,000	Budget reprofiled due to resourcing issues in Technical Services.



WORTHING BOROUGH
COUNCIL

WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Corporate Buildings - Decarbonisation Schemes	570,000	Budget reprofiled to 2023/24 to match expected grant funding.
Council Buildings - Asbestos	100,000	Budget reprofiled in line with anticipated expenditure.
Disability Discrimination Act Improvements - Provision of minor alterations and improvements to Council properties	20,000	Durrington Cemetery DDA works under discussion with bereavement services. Budget reprofiled in line with anticipated expenditure.
Economic Development - Montague Street Design Works	100,000	Design works to begin in the autumn, expected to be delivered by Summer 2023. Budget reprofiled in line with anticipated expenditure.
Housing Development - Acquisition and development of emergency, interim or temporary accommodation for the homeless	3,566,440	Budget reprofiled due to lead times for new schemes.
Match Funding - Hillbarn / Rotary Recreation Ground contribution to new changing rooms / building	13,320	Contribution to Chippendale Cricket Club dependent on external funding bids.
IT - Identity Governance and Admin System	31,800	Original system is being reviewed and may be incorporated as part of Single Sign On in 2023/24.
Montague Street - Essential Capital Works	248,210	There has been a change in the managing agents and tenant and the new tenant is responsible for repairs via a service charge. However, major water ingress works may still be the Council's responsibility.
Museum and Art Gallery - Redevelopment	69,190	£20,000 approved for structural and condition surveys. Remainder of budget reprofiled as match funding for the HLF Lottery bid.
Museum and Art Gallery - Replacement of display cases	41,400	Some display cases purchased in 2022/23, remainder to be purchased in future years as match funding for the HLF Lottery Bid.
Museum and Art Gallery - Refurbishment of roof lights	48,800	Works delayed by resourcing issues in Technical Services. Match funding for HLF lottery bid.
Office Equipment - Microphone System Replacement	15,900	New technical solutions under consideration. Replacement anticipated 2023/24.
Palatine Park - Replacement of Play Area	87,720	Start on site estimated April / May 2023.



WORTHING BOROUGH
COUNCIL

WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Park Areas - Homefield Park Refurbishment	130,000	Installation anticipated May / June 2023.
Pavilion Theatre - Window Replacement	80,000	Budget reprofiled due to resourcing issues in Technical Services.
Planning and Building Control - Document Management System	50,370	System to be considered after corporate DMS upgrade.
Portland House - Replacement of boiler and heating upgrade	148,000	Public sector decarbonisation grants application to be submitted for works in 2023/24.
Public Conveniences - High Street Accessible Facilities	50,000	Refurbishments are likely to be delayed to 2023/24 due to staffing shortages in Technical Services.
Public Conveniences - Rolling Programme of upgrades and improvements	180,000	Further refurbishments of the rolling programme are likely to be delayed to 2023/24 due to staffing shortages in Technical Services.
Splashpoint - GSHP	300,000	The scheme has been delayed whilst discussions are in progress with the original contractor of Splashpoint regarding reimbursement of original works.
Strategic Property Investments - Investments in property for regeneration or service delivery.	13,748,250	Budget reprofiled as no investments identified to date.
Street Cleansing / Refuse / Recycling Service - Replacement Vehicles	576,210	2022/23 vehicle replacements budgets reprofiled to 2023/24 due to lead in times for the delivery of new vehicles.
Teville Gate Regeneration - Provision of housing and employment opportunities	950,000	Site to be sold within 3 years. Budget reprofiled in line with anticipated expenditure.
Worthing Town Hall - Fire and roof insulation	75,000	PID for 2023/24 submitted for additional resources. Grant application for PSDS funds is to be submitted.
Worthing Town Hall - Replacement of slate and asphalt roof coverings	20,000	Surveys have been undertaken to establish extent of works. PID submitted for additional resources in 2023/24.



WORTHING BOROUGH
COUNCIL

WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
3. Schemes due to start in future years		
Colonnade House - Extension of Digital hub	3,919,100	Scheme deferred to 2024/25. Budget reprofiled in line with anticipated expenditure.
Total Reprofiled Budgets:	30,220,550	