



Joint Strategic Committee
14 July 2024

ADUR & WORTHING COUNCILS

Key Decision [Yes/No]

Ward(s) Affected: All

Financial Performance 2023/24 - Capital and Projects Outturn

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

Executive Summary

1. Purpose

- 1.1 This report outlines the financial monitoring position for the end of the 2023/24 financial year for capital schemes included in the capital programmes of the Joint Strategic Committee, Adur District Council and Worthing Borough Council.
- 1.2 Information is also provided in respect of capital receipts for the 2 constituent authorities.
- 1.3 The following appendices have been attached to this report:

Appendix 1: Adur District Council Outturn Summary
Appendix 2: Worthing Borough Council Outturn Summary
Appendix 3: Adur District Council Capital Receipts
Appendix 4: Worthing Borough Council Capital Receipts

2. Recommendations

- 2.1 The Joint Strategic Committee is asked:
 - i) Note the outturn position for 2023/24

- ii) To **recommend** that Adur District Council at its Council meeting on 18th July 2024:
 - (a) To note the overall capital final outturn for 2023/24.
 - (b) Agree the net carry over of General Fund Capital underspends for Adur District Council as detailed in paragraphs 5.4.
 - (c) Approve the financing of the Adur District Council 2023/24 Capital Investment Programme, including the use of capital receipts as set out in paragraphs 5.1, 5.2 and 5.3
 - (d) Approve the carry forward of Council resources underspends to fund an increased contingency as reviewed in 5.6 and summarised in paragraph 5.7.

- iii) To **recommend** that Worthing Borough Council at its Council meeting on 23rd July 2024:
 - (a) Note the overall capital final outturn for 2023/24.
 - (b) Agree the net carry over of General Fund Capital underspends for Worthing Borough Council as detailed in paragraph 5.11.
 - (c) Approve the financing of the Worthing Borough Council 2023/24 Capital Investment Programme, including the use of capital receipts as set out in paragraphs 5.8, 5.9 and 5.10
 - (d) Approve the carry forward of Council resources underspends to fund budget pressures as detailed paragraph 4.5.2 and reviewed in 5.13 with a summary in paragraph 5.14.

- iii) To approve the release of funding for schemes which have been added to the programme following cabinet approval in February 2024 and do not require the use of capital resources as detailed in 5.16 and 5.17.

- iiii) To approve the amendment to the Worthing Borough Council 2024/25 capital programme as set out in section 5.18 of the report. To include the budget for Colonnade House to match the grant funding and the correction to the requirement of funding from prudential borrowing.

3. CONTEXT

- 3.1 The monitoring of capital budgets has been reported to the Joint Strategic Committee sub-committees three times during the year.
- 3.2 In accordance with the Councils' Capital Strategy, the Joint Capital Working Group oversees the development, implementation and progress of both Councils' Capital Investment Programmes.

- 3.3 Full summaries of the outturn of all the schemes in the 2023/24 Capital Investment Programmes are available from the Councils' Intranet and highlight:

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

4. 2023/24 Outturn

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

Capital Outturn - Summary of Progress:	Adur	Worthing	Status
Schemes where the Councils have experienced significant challenges or where financial issues have been identified	-	1	Red
Schemes where progress is being closely monitored	3	10	Amber
Schemes progressing well	60	81	Green
Schemes completed	19	17	
Total Schemes:	82	109	

4.2 Successes in the 2023/24 programme

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

Again, the programme has been delivered successfully last year with 1% of schemes presenting any significant issues. Highlights include:

Joint initiatives:

- i) **Disabled Facilities Grants**
Across both Adur and Worthing councils, over £3m from the Better Care Fund was delivered to make adaptations to resident households in our area. In 2023/24 103 adaptations were completed in Adur and 154 were completed in Worthing.
- ii) **Information and Communications Technology - Digital Programme**

The Joint Services Digital Programme has progressed well and has completed projects to improve the council's efficiency and security. The 23/24 phase of the cyber security works has delivered documentation for the working environment to ensure our staff are fully informed and are able to reduce any manual risks that the councils may be vulnerable to. In addition to this, the infrastructure has been assessed and appropriate software has been installed to further protect the councils.

Adur District Council schemes:

- i) **Hidden Homes Developments**
The Hidden Homes/Small Sites programme is underway with small patches of land such as old garages being repurposed to provide social housing. In 2023/24, 4 sites were completed, adding 14 properties to our social housing portfolio. A further 21 are expected to complete in 2024/25, with works currently progressing at Wilmot Road, Daniel Close and Gravelly Crescent.
- ii) **Southwick Square Improvements**
This joint initiative with West Sussex County Council and funded by the Adur Growth Deal, was completed in October. The new improvements have made the square more sustainable and will benefit local residents and businesses with a more inviting space in the centre of the town.
- iii) **Buckingham Park Pavilion**
Plans for the pavilion and cafe at Buckingham park have now been drawn up as part of the council's planning and design process. Significant repairs were required to the building and options are now available to rejuvenate the space with redevelopment works anticipated to begin in 2024/25.
- iv) **Void Works - Major repairs**
Adur Homes has focused on overcoming challenges and has been prioritising works to empty void properties, in order to get them back into service. Over £1.2m of works have been completed to bring 98 properties back into usage and provide homes for our residents.
- v) Other completed schemes include;

- a) Shoreham Centre Accessible Toilets
- b) Vehiclular Incursion Infrastructure at Hamble Road and Park Avenue
- c) Sompting Public Space Signage
- d) Refurbishment of the Play Area and Equipment at Southwick Recreation Ground

Worthing Borough Council schemes:

- i) **Brooklands Park**
Following the opening of the cafe in the spring, this project is now complete. The project involved improvements to the park's infrastructure, habitats and play area. Despite setbacks, including the withdrawal of grant funding from the Sussex Community Foundation, the project was completed on budget.
- ii) **High Street - Accessible Toilets**
The public conveniences were completed at the end of 2023/24 and have delivered new facilities for all visitors to the High Street. The redevelopment of the public conveniences also included funding for accessible toilets provided by the changing places toilet fund.
- iii) **CIL Community Grants**
As part of the CIL Neighbourhood fund initiative, capital grants have been supplied to local community groups from the Community Infrastructure Levy received by the council from local developers. Funds have been used by community groups for a range of improvements such as refurbishments to centres. Playgrounds and other facilities.
- iv) . Other completed schemes include;
 - a) Replacement of Public Convenience Hand Washing Units
 - b) Connaught Theatre Air Conditioning and Ventilation System
 - c) Extension to Church House Grounds Pavilion
 - d) Refurbishment of the Play Area and Equipment at Palatine Park

4.3 Challenges in the 2023/24 programme

- 4.3.1 Both councils, like many other councils and businesses have faced challenges when delivering capital schemes in 2023/24. The following schemes have been identified as having significant challenges to their progression and or finances as at 31st March 2024:

Adur District Council schemes:

- i) **Eastbrook Manor Community Centre - Building Fabric Repairs and External Improvements**
The fabric works are planned and due to be delivered in early 2024/25 to rectify issues with the doors and windows. However grant funding

from the Youth investment Fund has been unsuccessful and plans for the future improvement of the facility have now been reduced. There are external health and safety and re-landscaping works required to the site, which are also planned to be started in the period.

ii) **Lancing Manor Leisure Centre - External Cladding and entrance renewal**

Works to the external cladding, roofing and glazing were expected to begin in 2023/24 as the contract went out to tender. Unfortunately tenders came back, significantly higher than previously forecast. The designs have now been revised and additional funding in the 2024/25 capital programme has been approved. The project will go out to tender again with works anticipated to begin in Autumn / Winter 2024.

iii) **Albion Street Housing (HRA)**

The project to deliver 49 social housing properties has encountered several issues including the insolvency of the main contractor during 23/24. Due to these delays, further funding has been requested and approved. A new contractor has been appointed and the project is due to finish in 2024/25.

Worthing Borough Council schemes:

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

Officers are in constant discussion with Registered Social Landlords regarding possible contributions to housing developments, which have all been delayed due to Covid 19 restrictions, and it has proved difficult to identify developments to fund in 2021/22. One grant to Hyde Housing was agreed in 2019 but the development has been delayed by Covid 19 restrictions.

ii) **Buckingham Road Multi-storey Car Park**

Delays have occurred due to further works being required on top of the initial plans. These works have rectified issues that have arisen through the refurbishment. Due to various delays, the scheme is overspent and will need to have further funding approved to complete in 2024/25.

iii) **Worthing Heat Network**

The heat network has had a few delays as schedules and works are agreed with various third parties. The scheme is also looking to enlarge via new public decarbonisation funding to include further connections to other public buildings such as Splashpoint and the Pavilion theatre.

iv) **Broadwater and Hillbarn Pavilions**

Capital funding has been held for these two pavilions for some time, however no agreement has been made to move them forward. Council

officials are in communication with the relevant sports clubs to agree potential plans going forward.

v) **Worthing Museum**

Due to other priorities, there has been reduced progress with regards to the redevelopment, display cases and roof lights at the museum. There was also a bid for match funding submitted to the heritage lottery fund in a previous year which was not successful which has reduced the plans.

vi) **Worthing Crematorium Memorial Garden**

The tender for the construction of the memorial garden has come back slightly over budget, a request for £56,627 has been submitted to enable the awarding of the contract to a contractor and begin the works.

4.4 **Adur District Council Capital Outturn – All Portfolios**

4.4.1 The initial capital investment programme for all Adur Portfolios was estimated at £84,872,180. Subsequent approvals and the reprofiling of budgets to and from the financial year 2024/25 resulted in a revised total current budget of £21,436,353.

4.4.2 Actual expenditure for the year amounted to £20,046,462, resulting in a variance of £1,389,891 from the current estimate. This variance comprises a net carried forward budget to 2023/24 of £1,112,716 and a net underspend of £277,175. The expenditure for each Executive Member Portfolio is as follows:

Capital Expenditure by Portfolio 2023/24	Final Estimate £	Actual Outturn £
E.M. for Environment	1,095,800	547,709
E.M. for Health and Wellbeing	242,040	114,808
E.M. for Customer Services		
- General Fund	4,563,860	2,919,403
- Housing (HRA) Investment Programme	13,386,550	15,305,324
E.M. for Regeneration	1,541,303	733,682
E.M. for Resources	606,800	425,536
TOTAL	21,436,353	20,046,462

4.4.3 The major scheme variations are listed in Appendix 1 of this report. However, members should be aware that the main issue contributing to the level of reprofiling in the year was the Strategic Property Investment Fund. £43.5m

has been reprofiled to 2024/25, this budget will only be spent if suitable properties for investment or development options are identified.

4.4.4 The remaining usable capital receipts held at 31st March 2024 totalled £3,459,670. To be utilised as follows:

Capital Receipts Held 31st March 2024	Funds
Ring-Fenced funds	£
- Shoreham Renaissance Funds	49,736
- Affordable Housing (LASHG)	140,476
- Empty Property Loans & Grants	20,920
- Revenue Funding under flexibility powers	624,000
- Disabled Facilities Grants	13,273
- Flexible use of Capital Receipts	953,486
Housing Revenue Account - Capital Investment	1,657,779
Including:	
- South Street Emergency/Temporary Accommodation	<i>350,000</i>
- Southwick Estate Leasehold Acquisitions	<i>550,000</i>
Total	3,459,670

4.4.5 Proceeds from sale of assets in 2023/24 are analysed in Appendix 3.

4.4.6 HRA Right to Buy Capital Receipts

2012/13 was the first year of the significant increase in discount for tenants introduced by the government as part of reinvigorating 'Right To Buy' (RTB). In 2023/24, 1 property was sold. The financial impact is detailed below:-

Analysis of movement in RTB receipts	£'000
Balance brought forward as at 31st March	3,729
Receipts generated in year	70
Less: Administration costs deducted from the capital receipts	(1)
Capital receipts passed to DLUHC as part of pooling arrangement	0
Net receipts generated in year	69
Use of receipts to finance the capital programme	(2,188)
Decrease in receipts retained by the HRA	(2,119)
Balance carried forward as at 31st March	1,640

Analysis of RTB receipts	£'000
Capital receipts which can be used for any purpose	1,524
Capital receipts which are to be used for new affordable dwellings**	86
Balance carried forward as at 31st March	1,640

* These receipts must be spent on the delivery of new affordable homes. Only 50% of the cost of any new build can be financed from these receipts, and they must be spent in a five year time frame.

4.5 Worthing Borough Council Capital Outturn – All Portfolios

4.5.1 The Worthing capital investment programme for all Portfolios was originally estimated at £30,832,570. Subsequent approvals and reprofiling of budgets to and from 2024/25 produced a total current budget of £27,360,090.

4.5.2 Actual expenditure in the year totalled £14,106,054 a decrease of £13,254,036 on the revised estimate, comprising a net carry forward of £13,190,196 and a net underspend of £63,840. Individual Portfolio expenditure was as follows:

	Revised Estimate £	Actual Outturn £
General Fund Other Services:		
E.M. for Citizen Services	9,868,610	2,193,810
E.M. for Climate Emergency	5,375,810	533,842
E.M. for Community Wellbeing	816,400	944,823
E.M. for Culture and Leisure	840,270	499,518
E.M. for Environmental	1,668,980	1,029,828
E.M. for Regeneration	7,773,220	7,790,580
E.M. for Resources	1,016,800	1,113,653
TOTAL	27,360,090	14,106,054

4.5.3 The major scheme variations are listed in Appendix 2.

4.5.4 The remaining usable capital receipts held at 31st March 2024 totalled £2,053,365. To be utilised as follows:

Capital Receipts Held 31st March 2024	Funds
Ring-Fenced funds	£
- Coastal Protection and Beach Huts	108,800
- Affordable Housing (RTB Clawback Receipts)	907,250

- Empty Property Loans & Grants	25,100
- Disabled Facilities Grants	10,743
- Revenue Funding Under Flexibility Powers	1,000,000
- Flexible use of Capital Receipts	1,472
Total	2,053,365

4.5.5. Proceeds from the sale of assets in 2023/24 are analysed in Appendix 4.

5. Issues for consideration

Adur District Council:

5.1 Adur District Council capital expenditure in 2023/24 was financed as follows:

General Fund Schemes Financing:	£
Government Grants	2,077,140
External Grants and Contributions	736,809
Prudential Borrowing	0
Capital Receipts	1,447,998
S106 Contributions	26,190
Revenue Contributions / Reserves	165,001
Total General Fund Financed	4,741,138
Housing Revenue Account Capital Investment Programme Financing:	
Major Repairs Reserve	6,317,358
Capital Receipts	1,900,000
Prudential Borrowing	6,515,461
Government Grants	572,503
Total Adur Homes Financed	15,305,324
Total Schemes Financed	20,046,462

5.2 The Joint Strategic Committee is asked to recommend that the Council approve the overall financing of the 2023/24 capital programme, and the utilisation of £3,522,060 usable capital receipts in the funding of the 2023/24 capital programme.

5.3 The Joint Committee is also asked to recommend to Adur District Council to approve the Capital Flexibilities Strategy which includes details of the use of £113,937 of capital receipts in 2023/24.

Project	Overall	Adur District Council 2023/24
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	annual savings £	Share of Saving %	Annual saving £	Capital receipts used £	Nature of Expenditure
Digital Rapid Improvement Programme	200,000	40	80,000	94,465	Digital systems design, development and project management
Organisational Redesign	227,063	43.37	98,478	19,472	HR support and delivery manager (who will also support the digital improvement programme). Associated Statutory departure costs
Total	427,063		248,585	164,490	

5.4 Approval is requested to carry over to 2023/24 and bring forward from 2024/25 certain budgeted expenditure where spending patterns have changed since the 3rd Quarter Monitoring, as detailed in Appendix 1.

	Carried Forward To 2024/25 £
Executive Member Environment	485,763
Executive Member for Customer Services	
- General Fund	2,548,497
- Adur Homes Capital Investment Programme	521,602
Executive Member for Health and Wellbeing	64,689
Executive Member for Regeneration	603,450
Executive Member for Resources	257,972
TOTAL CARRIED FORWARD TO 2024/25	4,481,973

	Brought Forward to 2023/24 £
Executive Member for Customer Services	
- General Fund	914,860
- Adur Homes Capital Investment Programme	2,444,061
Executive Member for Resources	10,336
TOTAL BROUGHT FORWARD TO 2023/24	3,369,257

NET CARRIED FORWARD TO 2024/25

1,112,716

- 5.5 The significant budget variations and budget reprofiles in the 2023/24 capital investment programme have been detailed in Appendix 1.
- 5.6 In addition to the carry forward of existing budgets to finish approved projects in 2024/25, permission is also sought to utilise the capital resources from the overall underspend in the 2023/24 Capital Investment Programme.

It is recommended that the majority of the remaining Council capital resources underspend is taken as a saving from the capital programme as this was forecast to be funded via borrowing. Removing this will enable more accurate forecasting to determine borrowing limits for future programmes. A proportion of the capital resources is requested to be carried forward to 2024/25 to address the following budget pressures that have arisen since 2023/24:

General Fund and Housing Revenue Account:	(Under)/Overspends in 2023/24 £
E.M. for Environment	-62,329
E.M. for Health and Wellbeing	-62,542
E.M. for Customer Services	
- General Fund	-10,820
- Housing (HRA) Investment Programme	-3,685
E.M. for Regeneration	-204,172
E.M. for Resources	66,373
Total Net (Under)/Overspend	-277,175
Adjustments for Non Prudential Borrowing:	
<i>Community Alarm Equipment - Revenue Contribution</i>	18,555
<i>Shoreham Harbour Projects - Shoreham Harbour Board (£70K budget approved contribution, revised from £145K)</i>	75,000
<i>Strategic Monitoring Project for the South East - Phase 5 - EA funded, New Forest DC Led</i>	72,205
<i>Cycle Share Scheme - Funded by UKSPF but not included in capital programme</i>	-8015

<i>Capital Flexibilities - Rapid improvement programme and exit fees - Funded by Capital receipts but not included in capital programme</i>	-113,937
Capital Resources Underspend	-233,367

5.7 In summary the following approvals are sought:

	£
2024/25 Capital Programme Contingency	119,727
2023/24 Capital Programme claimed underspend	113,640
Total proposed funding from underspends in 2023/24	233,367

Worthing Borough Council

5.8 Worthing Borough Council capital expenditure in 2023/24 was financed as follows:-

	£	£
Usable Capital Receipts		
- Housing	167	
- Other General Fund	57,541	
- Revenue Funding under Flexibility powers	164,490	
		222,198
Prudential Borrowing	10,489,275	
Government Grants	2,548,940	
External Grants and Contributions	138,198	
S106	82,719	
CIL	594,825	
Revenue Contributions and Reserves	29,899	
		13,883,826
TOTAL CAPITAL FINANCED		14,106,054

5.9 The Joint Strategic Committee is asked to recommend that the Council approve the overall financing of the capital programme and the utilisation of £57,708 usable capital receipts in the funding of the 2023/24 capital programme.

5.10 The Joint Committee is also asked to recommend to Worthing Borough Council to approve the Capital Flexibilities Strategy which includes details of the use of £164,490 of capital receipts in 2023/24.

Project	Overall annual savings £	Worthing Borough Council 2023/24			Nature of Expenditure
		Share of Saving %	Annual saving £	Capital receipts used £	
Digital Rapid Improvement Programme	200,000	60	120,000	141,697	Digital systems design, development and project management
Organisational Redesign	227,063	56.63	128,858	22,793	HR support and delivery manager (who will also support the digital improvement programme). Associated Statutory departure costs
Total	427,063		248,585	164,490	

5.11 Approval is requested to carry over to 2024/25 and bring forward from 2024/25 certain budgeted expenditure where spending patterns have changed since the 3rd Quarter Monitoring, as detailed in Appendix 2.

	Carried Forward To 2024/25 £
E.M. for Citizen Services	8,499,360
E.M. for Climate Emergency	4,881,967
E.M. for Community Wellbeing	487,848
E.M. for Culture and Leisure	293,282
E.M. for Environmental	558,397
E.M. for Regeneration	1,264,938
E.M. for Resources	648,932
TOTAL CARRIED FORWARD TO 2024/25	16,634,724

	Brought Forward to 2023/24 £
E.M. for Citizen Services	864,560
E.M. for Community Wellbeing	304,630

E.M. for Environmental	248
E.M. for Regeneration	1,747,413
E.M. for Resources	527,676
TOTAL BROUGHT FORWARD TO 2023/24	3,444,528
NET CARRIED FORWARD TO 2024/25	13,190,197

5.12 The significant budget variations and budget reprofiles in the 2023/24 capital investment programme have been detailed in Appendix 2.

5.13 In addition to the carry forward of existing budgets to finish approved projects in 2024/25, permission is also sought to utilise the capital resources from the overall underspend in the 2023/24 Capital Investment Programme. It is recommended that the majority of the remaining Council capital resources underspend is taken as a saving from the capital programme, as this was forecast to be funded via borrowing. Removing this will enable more accurate forecasting to determine borrowing limits for future programmes. A proportion of the capital resources is requested to be carried forward to 2024/25 to address the following budget pressures that have arisen since 2023/24:

	(Under)/Overspends in 2023/24 £
General Fund and Housing Revenue Account:	
E.M. for Citizen Services	-40,000
E.M. for Climate Emergency	40,000
E.M. for Community Wellbeing	311,640
E.M. for Culture and Leisure	-47,470
E.M. for Environmental	-81,003
E.M. for Regeneration	-465,116
E.M. for Resources	218,109
Total Net (Under)/Overspend	-63,840
Adjustments for Non Prudential Borrowing:	
<i>Southdown View Road Development - Sale costs funded by capital receipts</i>	-22,052
<i>NHS Internal Works WICC - Funded by CIL but not included in capital programme</i>	-300,000
<i>Strategic Monitoring Project for the South East - Phase 5 - EA funded, New Forest DC Led</i>	97,830

<i>Cycle Share Scheme - Funded by UKSPF but not included in capital programme</i>	-40,000
<i>Capital Flexibilities - Rapid improvement programme and exit fees - Funded by Capital receipts but not included in capital programme</i>	-164,490
Capital Resources Underspend	-492,552

5.14 In summary the following approvals are sought:

	£
Buckingham Road Multi-Storey Car Park	132,000
Worthing Crematorium Memorial Garden	56,627
2023/24 Capital Programme claimed underspend	303,925
Total allocations requested within this report	492,552

5.15 The Community infrastructure levy (CIL) Infrastructure Investment Plan (IIP) was presented to Worthing's Joint Strategic Sub Committee on the 14th March 2024, after the capital programme had been approved by council. The schemes on this plan are fully funded by CIL receipts.

5.16 *Cycle Lane George V Avenue to Sea Lane - £200,000:*

It is requested that a release of £200,000 from this reserve can be used towards the Cycle Lane. The scheme will be looking to progress with feasibility and surveying works over the coming months with the intention of carrying out a public consultation exercise on the proposed scheme in late summer. There is the opportunity to use a WSCC Framework agreement with WSP to undertake the necessary feasibility studies and public consultation exercise. WSP are currently undertaking work for WSCC on the proposed Littlehampton to Worthing cyclepath link and therefore it would make sense that they are engaged on this enhancement scheme.

5.17 *Coastal Flood Defences - £100,000*

It is requested that the £100,000 be released for additional funding towards coastal defence repairs. Either in conjunction with the Environment Agency led Coastal Defence Capital Maintenance Scheme, which costs are rising due to failing groynes or for the councils maintenance obligations for further

repairs and shingle recharge, as Phase 2, to ensure the scheme continues to perform.

5.18 2024/25 Budget confirmation

Due to an omission in Appendix 3 WBC Full Capital Programme, the budgets and funding did not balance in the 2024/25 column as a figure was not linked. The £464,000 budget for Colonnade house was not included in the total which brings the Culture and Ledger portfolio budget for 2024/25 to £1,378,400 and the total Spend to £29,645,297. The Funding of £29,645,297 requires prudential borrowing of £21,160,930 which is £214,000 above the borrowing stated in the Appendix. The borrowing was calculated as a balancing figure after other funding which included the £464,000 grant funding for Colonnade house and not the £250K invest to save for the Memorial garden.

6. Looking to the future with a new financial strategy

6.1 The proposed new financial strategy report elsewhere on this committee agenda sets out the key goal to better align the capital strategy and the treasury management strategy with the overarching financial strategy. This will make planning and monitoring more straightforward and also reflect the material impact of interest rates, and recognise the importance of broader decisions on borrowing rather than on a project by project basis.

6.2 In relation to the use of capital, the asset management strategic review will demonstrate a far stronger connection between the rationalisation of the estate and the generation of capital receipts that can be used to fund investment in our core portfolio. A key goal is to limit the amount of borrowing required to keep our asset portfolio better maintained.

7. Engagement and communication

7.1 The purpose of this report is to communicate with stakeholders on the outturn of the Adur District Council and Worthing Borough Council 2023/24 Capital Investment Programmes. Officers of the Council have been consulted on the progress of the schemes which they are responsible for delivering. The overall progress of the programmes have been considered by the Capital Working Group

8. Legal implications

- 8.1 Local Authorities have a statutory duty under section 28 of the Local Government Act 2003, to monitor their income and expenditure against their budget, and be ready to take action if overspends or shortfalls in income emerge.
- 8.2 Section 151 of the Local Government Act 1972 requires the Councils to make arrangements for the proper administration of their financial affairs.
- 8.3 The Secretary of State for Ministry of Housing Communities and Local Government has issued a direction under the Local Government Act 2003 sections 16(2)(b) and 20: treatment of costs as capital expenditure which gives local authorities the continued freedom to use capital receipts from the sale of their own assets (excluding Right to Buy receipts) to help fund the revenue costs of transformation projects and release savings.

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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 Equality Act 2010 requirements and reduce inequalities.


3. Environmental

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


4. Governance

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


**APPENDIX 1 - ADUR DISTRICT COUNCIL FINAL ACCOUNTS 2023/24 - CUSTOMER SERVICES
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**

 ADUR DISTRICT COUNCIL Scheme	Scheme Progress	2023/24 Current Budget £	2023/24 Spend £	2023/24 (Under-spend)/ Overspend £	Budget C/F (Budget B/F) £
Adur Homes Capital Works Programme 2023/24 Programme of works: <ul style="list-style-type: none"> a) HRA stock improvements including works to; roofing, door entry systems and structural communal works. Works have been carried out at properties including; Beachcroft close, Bushby close, Fraser court and Blacksmiths crescent. b) Boiler replacement programme c) Fire Safety works: Fire doors replacements, smoke detection, electrical works, general needs fire safety works and sheltered housing fire alarms ongoing and will continue in 2024/25. d) Responsive Capital repairs: Urgent capital repairs identified in advance of planned capital works e) Void Works: Major repairs to void properties to enable them to be re-let have been undertaken. 		4,657,390	6,311,776	(5,582)	(1,659,968)
Adur Homes Development of Properties <ul style="list-style-type: none"> a) Albion Street Redevelopment - Works are now on site with but have been further delayed due to previous contractor issues. Completion is expected in 2024, however further funding may be required. b) Hidden Homes - 4 sites have now completed and works at 3 sites have begun and are expected finish in 24/25 c) Ashcroft Redevelopment - Demolition and clearance is currently under way with future options to be assessed. 	£	8,729,160	8,993,548	1,897	(262,491)


**APPENDIX 1 - ADUR DISTRICT COUNCIL FINAL ACCOUNTS 2023/24 - CUSTOMER SERVICES
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**

 ADUR DISTRICT COUNCIL Scheme	Scheme Progress	2023/24 Current Budget €	2023/24 Spend €	2023/24 (Under-spend)/Overspend €	Budget C/F (Budget B/F) €
Housing Disabled Facilities Grants These grants are mandatory and the Council has to approve all eligible grants. All approvals are for 12 months and works can be undertaken at any time in this period. Brought forward budget is requested to fund overspend at 31 March 2024. The Council has received sufficient Better Care Grant to fund all 2023/24 expenditure.		298,630	1,169,421		(870,791)
Home Repair Assistance Grants The scheme is demand led; grant approvals are for 3 - 12 months and can be taken up at any time in this period.		65,930	38,573		27,357
Community Alarms Project is demand led and funded by a revenue contribution		50,000	31,445	(18,555)	0
Affordable Housing Provision A £720,000 Grant was approved to the Hyde Group for the provision of 14 rented units.		2,789,800	720,000		2,069,800
Redevelopment of properties for emergency and temporary accommodation for the homeless a) LAHF Programme Following funding from the Local Authority housing fund, purchase of 4 properties has been planned. Currently 3 properties have been purchased. b) Development of land at North Road Options have been assessed and there is currently no plan to move forward with this project c) Development of South Street Car Park Construction has begun with completion expected in 2024/25.		1,359,500	959,964	7,736	407,272
TOTAL - Customer Services		17,950,410	18,224,727	(14,504)	(288,821)


**APPENDIX 1 - ADUR DISTRICT COUNCIL FINAL ACCOUNTS 2023/24 - ENVIRONMENT
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**

 ADUR DISTRICT COUNCIL Scheme	Scheme Progress	2023/24 Current Budget	2023/24 Spend	2023/24 (Under-spend)/Overspend £	Budget C/F (Budget B/F) £
Parks and Open Spaces <i>Buckingham Park</i> a) Pavilion Replacement b) Tennis Court improvements		239,130	83,692		155,438
Leisure Centre a) Accessible entrance doors b) Lancing Manor - Car Park vehicle access reconstruction c) Lancing Manor - Flat roof renewal d) Landscape adaptations	£	116,830	536	(32,220)	84,074
Vehicles Vehicles for recycling, street cleansing and public conveniences were purchased		360,820	163,388	(27,000)	170,432
Completed schemes and Miscellaneous Minor Variations		379,020	300,093	(3,109)	75,818
TOTAL - Environment		1,095,800	547,709	(62,329)	485,762


**APPENDIX 1 - ADUR DISTRICT COUNCIL FINAL ACCOUNTS 2023/24 - HEALTH AND WELLBEING
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**

 ADUR DISTRICT COUNCIL Scheme	Scheme Progress	2023/24 Current Budget	2023/24 Spend	2023/24 (Under-spend)/Overspend £	Budget C/F (Budget B/F) £
Eastbrook Community Centre Fabric works to repair the building.		55,000	636		54,364
Shoreham Centre - Accessible Toilets Toilets are now installed and completed.		150,000	101,188	(48,812)	-
Completed schemes and Miscellaneous Minor Variations		37,040	12,984	(13,731)	10,325
TOTAL - Health & Well-Being		242,040	114,808	(62,543)	64,689


**APPENDIX 1 - ADUR DISTRICT COUNCIL FINAL ACCOUNTS 2023/24 - REGENERATION
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**

 ADUR DISTRICT COUNCIL	Scheme	Scheme Progress	2023/24 Current Budget	2023/24 Spend	2023/24 (Under- spend)/ Overspend £	Budget C/F (Budget B/F) £
Coast Protection Works						
a) Strategic monitoring project for the South East - Partnership scheme administered by New Forest District Council and funded by the Environment Agency.			96,270	24,065	(72,205)	-
b) Shoreham Harbour Walls Project			622,960	158,239		464,721
Public Realm Improvements			677,073	551,377	(56,967)	68,729
a) Southwick Square improvements. Completed.						
b) Sompting and Lancing Dog Agility Park. Completed.						
c) Sompting Public Space improvements Phase 2. Completed.						
Shoreham Harbour Projects			145,000	0	(75,000)	70,000
Improvements to the harbour including green infrastructure. Funded b the Shoreham Harbour Point Grant						
TOTAL - Regeneration			1,541,303	733,682	(204,172)	603,450


**APPENDIX 1 - ADUR DISTRICT COUNCIL FINAL ACCOUNTS 2023/24 - RESOURCES
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**

 ADUR DISTRICT COUNCIL Scheme	Scheme Progress	2023/24 Current Budget €	2023/24 Spend €	2023/24 (Under-spend)/ Overspend €	Budget C/F (Budget B/F) €
Condition Surveys a) Admin Buildings b) Leased Properties		99,300	1,580		97,720
IT a) Network Refresh - Delays due to the complexity of the project, the final timetable has now been agreed and this will complete in 24/25 b) Digital Strategy Provision - Complete c) Google Migration - Complete d) Payroll System Solution - Complete e) Planning and Building Control System (IDOX) f) COSHH Management Software - Complete g) Digital Cyber Security - 23/24 Phase completed. h) Extension of the Ultrafast Fibre Network i) Corporate Hardware		315,060	200,029	(39,003)	76,028
Flexible Powers Funding for revenue expenditure Breakdown as listed in the report and to be finance by capital receipts		-	113,937	113,937	-
Completed schemes and Miscellaneous Minor Variations		192,440	109,990	(8,561)	73,888
TOTAL - Resources		606,800	425,536	66,373	247,636
TOTALS - ALL EXECUTIVES		21,436,353	20,046,461	(277,175)	1,112,717


APPENDIX 2 - WORTHING BOROUGH COUNCIL FINAL ACCOUNTS 2023/24 - CITIZEN SERVICES
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS

 WORTHING BOROUGH COUNCIL Scheme	Scheme Progress	2023/24 Current Budget £	2023/24 Spend £	2023/24 (Under- spend)/ Overspend £	Budget C/F (Budget B/F) £
Housing Acquisition and development of temporary accommodation for the homeless a) Victoria Road Development - Final report due to begin tendering process b) 24 Marine Place - Tender due to begin construction c) Shelley Road, Heene Road and Gratwicke Road Acquisitions - Purchases due in 24/25 d) Local Authority Housing Fund programme - 4 Properties are due to be purchased in 24/25		6,016,040	268,349	-	5,747,691
Affordable Housing Provision Grants for Registered Social Landlords for the provision of affordable housing	#	2,611,800	-		2,611,800
Disabled Facilities Grants These grants are mandatory and the Council has to approve all eligible grants. All approvals are for 12 months and works can be undertaken at any time in this period. The Council has received sufficient Better Care Grant to fund all 2023/24 expenditure and c/f requested for outstanding commitments at 31 March 2024.		1,006,470	1,867,271	-	(860,801)
Completed schemes and Miscellaneous Minor Variations		234,300	58,189	(40,000)	136,111
TOTAL - CITIZEN SERVICES		9,868,610	2,193,810	(40,000)	7,634,800


APPENDIX 2 - WORTHING BOROUGH COUNCIL FINAL ACCOUNTS 2023/24 - Climate Emergency
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS

 WORTHING BOROUGH COUNCIL Scheme	Scheme Progress	2023/24 Current Budget £	2023/24 Spend £	2023/24 (Under- spend)/ Overspend £	Budget C/F (Budget B/F) £
Cycle Share Scheme Cycle infrastructure installed in the local area, funded by grants from the UKSPF		0	40,000	40,000	
Worthing Heat Network Heat Supply and Connection Agreements for local public buildings.	#	5,375,810	493,843		4,881,967
Completed schemes and Miscellaneous Minor Variations		-	-	-	-
TOTAL - CLIMATE EMERGENCY		5,375,810	533,843	40,000	4,881,967


APPENDIX 2 - WORTHING BOROUGH COUNCIL FINAL ACCOUNTS 2023/24 - COMMUNITY WELLBEING
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS

 WORTHING BOROUGH COUNCIL Scheme	Scheme Progress	2023/24 Current Budget £	2023/24 Spend £	2023/24 (Under- spend)/ Overspend £	Budget C/F (Budget B/F) £
Community Infrastructure Grants a) Grants to local community groups b) Grant to the NHS for internal works at the Worthing Integrated Care Centre		337,010 -	149,162 300,000	300,000	187,848 -
Completed schemes and Miscellaneous Minor Variations		479,390	495,661	11,641	(4,631)
TOTAL - COMMUNITY WELLBEING		816,400	944,823	311,641	183,217


APPENDIX 2 - WORTHING BOROUGH COUNCIL FINAL ACCOUNTS 2023/24 - CULTURE & LEISURE
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS

 WORTHING BOROUGH COUNCIL Scheme	Scheme Progress	2023/24 Current Budget £	2023/24 Spend £	2023/24 (Under- spend)/ Overspend £	Budget C/F (Budget B/F) £
Connaught a) Studio - Renewal of slate roof b) Ventilation System - Complete. c) Replacement of metal gantry and connections to the main roof d) Replacement windows		189,120	73,101	(26,646)	89,373
Worthing Museum a) Redevelopment b) Display Cases c) Roof Lights	#	168,630	-	-	168,630
Completed schemes and Miscellaneous Minor Variations		482,520	426,417	(20,824)	35,279
TOTAL - CULTURE & LEISURE		840,270	499,518	(47,470)	293,282


APPENDIX 2 - WORTHING BOROUGH COUNCIL FINAL ACCOUNTS 2023/24 - ENVIRONMENT
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS

 WORTHING BOROUGH COUNCIL Scheme	Scheme Progress	2023/24 Current Budget £	2023/24 Spend £	2023/24 (Under- spend)/ Overspend £	Budget C/F (Budget B/F) £
Brooklands Park Redevelopment of the play area, infrastructure and café		477,250	470,125	(7,125)	-
Play Area Improvements		329,880	115,899	6,251	220,232
Homefield Park - Plans have been drawn up and the scheme is expected to get under way in 24/25. The basketball court has been completed in year. Palatine Park					
Vehicles Vehicles for recycling, street cleansing and public conveniences were purchased		626,770	285,480	(63,000)	278,290
Completed schemes and Miscellaneous Minor		235,080	158,323	(17,130)	59,627
TOTAL - ENVIRONMENT		1,668,980	1,029,828	(81,003)	558,149

**APPENDIX 2 - WORTHING BOROUGH COUNCIL FINAL ACCOUNTS 2023/24 - REGENERATION
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**

 WORTHING BOROUGH COUNCIL Scheme	Scheme Progress	2023/24 Current Budget £	2023/24 Spend £	2023/24 (Under- spend)/ Overspend £	Budget C/F (Budget B/F) £
<i>Buckingham Road MSCP Refurbishment</i> Works on site. Completion before the end of 2024. Delays have also resulted in a further request for funding	£	244,470	344,573	100,103	-
Coast Protection Works Strategic monitoring project for the South East - Partnership scheme administered by New Forest District Council and funded by the Environment Agency.		117,670	19,840	(97,830)	-
<i>Portland Road Improvements Scheme</i> The scheme is funded by a public realms grant. The Main works are complete. Small ancillary works to complete in 24/25 totalling £28K, which will be wholly reclaimed from WSCC.		878,270	14,149		864,121
Teville Gate Development The area has now been sold to a developer, so further funds are not required to be spent on the site. Complete		955,540	(618)	(956,158)	-
Union Place Development A joint venture is being set up to oversee the development. Costs for the landpool and promotion agreement led to a overspend.		582,210	1,069,730	487,520	
Worthing Integrated Care Centre Both the centre and the multi storey car park have been erected. The project will complete in the next couple of months		4,454,420	6,201,833	-	(1,747,413)
Completed schemes and Miscellaneous Minor Variations		540,640	141,072	1,249	400,817
TOTAL - REGENERATION		7,773,220	7,790,580	(465,116)	(482,476)

**APPENDIX 2 - WORTHING BOROUGH COUNCIL FINAL ACCOUNTS 2023/24 - RESOURCES
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**

 WORTHING BOROUGH COUNCIL Scheme	Scheme Progress	2023/24 Current Budget £	2023/24 Spend £	2023/24 (Under- spend)/ Overspend £	Budget C/F (Budget B/F) £
Condition Surveys					
a) Admin Buildings		139,640	5,218		134,422
b) Leased Properties					
IT		390,270	262,946	(34,455)	92,869
a) Network Refresh - Delays due to the complexity of the project, the final timetable has now been agreed and this will complete in 24/25					
b) Digital Strategy Provision - Complete					
c) Google Migration - Complete					
d) Payroll System Solution - Complete					
e) Planning and Building Control System (IDOX)					
f) COSHH Management Software - Complete					
g) Digital Cyber Security - 23/24 Phase completed.					
h) Extension of the Ultrafast Fibre Network					
i) Corporate Hardware					
Portland House Building Management system replacement		162,450	-	-	162,450
This may be reduced due as the full solution is not required.					
Town Hall - Refurbishment of the slate roof		180,000	20,037	-	159,963
Works are being tendered and are expected to begin and complete in 2024/25					
Strategic Property Investment Fund			500,000	-	(500,000)
Caravan Club Acquisition - Final payment					
Flexible Powers Funding for revenue expenditure		-	164,490	164,490	
Breakdown as listed in the report and to be finance by capital receipts			-		
Completed schemes and Miscellaneous Minor Variations		144,440	160,961	88,073	71,552
TOTAL - Resources		1,016,800	1,113,653	218,109	121,256
TOTALS - ALL EXECUTIVES		27,360,090	14,106,055	(63,840)	13,190,195

FINAL ACCOUNTS 2023/24 Analysis of Capital Receipts		
	£	£
A. GENERAL FUND		
1. Grant Repayments: Housing Renewal Grants	12,168	
2. Equipment Sales: Sale of Equipment and Vehicles	6,322	
3. Property Sales Sale of Adur Civic Centre	6,011,117	
		6,029,607
B. HOUSING REVENUE ACCOUNT		
1. Council House Sales: Houses and Flats Lease Extensions	70,000 31,383	
2. Less Admin Fees:	(1,300)	
		102,683
TOTAL CAPITAL RECEIPTS		6,129,690



WORTHING BOROUGH
COUNCIL

FINAL ACCOUNTS 2023/24		
Analysis of Capital Receipts		
	£	£
A. GENERAL FUND		
1. Equipment Sales:		
Sale of Equipment and Vehicles	11,769	
2. Property Sales		
Sale of Former EDF Car Park on Southdownview Road	1,961,000	
Sale of Teville Gate	5,100,000	
		7,072,769
B. HOUSING RECEIPTS (RINGFENCED)		
2. Worthing Homes:		
Right to Buy Receipts	196,617	
3. Housing Grant Repayments:		
Housing Renewal Assistance	2,288	
4. Lease Extensions	3,936	
TOTAL CAPITAL RECEIPTS		202,841
		7,275,610