



ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
8 September 2020

Key Decision : No

Ward(s) Affected: All

## 1st Quarter Capital Investment Programme & Projects Monitoring 2020/21

Report by the Director for Digital and Resources

### EXECUTIVE SUMMARY

#### 1. PURPOSE

1.1 This report updates the Joint Strategic Committee on the progress made on the 2020/21 Capital Investment Programmes for Adur District Council, Worthing Borough Council. The programmes include 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:** Adur District Council Capital Monitoring Summary

**Appendix 2:** Worthing Borough Council Capital Monitoring Summary

**Appendix 3:** Adur District Council Reprofiled Budgets

**Appendix 4:** Worthing Borough Council Reprofiled Budgets

#### 2. RECOMMENDATIONS

2.1 The Joint Strategic Committee is asked:

(a) **With respect to the Capital Investment Programme of Adur District Council.**

i) To note the reprofiling of the Adur District Council capital schemes as advised in paragraphs 7.2.1 and Appendix 3.

ii) To approve the transfer of funding within the Adur Homes Capital Investment Programme to include the Fire Safety Inner Rooms Project within the 2020/21 Capital Investment Programme as detailed in paragraph 7.2.3.

- iii) To approve the virement of £13,200 to fund urgent Disability Discrimination Act access works at Commerce Way as detailed in paragraph 7.2.4.
- iv) To approve the virement to fund the current overspend on the purchase of wheeled bins for the alternate weekly collection as detailed in paragraph 7.1.2.
- v) To note the award of external funding of £50,000 from Sompting BIG Local toward play area improvements at Sompting Recreation Ground as detailed in paragraph 7.2.5.

b) **With respect to the Capital Investment Programme of Worthing Borough Council.**

- i) To note the reprofiling of the Worthing Borough Council capital schemes as advised in paragraphs 7.3.1 and Appendix 4.
- ii) To approve the virement to fund the overspend on the purchase of wheeled bins for the alternate weekly collection service as detailed in paragraph 7.1.2.
- iii) To note the award of £100,000 from Sussex Community Foundation towards the new cafe in Brooklands Park as detailed in paragraph 7.3.2.
- iv) To approve the virement of £72,000 to fund emergency works at Worthing Crematorium as detailed in paragraph 7.3.3.
- v) To approve the addition of the urgent replacement of the audio and visual equipment at Worthing Crematorium to the 2020/21 Capital Investment Programme as detailed in paragraph 7.3.4.
- vi) To approve the addition of the Fish Sculpture Waste Bin to the 2020/21 Capital Investment Programme as detailed in paragraph 7.3.5.

### 3. CONTEXT

- 3.1 In accordance with the Councils' Capital Strategy, the Capital Working Group oversees the implementation and progress of both Councils' Capital Investment Programmes.
- 3.2 The Capital Working Group meets quarterly and monitors the programmes' progress and finance, seeking to address any problems at an early stage in order for schemes to be completed within budget and timescales. Where problems are highlighted the Group considers possible remedies including virements between schemes, reprofiling of budgets between years and the

withdrawal of schemes from the programme when schemes are unable to proceed. This could be due to resourcing problems, time delays or other factors beyond the Councils' control.

- 3.3 Full summaries of the progress of all the schemes in the 2020/21 Capital Investment Programmes are prepared each quarter highlighting:

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

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

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

#### **4. SUCCESSES AND CHALLENGES IN THE 2020/21 CAPITAL INVESTMENT PROGRAMMES**

- 4.1 The following schemes are progressing well:

##### **4.1.1 Adur Homes Capital Investment Programme**

The Adur Homes Capital Investment Programme for 2020/21 was approved by the Joint Strategic Committee 9th October 2018.

Delivery of the Capital Improvement Programme continues to be shaped by guidance issued to local authorities by the Regulator of Social Housing in the aftermath of the Grenfell fire and better knowledge of our stock.

The appointment of a Fire Safety Officer has allowed us to focus on fire safety remedial works. Several fire remedial works are now being implemented across our stock. This includes the front entrance fire door replacement programme which has already seen the replacement of 181 'critical' doors in tenanted properties. Engagement with leaseholders to identify and support them to bring their doors into compliance with the current legislation, has also commenced.

The upgrade of the Community Alarm Systems in our sheltered housing schemes is now at the implementation stage.

#### 4.1.2 **Adur Homes External Works Programme**

The external capital works programme is being revised in light of the need to re-profile fire safety works and also critical health and safety works. However the following is underway:

- The project to undertake external works to Rocks Close and Locks Court was tendered but due to Covid 19 restrictions the contract was not awarded
- The project to undertake external works to Beachcroft Place and Bushby Close was tendered but due to Covid 19 restrictions the contract was not awarded. The Contract has now been retendered and it is anticipated that work will commence in the Autumn.
- A firm has been appointed to provide programme management support.

#### 4.1.3 **Adur Homes Development and Acquisition Programme**

Following the lifting of the Housing Revenue Account (HRA) borrowing cap, the Council is now developing the site at Albion Street, which will see the delivery of 50 affordable homes in contrast to the 15 affordable homes that would have been delivered under the former scheme. Planning permission has been granted and the contract for the construction works is due to finalised in September.

The development of Cecil Norris House is well underway. Pilbeam construction started on site in July 2019 and commenced demolition of the existing blocks. This project is progressing well and will deliver 15 units of social housing.

Officers are developing plans for the development of infill and other garage sites owned by the HRA, with the potential to deliver up to 60 new homes. a report is due to be considered by the Joint Strategic Committee in October on this programme of works.

4.2 The following schemes are providing challenges and have been identified as having financial issues:

##### 4.2.1 **Worthing Borough Council - Fire prevention works to pier, southern pavilion and amusements.**

The installation of the fire main to the whole length of the Pier and the sewerage pipe was completed in 2019/20.

However, the installation of a new sprinkler system to the buildings including the Southern Pavilion, Amusements and Pavilion Theatre are technically complex and will require a new dedicated water supply and associated pipework. The current budget is insufficient as the cost of these works is

estimated at £810,000. The actual costs will not be known until the scheme design has been finalised and tendered.

The possible budget pressure has previously been reported:

|                              |          |
|------------------------------|----------|
| Current budget:              | £503,040 |
| Estimated Costs:             | £810,000 |
| Current estimated shortfall: | £306,960 |

Costs are currently being compiled prior to a report being submitted for the approval of the scheme and consideration of the additional funding required.

#### 4.2.2. **Connaught Theatre - Ventilation Systems**

The 2020/21 Capital Investment Programme includes budget provisions of £33,000 and £66,080. These provisions were included in the Capital Investment Programmes several years ago, but have been postponed to 2020/21 in order for urgent health and safety works, identified by condition surveys, to be included in the capital programme.

Initial estimates are that the works will cost £240,000 again due to the complexities of these sites and the need to install suitable systems for this type of venue. The original budget estimate was provided with little technical input. Specialist ventilation consultants have visited the site and the cost of a more energy efficient ventilation system is estimated at £240,000. This will therefore require additional budget provision of £132,080 if the scheme is to progress as planned. Officers are currently reviewing the options for the scheme and will report on progress in a later monitoring report.

### 5. **PROGRESS OF THE ADUR DISTRICT COUNCIL 2020/21 CAPITAL INVESTMENT PROGRAMME – AUGUST 2020**

5.1 There are 57 schemes in the 2020/21 current capital investment programme which are progressing as follows:

|  | Number of schemes | Percentage % |
|--|-------------------|--------------|
| Schemes which are progressing satisfactorily or have completed | 40                | 70.1         |
| Schemes where progress is being closely monitored              | 16                | 28.1         |
| Schemes with significant challenges                            | 1                 | 1.8          |

5.2 A summary of the schemes with significant challenges or where there are financial issues is attached as Appendix 1 to this report. A summary of the progress of all the schemes in the 2020/21 Capital Investment Programme is available from the Councils' Joint Intranet.

## **6. PROGRESS OF THE WORTHING BOROUGH COUNCIL 2020/21 CAPITAL INVESTMENT PROGRAMME – AUGUST 2020**

- 6.1 There are 85 schemes in the 2020/21 current capital investment programme which are progressing as follows:

|  | Number of schemes | Percentage % |
|--|-------------------|--------------|
| Schemes which are progressing satisfactorily or have completed | 65                | 76.5         |
| Schemes where progress is being closely monitored              | 17                | 20.0         |
| Schemes with significant challenges                            | 3                 | 3.5          |

- 6.2 A summary of the schemes with significant challenges or where there are financial issues is attached as Appendix 2 to this report. A summary of the progress of all the schemes in the 2020/21 Capital Investment Programme is available from the Councils' Joint Intranet.

## **7. ISSUES FOR CONSIDERATION**

### **7.1 Adur and Worthing Joint Service Schemes**

- 7.1.1 The following Adur District Council and Worthing Borough Council Joint Services 2020/21 scheme has financial issues:

#### **7.1.2 Refuse and Recycling Wheeled Bin - Replacements**

Following the approval by the Joint Strategic Committee November 2018 to change to alternate weekly collections of refuse and recycling, the increase in demand for larger refuse and recycling bins created a joint Adur District and Worthing Borough Council overspend in both 2018/19 and 2019/20.

The increased demand for larger bins continues in 2020/21. The Adur District and Worthing Borough Councils' 2020/21 Capital Investment Programmes include a joint budget of £50,000 for the purchase of new wheeled bins, but this is again insufficient to fund the current level of purchases.

The current spend is £74,858, resulting in an overspend of £24,858. This may increase as further orders for larger bins are raised.

It is proposed to fund the current shortfall from the Adur District Council and Worthing Borough Council 2020/21 contingencies provisions. Adur District Council / Worthing Borough Council share of funding required for current overspend £9,048 / £15,810.

## 7.2 **Adur District Council**

7.2.1 Budgets totalling £2,261,800 have been reprofiled to 2021/22 and future years, where the original project plan has changed and the schemes are not expected to complete in 2020/21. A list of schemes reprofiled is attached as Appendix 3 to this report.

7.2.2 The following amendments to the Adur District Council 2020/21 Capital Investment Programme are recommended:

### 7.2.3 **Adur Homes Capital Investment Programme - Fire Safety Works Inner Rooms**

The 2020/21 Adur Homes Capital Investment Programme includes a budget provision of £4,366,550 for fire safety improvements to the Council's housing stock. The current allocations from this budget are:

|                                       | £                       |
|---------------------------------------|-------------------------|
| Approved schemes:                     |                         |
| Fire Door Replacements                | 924,500                 |
| Smoke Detection Equipment             | 678,200                 |
| Electrical Replacements               | 137,500                 |
| Fire Safety Works - Sheltered Housing | 258,400                 |
| Total allocated funding               | <u>1,998,600</u>        |
| Unallocated budget                    | 2,367,950               |
| <b>Total</b>                          | <b><u>4,366,550</u></b> |

Urgent works have now been identified from the Inner Rooms Project in order to facilitate the early letting of void properties. It is proposed to allocate a budget of £490,430 from the unallocated 2020/21 Fire Safety Budget in order to facilitate this work in advance of the main works in future years.

The Fire Safety Inner Rooms Project needs to be added to the 2020/21 Adur Homes Capital Investment Programme.

### 7.2.4 **Commerce Way - DDA Access Improvements**

The Council has an employee based at Commerce Way whose needs changed during the Covid 19 crisis, urgent adaptations were required to the site to facilitate wheelchair access to enable the employee to return to work.

The cost of the works is estimated at £30,000. It is proposed to fund the works from the 2020/21 Disability Discrimination Act Improvements budget provision of £16,800 and a virement of £13,200 from the Adur District Council 2020/21 contingency provision.

### 7.2.5 **Play Area Improvements - Sompting Recreation Ground**

The Council has secured external funding of £50,000 from Sompting Big Local towards play area improvements at Sompting Recreation Ground and this funding needs to be added to the existing budget provision of £100,800.

The scope of the intended scheme is currently under review and any changes will be reported to the Executive Member in due course.

## 7.3 **Worthing Borough Council**

7.3.1 Budgets totalling £3,015,010 have been reprofiled to 2021/22 and future years where the original project plan has changed and the schemes are unable to complete in 2020/21. A list of schemes reprofiled is attached as Appendix 4 to this report.

### 7.3.2 **Brooklands Park - Redevelopment**

The Council has been awarded £100,000 by the Sussex Community Foundation towards the proposed new cafe in Brooklands Park.

The grant has conditions attached based on delivering the sustainability credentials of the proposed cafe and targets will need to be reported during the technical design stage in the next few months.

The additional funding needs to be allocated to the Brooklands Park Redevelopment Scheme Budget in the 2020/21 Capital Investment Programme.

### 7.3.3 **Worthing Crematorium - Replacement of Electrical Components**

In early August 2020 there was a power surge at the Worthing Crematorium which was traced back to a loose neutral cable in one of the electrical panels. This caused damage to a number of electrical components, including 2 analysers which are used to control the cremation process and the building management system.

The affected components have been replaced in order to continue the service provision. The Council is looking at introducing further mitigation measures to reduce the risk of something similar happening again in the future.

The cost of the works is currently estimated at:

|                             |               |
|-----------------------------|---------------|
|                             | £             |
| Analyser Systems            | 43,000        |
| BMS and Boiler Replacement  | 20,000        |
| Professional Fees           | 8,000         |
| Contingency                 | 1,000         |
| <b>Total Estimated Cost</b> | <b>72,000</b> |



An insurance claim is being submitted but at the current time it is not known whether some or any of the damage is covered. Whilst we await the outcome of the insurance claim it is proposed to fund the works by a virement of £72,000 from the Asbestos Management Budget Provision of £286,150. The Asbestos budget provision will be reinstated if we receive any insurance funding. We have a statutory duty to undertake Asbestos Surveys but the surveys can be phased if necessary, and future years PID submissions will be increased to fund any shortfall in funding.

#### **7.3.4 Worthing Crematorium - Replacement of Audio Visual Equipment**

In May 2020 the audio visual equipment at the Crematorium failed and webcasts to the bereaved families of the deceased were unable to be provided. Due to the Covid 19 restrictions in place at that time, only very close members of the family were permitted to attend funerals and therefore it was important to be able to broadcast the funeral to wider family and friends of the deceased.

The estimated cost of the new equipment is £44,000 and can be funded from the 2020/21 Crematorium signage project budget provision of £82,600. The crematorium signage scheme is estimated to cost £20,000 and can be funded from the remaining budget.

Retrospective approval is sought to add the Crematorium's replacement audio visual equipment to the 2020/21 Capital Investment Programme.

#### **7.3.5 Waste and Recycling - Fish Sculpture Waste Bin**

The Council was approached by Creative Waves to provide match funding towards a large, architectural, sculptured rubbish container in the shape of a fish head. The metal sculpture will discretely house waste bins inside it, and will be sited on Worthing seafront to highlight the need to recycle rubbish. The total cost of the sculpture is £12,156, £3,500 funded by the Council and £8,656 funded by Rampion Wind Farm.

The project will raise awareness of pollution of the sea with plastic waste and will spread the message of segregated waste streams. The fish has been designed in a way that only bottles will fit into the fish sculpture. Emptying of the bins has also been discussed and waste services have been involved in the design of the fish to ensure that it can be emptied effectively. The scheme had initially been intended for inception, design and delivery before the summer season, but was delayed by Covid 19 restrictions. The scheme has now recommenced.

A virement from the underspend on the budget provision for the Crematorium walkway above the cremators scheme was approved to fund the Council's Environmental Services contribution of £2,500 and to secure the external funding. A further £1,000 was funded from the Council's Place and Economy Service. Retrospective approval is requested to add this project to the 2020/21 Capital Investment Programme.

## **8. ENGAGEMENT AND COMMUNICATION**

- 8.1 The purpose of this report is to communicate with stakeholders on the progress of the Adur District Council and Worthing Borough Council 2020/21 Capital Investment Programmes. Officers of the Council have been consulted with 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. FINANCIAL IMPLICATIONS**

- 9.1 There are no unbudgeted financial implications arising from this report as the Adur District Council and Worthing Borough Council original 2020/21 Capital Investment Programmes were approved by the Councils in December 2019. Subsequent changes have been reported to and approved by the Joint Strategic Committee. The issues considered in this report can be funded from within existing resources or through external funding.

## **10. 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 2019/20 – 2021/22 Adur District Council, Worthing Borough Council and Joint Committee
- Capital Strategy 2019/22.
- Enabling the Digital Future for Adur & Worthing: Extending Ultrafast - Report to the Joint Strategic Committee dated 2nd April 2019.

### **Officer Contact Details:-**

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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 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.