



ADUR & WORTHING COUNCILS

Joint Strategic Committee
7 July 2020
Agenda Item 11

Key Decision [~~Yes~~/No]

Ward(s) Affected: All

Becoming financially sustainable - Capital Strategy 2021/24

Report by the Director for Digital & Resources

Executive Summary

1. Purpose

- 1.1 This report seeks the approval of the Council's Capital Strategy for 2021/24. The Strategy outlines the Council's approach to capital investment and how the Council ensures that capital investment is directed to the Council's Priorities. It also sets out the basis for prioritisation of capital bids included in the 3 Year Capital Investment Programme and the monitoring of the programme.

2. Recommendations

- 2.1 The Joint Strategic Committee is asked to recommend to the Councils that the Capital Strategy 2021/24 be approved.

3. Context

- 3.1 The Councils have fixed assets (land, buildings, equipment and software) worth £390m as at 31st March 2020 which are used directly in the delivery of services and council priorities or to generate income to support the activities of the Councils. The Councils' capital strategy details how the Councils approach investment in these assets and it is reviewed annually to reflect changes in the Council's priorities and resources.

3.2 It is a requirement of the Prudential Code that the Councils' have an annually approved capital strategy. The capital strategy brings together not only the capital expenditure policy and plans, but includes financing considerations in one comprehensive document. The requirements include:

- **The impact of the capital programme on debt and borrowing including:**

- A projection of external debt and use of internal borrowing to support capital expenditure
- Provision for the repayment of debt over the life of the underlying debt.
- Authorised limit and operational boundary for the following year.
- The authority's approach to treasury management including processes, due diligence and defining the authority's risk appetite.

- **Commercial activity**

The Council's approach to commercial investment activities including processes ensuring effective due diligence and defining the authority's risk appetite in respect of these, including proportionality in respect of overall resources. Requirements for independent and expert advice and scrutiny arrangements.

For Adur and Worthing Councils, this specifically refers to the Strategic Property Investment Fund.

- **Other long-term liabilities**

An overview of the governance process for approval, monitoring and ongoing risk management of any other financial guarantees and other long-term liabilities.

However, Adur and Worthing Councils do not have any significant exposure to this type of liability and so this is not addressed within the capital strategy.

- **Knowledge and skills**

A summary of the knowledge and skills available to the authority and confirmation that these are commensurate with the authority's risk appetite.

3.3 In 2019/20 the Strategy was revised to reflect the ICT investment strategy and partnership working and confirmed the following direct resource allocations for 2021/22:

	Adur District Council £'000	Worthing Borough Council £'000	Total £'000
Annual ring fence from available resources to fund essential capitalised planned maintenance schemes.	75	150	225
Annual Set aside from available capital resources for any capital investment needs arising from the partnership strategy – to fund planned equipment and vehicle replacements	221	394	615
Recommended set-aside to facilitate the delivery of the digital strategy.	59	66	125
Essential replacement of ICT desktop equipment, minor software upgrades, and local network equipment in both Councils.	47	53	100
Total resources earmarked for specific purposes	402	663	1,065

3.3 The budget strategy considered elsewhere on this agenda will confirm that the resources to be made available to fund general schemes will be:

- £2.5m for Worthing Borough Council which reflects the increasing need to invest in the Council's assets in light of emerging maintenance issues such as the requirement to deal with asbestos in the Council's buildings, the need to invest in public facilities such as toilets, and the pressing need to replace aging plant and equipment in our main buildings with more sustainable options; and
- £1.5m for Adur District Council General Fund for 2022/23 reducing down to £1m for the following years and £5.6m for the HRA Housing Investment Programme - General Investment Needs in 2021/22 and 2022/23 (excluding new developments which are considered separately)

The allocations will be reviewed next year in the light of the corporate building condition survey which is currently being undertaken. These relatively low levels of investment have been recommended in light of the financial position of both councils over the next 5 years.

4. Issues for consideration

- 4.1 There are no substantial changes in the capital strategy proposed for 2021/24 other than an increase in the annual investment required by Adur District Council from £1m to £1.5m. This reflects an increase in the level of vehicle replacements expected in 2022/23 as part of the street sweeping fleet is due to be replaced in this year.

4.2 Resource allocations for 2022/23:

The following resource allocations to key corporate strategies are recommended for 2022/23:

- The continuation of the set-aside for building maintenance which is used to address the backlog maintenance identified within the planned maintenance programme and asset management plan.
- Resources are proposed to be set aside to fund the 'digital strategy' and key investments required into replacement IT infrastructure and equipment.
- Sufficient resources need to be set-aside for the Adur and Worthing partnership to fund the replacement of essential vehicles planned in 2022/23.

If approved, the overall the allocations will be:

	Adur District Council £'000	Worthing Borough Council £'000	Total £'000
Annual ring fence for essential capitalised planned maintenance schemes.	75	150	225
Capital investment needs arising from the partnership strategy – to fund planned equipment and vehicle replacements	515	772	1,287
Recommended set-aside to facilitate the delivery of the digital strategy.	59	66	125
Essential replacement of ICT desktop equipment, minor software upgrades, and local network equipment in both Councils.	47	53	100
	696	1,041	1,737

- 4.3 The top slicing of the General Fund programme in each year to ensure funding for key strategic issues such as the planned building maintenance programme, ICT and the partnership programmes will mean that, of the overall resources of available in 2022/23, the following resources will remain for other schemes:

Adur District Council:	£804,000
Worthing Borough Council:	£1,459,000

- 4.4 The proposed capital strategy is attached at Appendix 1. Appendix 2 gives details of the prioritisation model to be used in 2020/21 which has been updated to reflect the priorities outlined in 'Platforms for our Places'.

5. Engagement and Communication

- 5.1 The purpose of this report is to communicate with stakeholders on the approach to be taken to developing the Capital Investment Programmes of both Councils. The overall process for developing the new programme has been considered by the Capital Working Group

6. Financial Implications

- 6.1 The Strategy sets out recommendations for financing the future Capital Investment Programme.

7. Legal Implications

- 7.1 Part 1 of the Local Government Act, 2003 (as amended) sets out the framework for capital finance and expenditure and section 16 sets out the definition of capital expenditure.
- 7.2 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2012 (SI 2012/265) provide more detailed requirements.
- 7.3 Section 111 of the Local Government Act, 1972 allows the Council to do anything which is intended to facilitate or is conducive to or ancillary to any of its functions.
- 7.4 The statutory guidance on the flexible use of capital receipts is issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003.
- 7.5 The Government has published a statutory guidance on local government investments. The new edition applies in England only and for accounting periods starting on or after 1st April 2018. This is statutory guidance issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003.

Background Papers

Report to the Joint Strategic Committee on 9th July 2019: Capital Strategy 2020/23

Report to the Joint Strategic Committee on 9th July 2019: Becoming financially sustainable - Revenue Budget Strategy for 2020/21

The Prudential Code for Capital Finance in Local Authorities (2017 edition) – Publication by the Chartered Institute of Public Finance and Accountancy

Report to the Joint Strategic Committee on 28th January 2020: Joint Treasury Management Strategy Statement and Annual Investment Strategy 2020/21 to 2022/23 for Adur District Council and Worthing Borough Council

Report to the Joint Strategic Committee on 11th February 2020: Annual Commercial Property Investment Strategy 2020/21

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Sustainability & 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 DDA 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 the either Council are fully considered during the preparation of the Councils' Capital Investment Programmes.



ADUR & WORTHING
COUNCILS

**INVESTING IN ADUR AND
WORTHING:
CAPITAL STRATEGY
2021-2024**

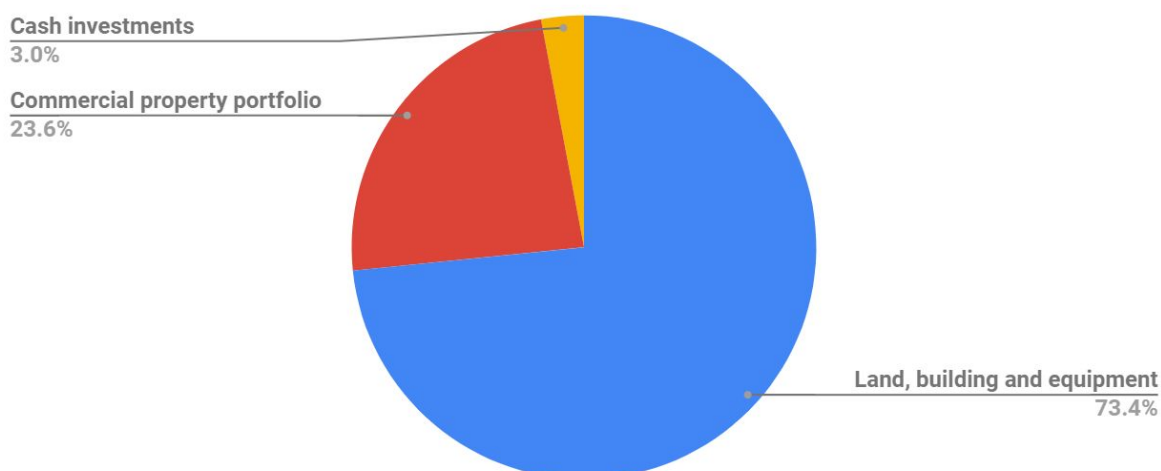
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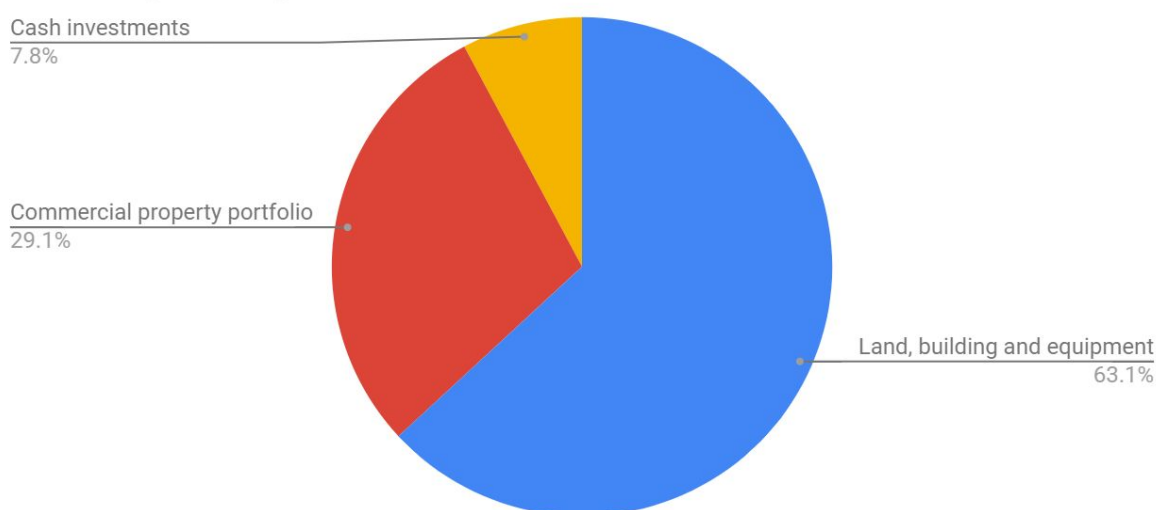
1.0 INTRODUCTION

- 1.1 Overall the Councils holds several different types of investment to support service delivery:

Adur District Council - Total investments of £332.3m



Worthing Borough Council - Total Investments of £255.8m



There are three interlinked strategies governing how the Council manages these investments and the associated risks:

- Capital strategy which outlines the Councils approach to investing in fixed assets such as land, buildings and equipment together with detailing how the proposed programme will be financed;
- Treasury Management Strategy Statement (TMSS) and Annual Investment Strategy which details how the Council will manage the risks and opportunities associated with cash investments and borrowings. This was approved by both Councils in February 2020;
- Commercial Property Investment Strategy which deals with how the Council will manage the risks associated with the investment in and management of the Investment Property Portfolio. This strategy was approved by both Councils in February 2020.

- 1.2 This document sets out the Councils' Capital Strategy, which outlines the approach to capital investment, how the Councils ensure that capital investment is directed to the Corporate Priorities and the implications of the financing strategy. It also shows how we work with partners to deliver schemes. The strategy outlines the basis for the prioritisation of all capital bids put forward for inclusion in the three-year programme, including Housing, and the monitoring and evaluation of the programme. The Capital Strategy is intrinsically linked to our Asset Management Plan as a substantial amount of capital expenditure is invested in the property assets held by the Councils.

1.3 **The Council's Vision and Corporate Plan**

In 2010 'Adur in Partnership' and 'Worthing Together', the Local Strategic Partnerships adopted an updated Sustainable Community Strategy 'Waves ahead'. This is a sixteen year plan, which will operate through to 2036 and help to deliver the vision for where the two areas want to be in twenty years' time and how some of this vision will be delivered.

1.4 The Corporate Plan focuses upon the areas of the Community Strategy to which the Council can and will contribute. The Councils current Corporate Priorities are detailed in 'Platforms for our Places' which captured the Councils vision for the next 3 years.

1.5 In order to help deliver the Vision, the following five 'Platforms' were refreshed in 2019. Each Platform has a series of commitments for the next three years beneath which are a series of initiatives and projects. Those which may have a direct impact on the capital strategy are summarised as follows:-

Platform 1: Prosperous Places

- Attractors for prosperity through investment in place making (town centres, public space, public realm, public arts, cultural offer, seafront etc.)
- The fourth industrial revolution ... supporting digital inclusivity for business and delivering the technical infrastructure for the next 30 years.
- Use the Councils' Strategic Property Investment Fund to deliver new revenue streams and support investment projects.
- Investment in and delivery of Major Projects and key infrastructure.

Platform 2: Thriving People and Communities

- Delivering our Housing Strategy 2020-2023 'Enabling our Residents to thrive in their own home'
- Community, voluntary sector and social innovation

Platform 3: Tackling Climate Change and Supporting our Natural Environment

- Becoming Carbon Neutral by 2030
- Transitioning to clean, smart, secure and affordable energy

- Creating and expanding spaces for tree-planting, biodiversity and wildflower schemes.
- Reducing waste, increasing reuse, recycling and composting

Platform 4: Good Services and New Solutions

- Increase the range of modern digital services.
- Develop a Corporate Landlord approach to managing our property estate.

Platform 5 – Leadership of Place

- Emergency Planning and Civil Contingencies.

Further details of all of the priorities and how these will be achieved are included in a programme of work called 'Platforms for our Places: Going Further' which can be found on the internet.

1.5 Three Year Capital Investment Programme

The main purpose of the Councils' Capital Investment Programme is to provide assets for the provision of services, fund capital investment to generate income streams for the future, and to deliver the Councils' Priorities. It is prepared by considering resources available and then prioritising capital schemes in line with Corporate Objectives and other criteria. A summary of the current Capital Investment Programmes 2020/21 – 2022/23, including funding, is shown in Appendices 3, 4 and 5. Full details can be found on the Intranet and in the budget book.

Examples of where capital expenditure will help to deliver the Council's strategic aims over the next three years are:

i) Delivery of the Digital and IT strategy (Total: £3,621,140 split as follows Adur: £1,488,250 Worthing: £2,132,890)

The Councils are committed to improving how services are delivered to the public. Core to this commitment is ensuring services are designed around customer needs and supported by systems which are easily accessible and resilient. To this end the Councils are implementing its strategy of redesigning solutions which are cloud hosted and designing applications using our low code platform.

Over the next three years there will be significant capital investment in the network that underpins our services, hardware, and applications and systems to support our services. Investment in systems will follow our cloud first strategy, improving resilience, security and reducing complexity of our infrastructure. Key areas for investment are Apps built on our own low code platform where we have a track

record of delivering effective solutions. Functionality will focus on improving customer journeys, including that for businesses. Other systems that we will invest in include Revenues and Benefits, HR and Payroll, Planning and Compliance/ Asset Management. The ongoing delivery of our successful strategy will ensure we are able to offer high quality, efficient, flexible services to our customers and free up our staff to focus on providing good services.

Over the next three years the Councils are also investing in digital infrastructure to provide public Wi-Fi services (Citizen Wi-Fi) in shopping areas, parks, seafront and community centres, and to implement an Internet of Things (IoT) network with coverage across Adur & Worthing. The project aligns with Adur & Worthing Councils' strategies; focusing on economic, social, and environmental value; either directly through the commercial investment triggered and Citizen Wi-Fi & IoT services, and indirectly; delivering digital infrastructure to support other WSCC and AWC projects.

ii) **Affordable housing (Adur: £7,239,740, Worthing: £8,681,210 Total: £15,920,950)**

The Councils are committed to both enabling and directly developing affordable housing development for the residents of Adur and Worthing. The new Housing Strategy agreed earlier this year outlined the challenges clearly for the Councils. The Councils are committed to working with social sector landlords to support the development of homes for rent that are safe, decent, and meet the needs of residents in Adur and Worthing. Adur District Council also develops via the Housing Revenue Account it's own housing stock. In Worthing the refurbishment of Phase I of the Downview Public House has been completed with development to commence on new homes at Rowlands Road and Phase II of Downview. In Adur District the redevelopment of Cecil Norris House is underway,

iii) **Adur and Worthing Services (Total: £2,347,420 split as follows: Adur share: £905,740 Worthing share: £1,441,680)**

The two Councils provide shared services with a view to improving service standards and reducing the cost of services to residents. Recent investments include a new vehicle fleet for street cleaning and refuse collection services at a cost of £4.2m. The Councils regularly invest in vehicles and equipment for the joint services replacing new vehicles with electric vehicles where possible to help deliver on the Councils' plan to be Carbon Neutral by 2030.

iv) **Maintaining Council Homes for residents of Adur Homes**

Adur District Council has committed to maintaining Council homes with planned investments ranging from fire safety improvements to

new kitchens and bathrooms. Overall the Council plans to invest £14,413,610 in the Council housing stock in 2020/21.

v) **Building a new medical centre in Worthing**

Worthing Borough Council is committed to delivering a 6,593 sq.m Integrated Health facility and 185 space multi-storey car park on the existing surface car park at Worthing Town Hall to improve health facilities for the residents. This is one of the key commitments in Platform 1: Prosperous places.

vi) **Investing in the Town Centre in Worthing**

Worthing Borough Council has started a refurbishment programme of it's main car parks to ensure that they are safe and pleasant to use for visitors to the Town Centre. This contributes directly to the commitments in Platform 1: Prosperous places.

2.0 RESOURCE ALLOCATION

2.1 Prudential Capital System

- 2.1.1 The Government introduced the current system for the management of capital finance in 2004/05 contained in The Local Authorities (Capital Finance and Accounting) Regulations (2003), which became operative from 1st April 2004. The act sets out the financial power for local authorities to use unsupported prudential borrowing for capital investment provided that the Council can afford the revenue consequences of any proposed borrowing.
- 2.1.2 The key objectives of the prudential system are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. Under the regulations local authorities have been given the freedom to determine the amount of external borrowing they are prepared to undertake when considering their own capital spending and financing decisions.
- 2.1.3 The most significant change under the prudential system has been the initial determination of the limits of affordability for providing capital investment, taking into account the opportunity costs of alternative financing decisions.
- 2.1.4 Following changed requirements in the Prudential Code, the capital strategy has been expanded to include consideration not only of capital expenditure; but also capital investments and liabilities; and the link to treasury management. The intention is to bring together not only the capital expenditure policy and plans, but to include financing considerations in one comprehensive document. Additional requirements include:

- **The impact of the capital programme on debt and borrowing including:**

- A projection of external debt and use of internal borrowing to support capital expenditure
- Provision for the repayment of debt over the life of the underlying debt.
- Authorised limit and operational boundary for the following year.
- The authority's approach to treasury management including processes, due diligence and defining the authority's risk appetite.

- **Commercial activity**

The Council's approach to commercial investment activities including processes ensuring effective due diligence and defining the authority's risk appetite in respect of these, including proportionality in respect of overall resources. Requirements for independent and expert advice and scrutiny arrangements.

For Adur and Worthing councils, the key commercial investment activity is the Strategic Property Investment Fund which funds the acquisition of commercial property. The Property Investment Strategy details the Councils approach to risk management which will be added to this strategy as an appendix to the strategy once approved.

- **Other long-term liabilities**

An overview of the governance process for approval, monitoring and ongoing risk management of any other financial guarantees and other long-term liabilities.

- **Knowledge and skills**

A summary of the knowledge and skills available to the authority and confirmation that these are commensurate with the authority's risk appetite.

2.1.5 The Councils comply with all of the requirements of the Prudential Code (the Code) with one exception. The Councils have chosen to invest in Commercial Property with the long term strategic intention of generating a sustainable income for the Councils to replace that lost through the reductions to Government Funding to support service delivery. Under the Statutory Guidance on Investment, the Councils are allowed to diverge from the Code provided that the Councils have an investment strategy for Commercial Property which details:

- Why the local authority has decided not to have regard to this Guidance or to the Prudential Code in this instance; and

- The local authority's policies in investing the money borrowed, including management of the risks, for example, of not achieving the desired profit or borrowing costs increasing.

This requirement is fulfilled by the Commercial Property Investment Strategy which is approved annually by the Councils.

2.2 Resources

- 2.2.1 At the outset of each Capital Investment Programme planning cycle, the level of resources available to fund the programme is reassessed in light of the most recent information. The current programme is then reviewed to establish the level of resources needed to fund the committed programme. This information is then used to establish the resources available to fund new schemes.
- 2.2.2 The current capital financing strategy is based on a mix of funding including capital receipts, capital grants, revenue contributions, use of reserves, specific one-off external contributions and Prudential Borrowing. The Council will always opt to use capital receipts and grants ahead of any borrowing if possible. The Capital Investment Programme Strategy assumes:

For Adur District Council:

- A net overall addition to the general fund programme in 2021/22 and 2022/23 of £1.5m funded from a mix of Prudential Borrowing and capital receipts supplemented by S106 receipts and other grants and contributions. The level of investment from 2023/24 onwards is to be reduced down to £1m.
- An annual HRA programme of £5.6m for 2021/22 and 2022/23 for capital maintenance. This is expected to be funded from the Major Repairs Reserve, capital receipts, prudential borrowing, revenue contributions, and any grants.

In addition, the Council will progress a new build programme funded by a mixture of grants, borrowing, retained capital receipts which have been set-aside for replacement affordable housing and other capital receipts. Each new development is to be the subject of a financial appraisal.

- The Strategic Property Investment Fund is to be continued. This is to be used to procure or develop commercial property which will generate an income stream for the Councils for the future with an emphasis on maintaining the balanced portfolio approach to risk management set out in the adopted Commercial Property Investment Strategy and working to identify more investment opportunities that

contribute to the economic wellbeing of the areas. Each proposal will be the subject of a detailed appraisal and the net income must exceed the cost of borrowing by at least 2% over the life of the investment. The approach to managing risk, the governance arrangements and appraising individual acquisitions is set out in the Commercial Property Investment Strategy.

Furthermore, if an investment is of particular strategic merit and/or of high quality and offering a long term secure tenancy; it was agreed that a lower yield would be accepted, with the proviso that the return should always exceed the cost of borrowing by at least 1%. It is proposed that each Council invests up to £50m per year gradually building up to a portfolio of £125m each. Funding can only be released with the approval of the Leader and the Executive Member for Resources. The investment programme is detailed below:

	Actual 2016/17 £'000	Actual 2017/18 £'000	Actual 2018/19 £'000	Actual 2019/20 £'000	Estimate 2020/21 £'000	Total £'000
Adur	0	11,579	26,366	43,400	43,655	125,000

For Worthing Borough Council:

- A net overall addition to the general fund programme each year of £2.5m funded from a mix of Prudential Borrowing and capital receipts supplemented by S106 receipts and other grants and contributions.
- The Strategic Property Investment Fund is to be continued. This is to be used to procure or develop commercial property which will generate an income stream for the Councils for the future with an emphasis in future on investments that also contribute to the economic wellbeing of the areas. Each proposal will be the subject of a detailed appraisal and the net income must exceed the cost of borrowing by at least 2% over the life of the investment. The approach to managing risk, the governance arrangements and appraising individual acquisitions is set out in the Property Investment Strategy.

Furthermore, if an investment is of particular strategic merit and/or of high quality and offering a long term secure tenancy; it was agreed that a lower yield would be accepted, with the proviso that the return should always exceed the cost of borrowing by at least 1%. It is proposed that each Council invests up to £50m per year gradually building up to a portfolio of £125m each. Funding can only be released with the approval of the Leader and the Executive Member for Resources who also has the ability to approve bringing forward of additional budget from future years if suitable investment proposals are identified. The Investment programme is detailed below:

	Actual 2016/17 £'000	Actual 2017/18 £'000	Actual 2018/19 £'000	Estimate 2019/20 £'000	Estimate 2020/21 £'000	Total £'000
Worthing	3,472	9,464	26,972	50,875	34,217	125,000

2.2.3 Capital flexibilities

The Councils have the ability to use capital receipts to fund revenue expenditure provided that :

- The proposed expenditure will generate on-going savings
- The Council produces a strategy detailing the projects to be funded by the capital flexibilities and the level of saving generated by the initiative. This can be updated at any time.

To take advantage of this flexibility, one third of new capital receipts generated in 2019/20 - 2021/22 will be set-aside to fund initiatives which will result in a reduction in the cost of delivering services. Such receipts can only be used to deliver savings proposals identified as part of the budget setting process. The Joint Strategic Committee or the Executive Member of Resources can approve the in-year use of the receipts which will be reported to Council together with an updated strategy as part of the budget process.

The use of the capital flexibilities will enable the Councils to protect it's earmarked reserves and build capacity to take forward initiatives which generate budget savings.

2.2.4 The remaining capital receipts are used to fund the prioritised capital programme unless ring-fenced for a specific purpose such as the delivery of affordable housing and Shoreham Renaissance in Adur.

2.3 Of the total resources available, the following will be earmarked to fund specific council objectives:

	Adur District Council £'000	Worthing Borough Council £'000	Total £'000
Annual ring fence for essential capitalised planned maintenance schemes.	75	150	225
Capital investment needs arising from the partnership strategy – to fund planned equipment and vehicle replacements	515	772	1,287
Recommended set-aside to facilitate the delivery of the digital strategy.	59	66	125
Essential replacement of ICT desktop equipment, minor software upgrades, and local network equipment in both Councils.	47	53	100
	696	1,041	1,737

- 2.4 It is the both Councils' policy to maximise capital receipts through a review of existing property use. A rigorous approach has been adopted to the identification and disposal of surplus assets that are no longer required to meet the Corporate Priorities of the Councils and cannot be redeveloped to generate the Councils long term income streams. The Strategic Asset Management Board regularly considers the property portfolio and identifies property for sale. The Council views this as the most cost effective way to finance the capital programme. However, both Councils have a diminishing asset base and the sites remaining are some of the most difficult to sell.
- 2.5 Although the Councils have been able to fund some of its capital programme from capital receipts in recent years, asset sales are unlikely to be sufficient to fund the entirety of the capital programme in the future. Therefore the Council will need to explore new sources of funding, particularly for major capital schemes. These could include extending the use of prudential borrowing, external funding from the various grant agencies including the national lottery distributors, S106 Agreements, Community Infrastructure Levy, Area Investment Framework funding and Private Finance Initiatives and Partnerships, including Public Private Partnerships Schemes. Examples of partnership funding are shown in 6.4.

2.6 External Funding

External funding is now an important source of finance for the Councils. With this in mind, the Councils will research new funding streams to ensure that the Councils are aware of upcoming opportunities.

Overall, the aim of external funding is to ensure that the Councils can continue to improve or renew community facilities whilst alleviating the cost to the public purse.

2.7 Invest to Save

Both Councils have an 'invest to save' scheme. This provides capacity within the Councils to approve capital schemes which generate efficiency savings. The Councils will consider capital proposals which produce revenue savings that exceed the cost of borrowing by at least 10% over the life of the investment. The cost of these schemes can be funded from prudential borrowing as the revenue costs of borrowing will be funded by the on-going revenue savings. These schemes can be approved at any time by the Joint Strategic Committee. Examples of projects include:

- Energy efficiency schemes whereby the reduction in energy costs may be sufficient to repay the borrowing costs.
- The investment in a new medical centre where the rental income will repay the borrowing costs.
- Investment in new temporary accommodation to reduce the cost of accommodating affected residents.
- Investment in renewable energy schemes to provide a carbon offset and to generate income for the Councils.

Any such scheme is to be the subject of a full option appraisal over the life of the asset, which should consider the whole life cost implications of the proposed investment and be considered by the Joint Strategic Committee as part of the approval to spend.

2.8 Value for Money

Getting value for money is a key priority for the Councils and the Capital Investment Programme should provide high quality, value for money public services. The Councils recognise that best value is based on whole life costs and therefore the on-going revenue implications of capital spend are identified when bids for capital resources are assessed and when schemes are approved; when a new capital project is proposed any impact on revenue expenditure is anticipated and costed. These revenue costs are used to inform the revenue budget planning process and are considered alongside other priorities in the revenue budget when the overall budget is

set. Costs to be assessed include the opportunity cost of using the resources, the interest earnings foregone by utilising reserves and capital receipts, and any additional revenue costs or savings arising from the investment.

2.9 Overall funding of the programme:

Details of the overall capital expenditure budgets and planned financing as approved by Council are attached as Appendices 3 and 4. These will be the subject of revision throughout the year as updated information regarding the likely profile of the spend becomes known.

The latest forecasts of the overall borrowing required to fund the capital programmes are as follows:

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/34 £'000
Adur District Council - General Fund				
Capital Financing Requirement as at 1st April	106,724	155,735	154,252	151,647
Current estimate of new borrowing:				
General Fund Programme	7,843	2,060	1,000	1,000
For new Commercial Activities	43,400		0	
Less: Minimum Revenue Provision				
General Fund	-1,041	-1,267	-1,329	-1,435
New Commercial Activities	-1,191	-2,276	-2,276	-2,276
CFR as at 31st March	155,735	154,252	151,647	148,936
Actual General Fund Debt at start of year	103,360	152,371	150,888	148,283
Estimated Borrowing to be undertaken in year	49,011	-1,483	-2,605	-2,711
Estimated borrowing as at 31st March	152,371	150,888	148,283	145,572
Estimated under borrowing (funded from internal resources)	3,364	3,364	3,364	3,364

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/34 £'000
Worthing Borough Council - General Fund				
Capital Financing Requirement as at 1st April	128,773	166,414	165,691	164,913
Current estimate of new borrowing:				
General Fund Programme	5,471	2,420	2,500	2,500
For new Commercial Activities	34,217	0	0	0
Less: Minimum Revenue Provision				
General Fund	-790	-1,031	-1,165	-1,211
New Commercial Activities	-1,257	-2,112	-2,112	-2,112
CFR as at 31st March	166,414	165,691	164,913	164,090
Actual General Fund Debt at start of year	128,722	166,363	165,640	164,862
Estimated net borrowing to be undertaken in year	37,641	-723	-777	-823
Estimated borrowing as at 31st March	166,363	165,640	164,862	164,039
Estimated under borrowing (funded from internal resources)	51	51	51	51

The planned borrowing is within the borrowing limits approved by the Councils in February 2020. These limits are refreshed annually in the light of the new approved capital programme and progress against this programme.

ADUR DISTRICT COUNCIL

Operational boundary £m	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Debt	103.0	105.0	112.0	119.0
Other long term liabilities	1.0	1.0	1.0	1.0
Commercial activities/ non-financial investments	88.0	124.0	122.0	120.0
Total	192.0	230.0	235.0	240.0

WORTHING BOROUGH COUNCIL

Operational boundary £m	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Debt re Worthing Homes	10.0	10.0	10.0	10.0
Debt re GB Met	5.0	5.0	4.7	4.5
Other Debt	55.0	55.0	57.3	60.5
Other long term liabilities	1.0	1.0	1.0	1.0
Commercial activities/ non-financial investments	80.0	124.0	122.0	121.0
Total	151.0	195.0	195.0	197.0

The revenue consequences of the planned borrowing are allowed for within the current General Fund revenue budget and the outline forecast. The costs of borrowing are expected to increase over the next four years, however the borrowing either associated with the Strategic Property Investment Fund or any invest to save initiatives will be funded by increased income or reduced costs. This is illustrated in the table below:

<u>Adur District Council*</u>	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Total debt charges	4,802	5,042	5,778	7,121
Less:				
Income from commercial property	-6,079	-6,729	-7,829	-9,379
Net additional cost of capital programme	-1,277	-1,687	-2,051	-2,258

* This excludes the HRA borrowing which is factored into the 30-year business plan

<u>Worthing Borough Council</u>	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Total debt charges	4,581	4,741	5,763	7,236
Less:				
Income from commercial property	-7,625	-8,575	-9,675	-11,225
Net additional cost of capital programme	-3,044	-3,834	-3,912	-3,989

Full details of the Councils' borrowing strategy and associated prudential indicators can be found in the Councils' Treasury Management Strategy Statement which can be found on the Councils website.

3.0 PRIORITISATION

3.1 In order to ensure that resources available for capital investment are used efficiently and effectively, all capital projects are prioritised in line with corporate objectives, priorities and other criteria using a prioritisation model, which is outlined in Appendix 2.

3.2 This is achieved by a 2 stage capital bidding process:

- Stage 1 will involve an outline business case for each scheme proposed. This will be the subject of an initial review to ensure that schemes have a realistic prospect of being included within the final programme and that proposals meet the strategic objectives of the Council. The initial bid list will be shared with the Corporate Leadership Team, Executives members and the Informal Cabinets for review.
- Stage 2 will include a full scored business case which will then be used to produce the draft programme for member consideration in December 2020. This is then subject to the Council's consideration and approval.

3.3 Bids for additional resources will only be considered where they accord with the Capital Strategy, and where the authority has taken into account ongoing commitments and conformity with Strategic Objectives, Service Plans and other criteria in relation to its capital needs and other resources. Schemes which are considered for inclusion in the capital programme outside the annual bidding process are also "priority scored" to ensure that they meet the priority score which would include them in the capital programme for the relevant year.

3.4 Each year after the 3 year capital investment programme has been agreed by the Councils, the Capital Working Group reviews the prioritisation process. If necessary, the capital bidding documents and process are amended to ensure that corporate objectives and priorities, and the benefits and impact of schemes are adequately reflected in the prioritisation procedure.

3.5 Option Appraisal

Option Appraisal is an essential part of the prioritisation process and enables the Councils to make informed, transparent and consistent decisions about the capital projects to be taken forward.

The Council's current policy on Option Appraisals is as follows:

- (i) Individual projects costing under £250,000 – Officers are asked to consider other options (including capital and revenue implications) as part of the Capital Bid Submission.
- (ii) Individual projects costing between £250,000 and £500,000 – Option Appraisals are completed in house by the project team. These should consider the whole life cost implications of the proposed investment and must be considered by the Joint Strategic Committee or Executive Member as part of the approval to spend process.
- (iii) Individual projects costing in excess of £500,000 – Option Appraisals are completed either using the in-house team or by using external consultants where appropriate. These should include the whole life cost of the proposals and will need to be ratified by the Joint Strategic Committee or Executive before giving approval to spend.

Grant programmes such as affordable housing and disabled facilities grant are excluded from the requirement to undertake detailed option appraisals.

3.6 Scheme Approval

Every year a draft 3 Year Capital Investment Programme is submitted to the Joint Strategic Committee in November/December and recommended to the Councils in December. The report identifies schemes where expenditure has been committed costing in excess of £250,000 necessitating approval as a Key Decision; schemes costing £250,000 or less where expenditure has been committed; and the future schemes for the three years under consideration. It also compares the revised outturn for the current year with the original estimate.

- 3.7 Schemes costing £250,000 or more require a report to be prepared for the Joint Strategic Committee or Executive Member outlining details of the scheme, the method of procurement and the capital and revenue implications. The Chief Financial Officer in consultation with the relevant Executive Member has delegated approval for schemes costing under £250,000. This is achieved by Officers responsible for capital projects completing a Project Initiation Document (P.I.D.) Form. The P.I.D. is sent to the Executive Member(s) for comment within 3 days and is then approved electronically by the Chief Financial Officer and the Head of Service/Director who is responsible for the scheme. No scheme can proceed without either an approved P.I.D. or an Approval Report.
- 3.8 The programme is updated each year in July as a result of the financial outturns following the closure of the previous year's accounts, which are reported to Members in the early summer. Any slippage or works completed ahead of schedule are quantified in budget terms, and approval

is sought to make the necessary financial adjustments to the approved budget.

4.0 FRAMEWORK FOR MANAGING, MONITORING AND EVALUATING THE CAPITAL PROGRAMME

- 4.1 Detailed management, monitoring and review in terms of both the delivery of Service outcomes and Corporate Objectives and financial performance is the responsibility of the Capital Working Group, working in conjunction with Heads of Service.
- 4.2 Quarterly progress reports incorporating any recommended variations to the Programme, financial monitoring reports and completed project evaluations are submitted to the Council's Leadership Team, and the Joint Strategic Committee. Any 'learning' arising from the monitoring/review process is used to inform the strategy on an ongoing basis. The Financial Regulations stipulate how the financial aspects of the capital programme and each capital scheme should be managed and the Capital Working Group ensures compliance with these requirements.

5.0 CONSULTATION

- 5.1 Both Councils are committed to consulting with the community, its partners and service users on the key issues affecting the quality of life within the area. It has always been important to ensure that resources and services are designed, delivered and improved to meet the changing needs and expectations of our community, our partners and our service users. To achieve this commitment the Council consults and involves the community on any major or controversial capital schemes and will make its policies, decisions and services more accessible to comment from residents, businesses, agencies and major partners. Examples of areas where recent consultation exercises have been completed include:

- Development of new or improved playgrounds
- Shoreham Harbour regeneration
- Worthing Seafront Strategy regeneration schemes

6.0 PARTNERSHIP WORKING

- 6.1 Both Councils recognise the importance of partnership working in delivering their own corporate priorities as well as those of many organisations, public and private and is actively developing partnership working, especially when it is considering capital expenditure to "add value" to all that it does. The Councils are aware that they do not work in isolation and that it must ensure that it looks outward to working with the community, its residents

and partners, in order to identify and act on local priorities to improve the wellbeing of local communities. Tackling cross cutting issues, in particular, regeneration, community safety, social exclusion and sustainable development require a joined up approach across local authority service teams, other authorities and agencies, the private sector and also our voluntary sector partners.

- 6.2. The Councils have a history of working successfully together with other neighbouring Authorities on a range of activities including housing, coast protection and regeneration. The Councils continue to work closely with the Health bodies, Police and other organisations that can contribute to meeting its strategic objectives. In this regard, there has been a much closer working relationship forged with Health and Social Services to provide a more integrated service, especially in Housing.
- 6.3 Therefore, by working together in partnership with others the Councils seek to influence work to ensure that all opportunities are maximised to the full benefit of the residents of both areas, so that the Councils can be satisfied that they are maximising all funding opportunities and achieving efficiencies wherever possible.
- 6.4 The Councils have many partners with whom they currently work and the potential for many more. The following are some examples of the areas where work is currently being undertaken with other Councils and partners:

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Registered Providers (Housing Associations) and Homes and Communities Agency (and developers)	Affordable Housing Programme and the provision of temporary accommodation
West Sussex County Council	Community Strategy, Family Intervention Project, Help Points, Highway matters.
West Sussex County Council and Brighton and Hove City Council	Shoreham Harbour Regeneration Project and the City Deal bid.
West Sussex County Council, Sussex Police Authority, Probation and Health Authorities	Safer Communities Partnership
Worthing Primary Care Group	Local Health Improvement Programme, Wellbeing Hub
Various maritime authorities from Selsey Bill to Beachy Head	Coast Protection – Coastal Monitoring Project for the South Downs Coastal Group
Various maritime authorities from New Forest to Thames Estuary (in conjunction with New Forest and Canterbury)	Coast Protection – Strategic Coastal Monitoring Project for the South East Region
Shoreham Port Authority	Coast Protection – Brighton Marina to River Adur Flood and Coastal Erosion risk Management Strategy
West Sussex County Council	Better Care Fund – Provision of Disabled Facilities Grants
West Sussex Local Authorities	Provision and Management Agreement of a gypsy and traveller transit site

7.0 Links to other Strategies and Plans

7.1 The overall capital strategy stands above the more operational strategies that are needed for key services, such as Housing, Leisure, Environment, and other locally determined blocks of spending. The capital strategy does not sit in isolation but is informed by and informs other strategies. It provides a basis upon which other strategies can be developed and devised. The links between these strategies are extremely important.

7.2 The Councils have identified the following major Strategies and Plans which have been approved or developed; 'Platforms for our Places', Asset Management Plan, Accommodation Strategy, Waves Ahead (Joint Community Strategy), Community Safety Strategy, Cultural Strategy, Economic Development Strategy, Housing Strategy, Information and Communications Technology (I.C.T.) Strategy, Leisure Strategy, Local Plan, Local Transport Plan, Local Waste Management Strategy, Procurement Strategy, Emergency Plan, Shoreline Management Plan, Surface Water Management Plan, Coast Defence Strategy, Public Realm and Seafront Strategy and Civic and Cultural Hub Strategy.

7.3 Link to the Housing Strategy

The joint Adur Worthing Housing Strategy was approved by the Joint Strategic Committee in March 2020. This detailed a new three year programme of action and was developed in the light of emerging housing policy.

7.4 Link to the Asset Management Plan

The capital strategy provides the policy framework for the investment needs arising from the operational work of asset management. Corporate asset management planning covers all the Councils' built assets. The current plan was approved in June 2020. The Asset Management Plan forms an important part of the Councils' Capital Strategy as it informs the investment requirement over the next 10 years.

7.5 Link to the ICT Strategy and Digital strategy

The developing ICT and Digital Strategies are critical links between the Council's Corporate Plans, Central Government Initiatives and Information Technology and are therefore an integral part of the Council's business planning process. However, future capital investment must take account of resources available for future funding and be seen to offer value for money, and is informed by the Capital Strategy.

7.6 Link to the Commercial Property Investment Strategy

The Property Investment Strategy outlines the approach that the Council takes to investing in Commercial Property. It details how the investment is governed, how council will manage risk, how the fund will be structured in the future.

8.0 PERFORMANCE MANAGEMENT AND MEASUREMENT

- 8.1 In addition to adopting the Property Performance Indicators as set out in the requirements for Asset Management Planning, the Council has developed a range of local performance measures to inform various aspects of the Councils' Capital Programme. The overall performance of the capital programme, including post-scheme evaluation of projects, is overseen by the Capital Working Group as detailed in Section 4.

9.0 REVISING THE CAPITAL STRATEGY

- 9.1 The Capital Strategy is reviewed annually; adapting to the review of the Councils' strategic objectives. It does not need to be overhauled annually so long as the existing documentation remains valid. However, the Councils review the allocation of its Capital Resources on an annual basis to ensure that its programme of investment is in line with the actual resources available to support its spending needs and priorities.

10.0 SKILLS AND KNOWLEDGE OF STAFF

- 10.1 All staff involved in treasury management and property investment activities are professionally qualified. Staff have access to regular professional training to ensure skills are regularly updated. In addition, external advice is commissioned from advisors as appropriate. The council's current advisors are:

- For investment and borrowing advice - Link Asset consulting
- For property investments - CitiCentric

11.0 SUMMARY

- 11.1 The Councils will continue to prioritise its capital spending in line with their corporate priorities and other criteria, recognising that a commitment to partnership working remains a significant part in the Councils' overall approach. The Councils will annually review their approach to capital expenditure having regard to outcomes of asset management reviews and any changes to the Corporate Plan.



ADUR & WORTHING C O U N C I L S

CAPITAL PRIORITISATION MODEL

Criteria for scoring points

Category	Criteria
A	Revenue Implications Add Points – 1 point per £2,000 <ul style="list-style-type: none"> • Additional revenue income as measured over asset life, after payment of running costs OR • Projects result in a reduction in the revenue budget from date of completion. • Any project whose annual saving exceeds the costs of borrowing over the life of the acquisition by 10% or more will gain automatic approval under invest to save principles, subject to approval by the Chief Financial Officer and ratification by JSC.
B	Deduct Points – 1 point per £2,000 <ul style="list-style-type: none"> • Additional annual operation costs OR • The project results in increased net revenue costs.
C	Building Condition Survey <ol style="list-style-type: none"> 1) Good – Performing as intended and operating effectively (0 points). 2) Satisfactory – Performing as intended, but exhibiting minor deterioration (0 points). 3) Poor – Exhibiting major defects and/or not operating as intended (1 point).

	<p>4) Bad – Life expired and/or serious risk of imminent failure (5 points)</p> <p>(The Condition must be agreed with Kevin Smith, Technical Services, before adding points). Finance will seek validation of any points awarded here.</p>
Category	Criteria
D	<p>Equipment/Vehicle Condition Survey</p> <ol style="list-style-type: none"> 1) Good – Performing as intended and operating effectively (0 points). 2) Satisfactory – Performing as intended, but exhibiting minor deterioration (0 points). 3) Poor – Exhibiting major defects and/or not operating as intended (1 point). 4) Bad – Life expired and/or serious risk of imminent failure and non-replacement will have serious operational consequences (5 points).
E	<p>Equalities Impact Assessment - Add 5 points or 1 point</p> <p>Score 5 points where the objective of the scheme is to improve equalities e.g. DDA schemes, or score 1 point for schemes which contribute to equalities, e.g. access improvements.</p> <ol style="list-style-type: none"> 1) How will the proposed project improve Equality and Diversity in the area? 2) Who will benefit from this project? Is there likely to be a positive impact on specific equality groups (whether or not they are intended beneficiaries), and if so, how? Or is it clear at this stage that it will be equality “neutral”? i.e. will have no particular effect on any group. 3) Is there likely to be an adverse impact on one or more equality groups as a result of this scheme? If so, who may be affected and why? Or is it clear at this stage that it will be equality “neutral”? 4) Is the impact of the scheme – whether positive or negative – significant enough to warrant a more detailed assessment (Stage 2 – see guidance)? If not will there be monitoring and review to assess the impact over a period of time? Give reasons for your answer and any steps you are taking to address particular issues, including any consultation with staff or external groups/agencies.
F	<p>Improvement/Betterment - Add 1 point</p> <p>Improvement beyond essential requirement to existing services, work to improve the level of service where there is a proven need and demonstrable benefit. This includes results of Business Transformation or Service Reviews.</p>

G	Health & Safety (non statutory) – Points 0 - 5 The project is considered necessary for the health and safety of the Council's employees or the general public and has been agreed with the Corporate Health & Safety Officer: No Risk - 0 points Low Risk - 1 point Medium Risk - 3 points High Risk - 5 points
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Category	Criteria																
H	Risk Register If the scheme's risks are on the Corporate Risk Register the points to be awarded are High Risk 5 points, Medium Risk 3 points, and Low Risk 1 Point. Finance will seek validation of any points awarded here.																
I	Partnership working – Add 5 points Projects that involve partnership working where the partner contributes to the completion of the scheme, rather than just benefits from the outcome. This could be funding, in-kind work or involvement in the design process which has a direct affect on the final project. Examples would be community involvement, WSCC schemes, "Better Together" (Coastal West Sussex Partnership) and the police. Full details of all partners involved and their contribution to the scheme must be provided.																
J	Match Funding / External Funding Utilisation of Council resources. The higher the percentage of funding expected from the Local authority, the less points can be awarded: This has an individual ranking Matrix – please see below:																
<table> <tr> <th>External Funding % received</th><th>Points to be added</th></tr> <tr> <td>0.1% - 24%</td><td>1</td></tr> <tr> <td>25% - 49%</td><td>2</td></tr> <tr> <td>50% - 65%</td><td>3</td></tr> <tr> <td>66% - 75%</td><td>5</td></tr> <tr> <td>76% - 89%</td><td>7</td></tr> <tr> <td>90% - 99%</td><td>10</td></tr> <tr> <td>100%</td><td>10 or Automatic Approval **</td></tr> </table>		External Funding % received	Points to be added	0.1% - 24%	1	25% - 49%	2	50% - 65%	3	66% - 75%	5	76% - 89%	7	90% - 99%	10	100%	10 or Automatic Approval **
External Funding % received	Points to be added																
0.1% - 24%	1																
25% - 49%	2																
50% - 65%	3																
66% - 75%	5																
76% - 89%	7																
90% - 99%	10																
100%	10 or Automatic Approval **																


**	Automatic approval is subject to the scheme contributing to the Council's aims, and future financial revenue implications being accommodated with the Council's overall revenue budget. All external funding must be confirmed by source before scheme is included in the Adur or Worthing Capital Investment Programme.
K	Consultation – points to be determined by Members (up to 5 points in total) Projects that are important for community/political reasons following consultation.


COUNCIL PRIORITIES

Category	Criteria	Points
L	Minimum works required to prevent the Council failing in its statutory duty (e.g. DDA)	20
	Or There is a mandatory legal requirement to provide the service, the proposed scheme enables the service to be provided and that obligation cannot be met in any other way	20
M	Essential works are required to avoid serious long-term financial, operational or service consequences	15
	Or There is a demonstrable, priority need to replace the asset/service on an essentially like for like basis (save for improvements in technology) as the existing asset is at the end of its useful life	15
N	Other schemes, which meet the Councils priorities as laid out in the Platforms for our Places, Service Plans, Local Area Agreements, Community Strategy Priority Action Plans or the Councils' plans	10
O	There is an expectation by the Government that the Council should undertake a particular course although it may not be currently statutory and there is a likelihood of some form of sanction being applied against the Council if that expectation is not met.	5


P	Council Priorities (Platforms): 1 point for each point achieved from each platform (max. 18)
P1	Platform 1 – Prosperous Places 1.1) Attractors for prosperity through place making (town centres, public spaces, public realm, public arts, seafront, etc. 1.2) The fourth industrial revolution – supporting digital inclusivity. 1.3) Creative and cultural industries. 1.4) Major projects and development.
Category	Criteria
P2	Platform 2 – Thriving People and Communities 2.1) Deliver the 2020-23 Housing Strategy. 2.2) Community, voluntary sector and social innovation. 2.3) Supporting stronger, participative and resilient communities. 2.4) Health and Wellbeing at all stages of life.
P3	Platform 3 – Tackling Climate Change and Supporting our Natural Environment 3.1) Become Carbon Neutral by 2030. 3.2) Transition to clean, smart, secure and affordable energy. 3.3) Reducing waste and increasing re-use, recycling and composting. 3.4) Improve climate resilience of Adur and Worthing.
P4	Platform 4 – Good Services and New Solutions 4.1) Increase the range of modern digital services.

	<ul style="list-style-type: none">4.2) Grow our commercial and traded income.4.3) Improve customer satisfaction through the effortless programme.4.4) Develop a Corporate Landlord approach to managing property.
P5	Platform 5 – Leadership of our Places <ul style="list-style-type: none">5.1) Developing the reputation of places.5.2) Developing the Civic data agenda.5.3) Emergency Planning and Civil Contingencies.

SUMMARY THREE YEAR CAPITAL INVESTMENT PROGRAMME				
 ADUR DISTRICT COUNCIL	Total Estimate £			
		2020/2021 Estimate £	2021/2022 Estimate £	2022/2023 Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)
<u>BUDGETS</u>				
Executive Member for Customer Services	60,375,250	35,414,640	12,239,850	12,720,760
Executive Member for Environment	2,558,760	1,147,240	804,060	607,460
Executive Member for Health and Wellbeing	461,650	354,650	71,000	36,000
Executive Member for Regeneration	1,805,030	1,657,630	84,900	62,500
Executive Member for Resources	40,077,090	38,824,570	660,060	592,460
	105,277,780	77,398,730	13,859,870	14,019,180
<u>FINANCING</u>				
<i>Capital Grants and Contributions</i>				
Communities and Local Government		9,684,070	375,000	375,000
Environment Agency		1,412,500	12,500	12,500
S106 Contributions from Planning Agreements		564,200	-	-
<i>Prudential Borrowing</i>		60,480,040	8,566,890	9,226,210
<i>Revenue Contributions and Reserves</i>				
Revenue Contributions		110,420	81,920	81,920
Revenue Reserves		3,900,000	3,900,000	3,900,000
<i>Usable Capital Receipts</i>		1,247,500	923,560	423,550
		77,398,730	13,859,870	14,019,180

SUMMARY THREE YEAR CAPITAL INVESTMENT PROGRAMME				
<div></div> <div>WORTHING BOROUGH COUNCIL</div>				
	Total Estimate £	2020/2021 Estimate £	2021/2022 Estimate £	2022/2023 Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)
BUDGETS				
Executive Member for Customer Services	14,754,280	6,069,680	2,869,600	5,815,000
Executive Member for Digital and Environmental Services	7,440,590	5,632,910	809,290	998,390
Executive Member for Health and Wellbeing	712,400	282,400	50,000	380,000
Executive Member for Regeneration	14,340,880	9,344,280	929,500	4,067,100
Executive Member for Resources	51,024,420	49,133,080	1,076,750	814,590
	88,272,570	70,462,350	5,735,140	12,075,080
FINANCING				
Capital Grants and Contributions				
Communities and Local Government		5,863,590	800,000	800,000
Environment Agency		217,500	17,500	17,500
S106 Contributions from Planning Agreements		474,120	-	-
Other Contributions		1,011,000	357,360	2,679,000
Prudential Borrowing		58,307,570	4,381,200	8,429,500
Revenue Contributions and Reserves				
Revenue Contributions		326,580	149,080	149,080
Revenue Reserves		205,200	30,000	-
Usable Capital Receipts		4,056,790	-	-
		70,462,350	5,735,140	12,075,080

**ADUR DISTRICT COUNCIL AND WORTHING BOROUGH COUNCIL PARTNERSHIP SCHEMES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR & WORTHING COUNCILS	Total Estimate £ (2)			
		2020/2021 Estimate £ (3)	2021/2022 Estimate £ (4)	2022/2023 Estimate £ (5)
Column Reference (1)				
PARTNERSHIP SCHEMES				
Cemeteries				
Replacement of one vehicle	28,000	28,000	-	-
Grounds Maintenance				
Rolling programme of equipment replacements	155,000	35,000	60,000	60,000
Vehicle replacements	409,920	110,920	23,500	275,500
Information and Communications Technology				
Corporate ICT hardware and infrastructure replacement programme	215,000	65,000	100,000	50,000
Digital Strategy General Provision to facilitate delivery of the digital strategy	871,140	621,140	125,000	125,000
Extension of Ultrafast Fibre Network	2,360,000	2,360,000	-	-
HR and Payroll System - Replacement	175,000	175,000	-	-
Office Equipment				
Microphone System - Replacement	30,000	30,000	-	-
Parks and Open Spaces				
Street litter and dog bins replacement programme	60,000	20,000	20,000	20,000
Refuse / Recycling / Trade Waste Service				
Provision of trade waste bins	25,000	25,000	-	-
Provision of wheeled bins	150,000	50,000	50,000	50,000
Refuse / Recycling / Street Cleansing Service				
Vehicle Replacements	1,489,500	431,500	352,000	706,000
	5,968,560	3,951,560	730,500	1,286,500