



ADUR & WORTHING
COUNCILS

Key Decision : No

Ward(s) Affected: All

**Joint 3rd Quarter Capital Investment Programme & Projects Monitoring
2024/25**

Report by the Director for Sustainability and Resources

EXECUTIVE SUMMARY

1. PURPOSE

1.1 This report updates the Committee on the progress made on the delivery of the 2024/25 Capital Investment Programme for Adur District Council and 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: Capital Monitoring Summary for Both Councils

Appendix 2: Reprofiled Budgets for Adur District Council and Worthing Borough Council

2. RECOMMENDATIONS

2.1 The Joint Strategic Committee is asked to:

- i) To note the reprofiling of the Adur District Council capital schemes as advised in paragraph 7.1.2 and appendix 2.
- i) To note the reprofiling of the Worthing Borough Council capital schemes as advised in paragraph 7.2.1 and appendix 2.
- ii) To approve the application of UKSPF funding and creation of a capital budget for Pier Decking Works in the 2024/25 programme as detailed in 6.3.1.
- IV) To approve the virement of £5k underspend from the Roof Replacement project to the Splashpoint fire dampers replacement project as requested in 5.2.1

3. CONTEXT

- 3.1 Previously in accordance with the Council's Capital Strategy, the Capital Working Group would oversee the implementation and progress of the Council's capital investment programmes. With the implementation of a new governance structure the Major Programmes Board will now fulfil this role.
- 3.2 The progress and financial position of the capital programme are monitored to ensure schemes are delivered on time and within budget. Any emerging issues are identified early, allowing for appropriate interventions such as virements between schemes, reprofiling of budgets across financial years, or, where necessary, withdrawing schemes that cannot proceed due to resourcing challenges, delays, or external factors. This oversight will be provided by The Major Programmes Board, while a newly established budget management group for assets will review capital expenditure requests before financial commitments are made.
- 3.3 Full summaries of the progress of all the schemes in the 2024/25 Capital Investment Programmes are prepared each quarter. Financial Regulations require officers to report each project on completion.

4. Progression of the 2024/25 Capital Programme's - Quarter 3

- 4.1 This section of the report looks into the progression of the programme and highlights the current overview of the projects currently underway. Tracking this trajectory helps identify issues with projects and highlight schemes needing further support and monitoring. This information is supplied by project managers monthly, following updates on their expenditure from finance colleagues.

Adur District Council	Number of schemes	Percentage %
Schemes which have completed	5	9.3%
Schemes which are progressing satisfactorily	36	66.7%
Schemes where progress is being closely monitored	12	22.2%
Schemes with significant challenges or financial issues	1	1.9%

Worthing Borough Council	Number of schemes	Percentage %
Schemes which have completed	7	9.6%
Schemes which are progressing satisfactorily	62	84.9%
Schemes where progress is being closely monitored	3	4.1%
Schemes with significant challenges or financial issues	1	1.4%

A summary of the financial movements of the 2024/25 Capital Investment Programme is attached as Appendix 1 to this report.

4.2 Capital Programme Review

The development of the capital programme is guided by the Capital Strategy, which outlines available resources and establishes the framework for approval and delivery. The Joint Capital Strategy 2024-27 was last updated and agreed by the Joint Strategic Committee (JSC) on 11th July 2023.

No strategic updates were made during the 2024/25 financial year, the focus instead shifted to key initiatives such as the Asset Strategy, resource-intensive savings, disposal programmes, and the implementation of the New Financial Strategy. This work has shaped future capital programme development, and influenced in year delivery aligning our programmes with emerging long-term asset plans through cross departmental collaboration.

A pivotal step in this process was the report titled *New Financial Strategy*, presented by the Director for Sustainability and Resources to the JSC on 17th July 2024. The report recommended a shift in approach to capital programme development, resulting in a smaller programme in the short term, while adopting a more integrated strategy for capital and revenue spending. This ensures that each council's capital decisions align with their long-term revenue capacity while reflecting their distinct aspirations and priorities.

Work on this new approach is progressing well, with much of the change expected to be reflected in the proposed Capital Strategy for 2025/28. As part of this transition, schemes that had not yet commenced were reviewed alongside the 2nd Quarter Capital Monitoring Report to facilitate a timely shift to the new strategy. This review process, undertaken collaboratively with officers and cabinet members, has informed the capital programme within the ongoing budget process. These initiatives are expected to establish a strong foundation for a renewed comprehensive approach in 2025/26, ultimately shaping a refreshed Capital Strategy for 2026 and following years.

5.0 Schemes Progressing Well in the 2024/25 Capital Programme's - Quarter 3

5.1. Adur District Council

5.1.3 Adur Homes

A series of works to improve our current housing stock are underway, with £5.2m of expenditure attributed towards schemes including; Fire Safety, Replacement Roofing, Void properties and Damp/Mould Remedials. The current commitment in 2024/25 for these works is £19m and the department is striving to convert this budget into tangible improvements for our residents.

5.1.4 Old Barn Way

The project is moving forward with regular meetings taking place with the Russell Martin Foundation and the Football Foundation. An offer of £2.1m grant funding has been received from the Football Foundation (£2m) and the Premier League Stadium Fund (£100k). Further information is available in the report titled *Delivery of a Community Hub at the site of Southwick Football Club (Southwick FC)*. on this committee agenda.

5.2.2 Capital Schemes Completed This Quarter;

- 1) Southwick Leisure Centre - DDA Accessible Entrance Doors
- 2) Buckingham Park - Tennis Courts
- 3) Housing Developments - LAHF Property Acquisitions
- 4) Cemeteries - Mini Tractor and Flail Replacement (Joint Scheme with WBC)
- 5) HRA Housing Development - Wilmot Road

5.2 **Worthing Borough Council**

5.2.1 Roofing Refurbishment Projects

Following tenders, contracts have now been awarded for the roofing refurbishments at the Connaught Studio and the Town Hall. The contract has also been awarded on the Adur-led Commerce Way project. The tenders are all within budget. Commerce Way is scheduled from January to March, and the Town Hall project will start in June, with completion expected in September.

The Connaught Studio roofing replacement element of this project is now complete and a reasonable underspend is anticipated. Members are asked to approve the virement of £5,000 of this underspend to the Splashpoint Fire Dampers in order to support expected additional costs on this project.

5.2.2 Capital Schemes Completed This Quarter;

- 1) Church House Grounds - Tennis Court
- 2) Seafront Improvements - Replacement Roller Shutters
- 3) Ham Road and Tarring Road - Parade Improvements
- 4) Cemeteries - Mini Tractor and Flail Replacement (Joint Scheme with ADC)

6.0 **Challenges in the 2024/25 Capital Investment Programme:**

6.1 There continues to be challenges to the delivery of a number of schemes due to a number of factors outside the councils' control, delays have been encountered as follows:

i) Quotes and tenders from contractors have continued to rise in the current climate, which has led to some decisions on funding certain projects. Despite the rate of inflation reducing in recent months, embedded cost growth remains a challenge for some schemes.

ii) Resourcing some schemes remains a challenge, with certain projects receiving priority while others are temporarily deferred.

6.2 **Adur District Council**

6.2.1 Adur Homes Southwick Estate Balconies

Balcony repair works are underway at Coates Court, Locks Court, Rock Close, Sea House and Grange Court. Residents are being kept informed of the works as they progress. Following intrusive investigations, the balconies at Sea House and Grange Court have been found to be in a much poorer

condition than the balconies on the other blocks. The decision to replace the balconies at these two blocks has been progressed. This decision has been subject to planning considerations and reported to residents. The current balconies budget of £1m for 2024/25 will be unaffected as the budget covers all works across the Southwick Estate.

6.2.2 New Flood Defence for Shoreham Town Centre at Sussex Yacht Club

Members of the Committee will be aware that a report providing an update on the construction of the flood defence wall was delivered to the Joint Audit and Governance 21st of March 2024 and a further report was given 29th of January 2025. The results of consultations by West Sussex County Council to modify the Definitive Map are awaited at the time of writing, the resolution of which will give rise to any required adjustments to this scheme. An update to members shall be presented once these factors have been resolved.

6.3 **Worthing Borough Council**

6.3.1 Worthing Pier

"Members will be aware of the damage sustained by the Pier, suspected to have been caused by storm debris. A report was presented to the November JSC committee for their consideration which encompassed all considerations in relation to this asset.

Members are also asked to approve the application of £160k of UK shared prosperity funding in order to finance the replacement of some sections of Pier Decking. This revives a scheme whose funding was previously used to support the emergency works following damage to the Pier earlier this financial year. Therefore members are also asked to approve the creation of a new capital budget of £160k funded by the UKSPF funding in order to allow this scheme to progress.

6.3.2 Worthing Integrated Care Centre

Officers are tracking the overspend on the WICC project and anticipate a cost recovery strategy for this, to be outlined in a report to members in the near future as this is still in active development.

Current spend to date will exclude the capitalisation of interest costs associated with the project up to the stage that the building becomes operational.

7.0 **Issues for Consideration**

7.1 **Adur District Council**

7.1.1 Kingston Beach Revetment Mat Urgent Works

Works on the revetment mat, which prevents erosion from the sea and river near the RNLI lifeboat station on Kingston Beach, have been ongoing since adverse weather caused damage, leaving it in a hazardous state for the public. An update on the need for these works was included in last quarters report. These urgent works are in their final stages after which the area will be

returned to a reasonable and safe standard. Engineers will then have time to look for a long term solution for the defence.

- 7.1.2 Budgets totalling £2,363,597 have been reprofiled to 2025/26 and future years where the project schedule has been updated and the schemes will complete following the completion of the 2024/25 period. A list of schemes reprofiled is attached as Appendix 2 to this report.

7.2 Worthing Borough Council

- 7.2.1 Budgets totalling £9,404,211 have been reprofiled to 2025/26 and future years where the project schedule has been updated and the schemes will complete following the completion of the 2024/25 period. A list of schemes reprofiled is attached as Appendix 2 to this report.

7.2.2 Splashpoint GHSP - Virement

A virement of PSDS grant funding from the public sector decarbonisation scheme has previously been agreed with the cabinet members for Regeneration and Communities, Culture & Leisure to meet the budget shortfall for the replacement of the ground source heat pump project. The contractor is on site and works are progressing well, in co-ordination with South Downs Leisure works are being planned alongside day to day operations. It is currently expected that works will complete around mid-April 2025.

- 7.2.3 The PSDS 3c funding is currently allocated to the Heat Network connection and enabling works and Splashpoint, which will be a beneficiary of this 3c stage of the heat network.

8.0 ENGAGEMENT AND COMMUNICATION

- 8.1 The purpose of this report is to communicate with stakeholders on the progress of Adur and Worthing Councils 2024/25 Capital Investment Programmes. Officers of the Council have been consulted on the progress of the schemes which they are responsible for delivering.
- 8.2 Specific schemes are subject to public consultation (e.g. new playgrounds) to ensure that they meet community needs.

9.0 FINANCIAL IMPLICATIONS

- 9.1 There are no unbudgeted financial implications arising from this report as the Adur District Council and Worthing Borough Council 2024/25 Capital Investment Programme was approved by the Council in February 2024. Subsequent changes have been reported to and approved by the Joint Strategic Committee or by Officers where a delegation exists. The issues considered in this report can be funded from within existing resources or through external funding.

10.0 LEGAL IMPLICATIONS

- 10.1 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.
- 10.2 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 2024/25 – 2025/26 Worthing Borough Council and Joint Strategic Committee.
- Capital Strategy 2024/27.

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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 2024/25									3rd Quarter
Executive Portfolios	(1) Total ADC Scheme Budgets £	(2) Previous Years' Spend £	(3) 2024/25 Original Budget £	(4) Net budget b/f from 2023/24 £	(5) Approved Changes to Original Budget £	(6) 2023/24 Budget Reprofiled (to) and from 2024/25 £	(7) 2024/25 Current Budget £	(8) 2024/25 Spend to Date £	(9) Spend % of Current Budget
Adur Homes and Customer Services	88,872,552	28,393,138	34,407,170	1,611,178	- 2,841,307.00		33,177,041	15,784,478	47.58%
Environment and Communities and Wellbeing	9,026,429	268,151	3,576,360	909,402	- 1,127,570.60	-	3,358,192	331,895	9.88%
Regeneration and Strategic Planning	653,339	-	588,650	64,689	- 317,650.00	-	335,689	32,399	9.65%
Resources	6,713,999	4,454,279	1,621,270	603,450	- 93,728.63	-	2,130,991	91,784	4.31%
	4,135,079	1,835,800	45,996,670	247,636	- 44,226,026.83	-	2,018,279	132,720	6.58%
TOTALS	109,401,398	34,951,368	86,190,120	3,436,356	(48,606,283)	-	41,020,193	16,373,275	39.92%

Financing of 2024/25 Programme:

Adur Homes Capital Programme:	£'000
Capital Receipts:	0
Major Repairs Reserve:	5,947
Prudential Borrowing:	20,928
Government Grants:	407
	<u>27,282</u>

General Fund Capital Programme:	£'000
Prudential Borrowing:	9,787
Capital Receipts:	921
Government Grants:	1,554
Revenue Reserves and Contributions	58
S106 Receipts	237
Other Contributions	1,181
	<u>13,738</u>

CAPITAL MONITORING SUMMARY 2024/25
3rd Quarter

Executive Portfolios	(1) Total WBC Scheme Budgets £	(2) Previous Years' Spend £	(3) 2024/25 Original Budget £	(4) Net Budget b/f from 2023/24 £	(5) Approved Changes to Original Budget £	(6) 2024/25 Budget Reprofiled (to) and from 2025/26 £	(7) 2024/25 Current Budget £	(8) 2024/25 Spend to Date £	(9) Spend % of Current Budget
Housing and Citizen Services	19,606,214	385,096	5,344,820	7,634,800	2,275,418	(3,300,000)	11,955,038	5,045,049	42.20%
Safety, Equalities and Inclusion	619,380	149,162	87,000	183,217	(52,000)		218,217	140,957	64.59%
Communities, Culture & Leisure	2,315,038	492,408	1,378,400	406,202	(114,372)		1,670,230	231,955	13.89%
Environmental services	8,441,486	7,148	765,497	1,419,282	(1,225,397)		959,382	396,681	41.35%
Regeneration	89,296,590	55,872,380	13,632,860	7,099,492	7,479,118	(8,300,000)	19,911,470	9,823,466	49.34%
Resources	6,836,585	1,280,514	8,436,720	121,256	(6,465,287)		2,092,689	165,422	7.90%
TOTALS	127,115,292	58,186,709	29,645,297	16,864,248	1,897,480	(11,600,000)	36,807,026	15,803,530	42.94%

Financing of 2024/25 Programme:

	£'000
Borrowing:	15372
Capital Receipts:	915
Revenue Contributions and Reserves:	38
Government Grants:	13177
S106 and CIL Receipts	5096
Other Contributions:	2,209
	<u>36,807</u>



ADUR DISTRICT COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
1. Schemes in Progress where the completion has been delayed beyond 31st March 2025		
General Fund Schemes		
Network Refresh - Wifi upgrade	18,000	Budget profiled in line with anticipated expenditure.
Network Refresh - Extend ultrafast Fibre Network	80,000	Budget profiled in line with anticipated expenditure.
Cyber Security	44,650	Budget reprofiled in line with anticipated expenditure.
Condition Surveys - Corporate Buildings	35,700	Surveys to be done internally. Budget profiled in line with anticipated expenditure.
Condition Surveys - Estate holdings	73,630	Surveys to be done internally. Budget profiled in line with anticipated expenditure.
Ground Maintenance - Rolling programme of vehicle replacements	26,886	Joint programme to replace assets used by the parks team to deliver the service. The budget is being reprofiled to next year in anticipation of future replacements required.
Ground Maintenance - Rolling programme of equipment replacements	35,720	Joint programme to replace assets used by the parks team to deliver the service. The budget is being reprofiled to next year in anticipation of future replacements required.
Parks - Play Area improvements	28,038	Work to commence in Spring 2025/26 on replacement of safety surfaces, equipment and fencing
Parks and Open Spaces - Replacement of trees affected by Ash Dieback	20,000	Replacement continuing into 2025/26
Shadwells Play Area Improvements	104,150	Plans drawn up for works in the new financial year.
Shoreham Centre - ASHP Defects	26,823	Employing contractor to rectify defects to be explored



ADUR DISTRICT COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
1. Schemes in Progress where the completion has been delayed beyond 31st March 2025		
Shoreham Harbour Walls - West Harbour Arm	1,870,000	Budget reprofiled in line with anticipated expenditure.
Total Reprofiled Budgets:	2,363,597	

Grants / Contributions Anticipated towards above schemes:

Business rate pool - Extending Ultrafast Fibre Network	80,000
Shoreham Harbour Growth Point Grant - Shoreham Harbour Walls	370,000
Shadwells Play Area - S106	104,150

Council Prudential Borrowing Budgets Reprofiled:	1,809,447
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WORTHING BOROUGH
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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 2025		
N/A		
2. Schemes in Progress where the project schedule has changed		
Corporate Buildings - Conditions surveys	143,320	Works to be completed internally within 25/26. Budget reprofiled to reflect this
Estate Holdings - Conditions surveys	131,102	Works to be completed internally within 25/26. Budget reprofiled to reflect this
Foreshore - Beach House Park Chalets	150,000	Works will commence and be complete in 25/26. Budget reprofiled to reflect this
Splashpoint - Fire Dampers and Access Panels	180,833	Works will be complete in 25/26. Budget reprofiled to reflect this
Worthing Coast Protection scheme	100,000	Works expected Autumn 2025. budget reprofiled to reflect this
Worthing Leisure Centre - 3G pitch foundations for lighting	5,000	The project will have minor expense to be covered in 25/26
Cycle Lane - George V to Sea Lane	200,000	The construction of the cycle lane is expected to begin in 2025/26.
Ground Maintenance - Rolling programme of vehicle replacements	26,886	Joint programme to replace assets used by the parks team to deliver the service. The budget is being reprofiled to next year in anticipation of future replacements required.
Ground Maintenance - Rolling programme of equipment replacements	35,720	Joint programme to replace assets used by the parks team to deliver the service. The budget is being reprofiled to next year in anticipation of future replacements required.
Play Areas - Homefield Park	220,000	Works to be delivered in Spring 2025. Budget reprofiled to reflect this
Parks - Play Area improvements	22,000	Work to commence in 2025/26 for West Park play area.



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WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Beach Huts - Pay as you go Model - Improvements	22,000	Works will be complete in 25/26. Budget reprofiled to reflect this
Replacement Beach Huts	20,000	Works will be complete in 25/26. Budget reprofiled to reflect this
24 Marine Place Development	250,000	Works will be complete in 25/26. Budget reprofiled to reflect this
Victoria Road - Housing	1,200,000	Works are currently anticipated to complete November 2025 . Budget reprofiled to reflect this.
Network Refresh - Wifi upgrade	27,000	Budget profiled in line with anticipated expenditure.
Network Refresh - Extend ultrafast Fibre Network	120,000	Budget profiled in line with anticipated expenditure.
Cyber Security	50,350	Budget reprofiled in line with anticipated expenditure.
Worthing Heat Network - Enabling Works Phase 1 (Corporate Buildings)	3,000,000	Works are currently anticipated to complete in 2025/26. Budget reprofiled to reflect this.
Worthing Heat Network - Enabling Works Phase 2 (Cultural buildings)	3,500,000	Works are currently anticipated to complete in 2025/26. Budget reprofiled to reflect this.
Total Reprofiled Budgets:	9,404,211	
Grants / Contributions Anticipated towards above schemes:		
Cycle Lane - CIL/S106	200,000	
Beach huts - Capital receipts	20,000	
Homes England - Victoria Road	770,000	
PSDS Grant - WHN Phase 1	3,000,000	
PSDS Grant - WHN Phase 2	3,500,000	