



ADUR & WORTHING COUNCILS

Joint Strategic Committee
13 July 2021
Agenda Item 7

Key Decision [~~Yes~~/No]

Ward(s) Affected: All

Financial Performance 2020/21 - Capital and Projects Outturn

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

Executive Summary

1. Purpose

- 1.1 This report outlines the financial monitoring position for the end of the 2020/21 financial year for capital schemes included in the capital programmes of the Joint Strategic Committee, Adur District Council and Worthing Borough Council.
- 1.2 Information is also provided in respect of capital receipts for the 2 constituent authorities.
- 1.3 The following appendices have been attached to this report:

Appendix 1: Adur District Council Outturn Summary

Appendix 2: Worthing Borough Council Outturn Summary

Appendix 3: Adur District Council Sale Proceeds

Appendix 4: Worthing Borough Council Sale Proceeds

2. Recommendations

- 2.1 The Joint Strategic Committee is asked:
 - i) Note the outturn position for 2020/21

- ii) To **recommend** that Adur District Council at its Council meeting on 22nd July 2021:
 - (a) Note the overall capital final outturn for 2020/21.
 - (b) Agree the net carry over of General Fund Capital underspends for Adur District Council as detailed in paragraphs 5.3.
 - (c) Approve the financing of the Adur District Council 2020/21 Capital Investment Programme, including the use of capital receipts as set out in paragraphs 5.1 and 5.2.
 - (d) Approve the carry forward of Council resources underspends to fund budget pressures as detailed in paragraph 4.2.2. and summarised in paragraph 5.6.
- iii) To **recommend** that Worthing Borough Council at its Council meeting on 20th July 2021:
 - (a) Note the overall capital final outturn for 2020/21.
 - (b) Agree the net carry over of General Fund Capital underspends for Worthing Borough Council as detailed in paragraph 5.10.
 - (c) Approve the financing of the Worthing Borough Council 2020/21 Capital Investment Programme, including the use of capital receipts as set out in paragraphs 5.7 and 5.8.
 - (d) Approve the carry forward of Council resources underspends to fund budget pressures as detailed in paragraph 4.2.2. and summarised in paragraph 5.15.

3. CONTEXT

- 3.1 The monitoring of capital budgets has been reported to the Joint Strategic Committee three times during the year.
- 3.2 In accordance with the Councils' Capital Strategy, the Joint Capital Working Group oversees the development, implementation and progress of both Councils' Capital Investment Programmes.
- 3.3 Full summaries of the outturn of all the schemes in the 2020/21 Capital Investment Programmes are available from the Councils' Joint Intranet and highlight:

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

4. 2020/21 Outturn

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

Capital Outturn - Summary of Progress:	Adur	Worthing	Status
Schemes where the Councils have experienced significant challenges or where financial issues have been identified	1	2	Red
Schemes where progress is being closely monitored	13	16	Amber
Schemes progressing well	33	46	Green
Schemes completed	19	37	
Total Schemes:	66	101	

4.2 Successes and challenges in the 2020/21 programme

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

Again, the programme has been delivered successfully last year with less than 2% of schemes presenting any significant issues. Highlights include:

Joint initiatives:

- i) Grants for disabled adaptations were awarded to 64 households in Adur and 144 households in Worthing.
- ii) WorkspacesAW, a programme of works to refurbish the Town Hall in Worthing, improve facilities in Portland House and improve our IT infrastructure began in 2020/21. The initiative will rationalise the use of office accommodation enabling the Councils to share space with NHS

partners. This project when completed will save the Council £365,000 per year in property costs.

Adur District Council schemes:

- i) The redevelopment of Albion Street to provide 44 new affordable homes progressed. The contractor is on site with works expected to finish in 2022/23.
- ii) The redevelopment of Cecil Norris House has continued with completion expected in Summer 2021.
- iii) Improvements to Council Dwellings included:
 - Boiler replacements.
 - Fire Safety Works to flats front entrance doors
 - Disability adaptations to provide access and improve facilities
 - Major repairs to void properties to enable them to be relet
 - Electrical works testing and replacements
 - Smoke detector installations
- iv) Public Sector Decarbonisation Scheme Funding. The Council has been awarded funding of £1,430,140 for investment in Council Dwellings and £415,440 for investment in other Council properties. Budgets of £1,905,940 and £516,470 have been added to the Adur Homes Capital Investment Programme and the General Fund Capital Investment Programme respectively. £101,030 has been funded from underspends in the 2020/21 General Fund Capital Investment Programme.
- v) The Council has recently acquired the ex Police Station in Lancing with the aim of redeveloping the site to provide new commercial space and to meet local housing need. A consultation will be undertaken to inform the future use of the site. In the interim a community project will use the building.

Worthing Borough Council schemes:

- i) Public Sector Decarbonisation Scheme Funding. The Council has been awarded funding of £588,850 for energy efficiency schemes at the Assembly Hall, Portland House, Town Hall and Goring Recreation Ground Pavilion.
- ii) Worthing Borough Council purchased 2 sites for temporary and emergency accommodation in 2018/19 and refurbishment and redevelopment work is now in progress:

Downsview Road Site - Phase 1 (9 flats) construction completed May 2020 and the flats have been let. Phase 2 (8 new flats) construction is

currently underway, whilst progress has been affected by Covid 19, the scheme is expected to complete in 2021/22.

Rowlands Road Site - Contracts have been signed to deliver 19 homes for temporary accommodation. The scheme is currently underway with completion expected in 2021/22.

4.2.2 However, there were some challenges faced by the Councils. The following schemes have been identified as having financial issues at 31st March 2021:

i) **Adur District Council - Acquisition of Pad Farm**

The Council agreed to purchase Pad Farm in December 2020 in order to lead in the restoration of estuarine habitat in the Adur Valley and a budget of £324,000 was included in the Capital Investment Programme for the acquisition. The purchase was completed in December 2020.

The actual cost of the purchase was £350,209 resulting in an overspend of £26,209 due to sales costs exceeding original estimates. The overspend can be funded from underspends in the overall Capital Investment Programme.

The project team are now working very closely with the Environment Agency who are actively supporting a bid into Flood and Coastal Risk Management capital funding scheme, for a managed realignment project, subject to feasibility work.

ii) **Worthing Borough Council - Connaught Theatre Ventilation Scheme**

The December 2020 Joint Strategic Committee agreed the funding for ventilation schemes at the Connaught Theatre and the Connaught Studio. However, in the intervening time, the specification has been revised in the light of Covid 19. When the schemes were tendered the cost of the proposed works were found to be more expensive than originally estimated partially due to the increase in costs of building supplies.

The schemes have been reviewed and in view of an increased funding requirement it is proposed to only progress the Connaught Theatre Ventilation Scheme at this time:

Current Budget Available:	£241,280
Current estimated Costs Connaught Theatre:	£420,000
Budget Shortfall:	£178,720

Proposed Funding:	
Underspend from Theatres Health and Safety:	£55,940
Overall underspend on 2020/21 Capital Programme:	£122,780
Virement:	£178,720

iii) **Worthing Borough Council - Palatine Park Provision of an Artificial Pitch**

The Football Foundation (FF) has approved a capital grant offer of 62% of a total project cost of £916,540 to Worthing Borough Council and Worthing Town Football Club Limited. The FF has also approved additional funding of £16,869 for consultant services to be paid directly to the consultant.

Planning Permission has been granted. The contract has been drafted and planning conditions are being addressed for construction to commence with a 14 week installation programme.

However, the start has been delayed by on-going discussions between the Council, South Downs Leisure and Worthing Town FC. The drainage requirements need to be increased and there are discussions on-going with Southern Water as to whether the capacity can be increased without a redesign of the drainage system. The estimated cost of the additional works is £63,000 and it is recommended that a contingency is carried forward to 2021/22, funded from underspends in the overall 2020/21 Capital Investment Programme, whilst funding options with the FF and Southern Water are explored.

4.2.3 In addition to the above schemes which have financial issues, the following schemes have provided challenges:

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

Officers are in constant discussion with Registered Social Landlords regarding possible contributions to housing developments, which have all been delayed due to Covid 19 restrictions, and it has proved difficult to identify developments to fund in 2020/21. One grant to Hyde Housing was agreed in 2019 but the development has been delayed by Covid 19 restrictions.

ii) **Adur District Council Buckingham Park - Contribution to Shoreham Rugby Club to part fund a replacement pavilion**

In December 2014 the Joint Strategic Committee agreed in principle to contribute £150,000 S106 receipts and £22,000 Council resource funding to be used as match funding to help secure additional external funding to replace the existing pavilion in Buckingham Park.

The Shoreham Rugby Club have so far been unsuccessful in raising all the additional funds required to commence the project. The Club has revised the design of the new pavilion to reduce the costs, but external funding is still required. In addition significant repairs to this building have been identified from a recent condition survey. A building audit of all the buildings in Buckingham Park is under consideration and other options might be considered.

4.3 Adur District Council Capital Outturn – All Portfolios

4.3.1 The capital investment programme for all Adur Portfolios was originally estimated at £61,430,450. Subsequent approvals and reprofiling of budgets to and from 2021/22 produced a total current budget of £23,422,070.

4.3.2 Actual expenditure in the year totalled £17,697,720, a variance of £5,724,350 on the current estimate, comprising of a net carried forward budget to 2021/22 of £4,175,220 and a net underspend of £1,549,130. Individual Portfolio expenditure was as follows:

	Current Estimate £	Actual Outturn £
General Fund and Housing Revenue Account:		
E.M. for Environment	1,175,330	1,127,579
E.M. for Health and Wellbeing	57,160	34,002
E.M. for Customer Services		
- General Fund	10,349,640	9,625,434
- Housing (HRA) Investment Programme	9,475,720	5,185,798
E.M. for Regeneration	1,109,660	200,684
E.M. for Resources	1,254,560	1,524,223
TOTAL	23,422,070	17,697,720

4.3.3 The major scheme variations are listed in Appendix 1 of this report. However, members should be aware that the main issues contributing to the level of reprofiling were:

- Reprofiling of £42.6m of the Strategic Property Investment Fund. This budget will only be spent if suitable properties for investment or development options are identified.

- The impact of Covid 19 on the delivery of a number of schemes within the programme.

4.3.4 The remaining usable capital receipts held at 31st March, 2021 totalled £3,454,246. To be utilised as follows:

• Ring-fenced Shoreham Renaissance Funds	£149,733
• Ring-fenced for Affordable Housing (LASHG)	£140,476
• Housing Revenue Account – Capital Investment	£1,926,941
• Ring-fenced for Revenue funding under Flexibility Powers	£79,627
• Ring-fenced Empty Property Loans and Grants	£25,825

4.3.5 Proceeds from sale of assets in 2020/21 are analysed in Appendix 3.

4.3.6 HRA Right to Buy Capital Receipts

2012/13 was the first year of the significant increase in discount for tenants introduced by the government as part of reinvigorating 'Right To Buy' (RTB). In 2020/21, 5 properties were sold. The financial impact is detailed below:-

Analysis of movement in RTB receipts	£'000	£'000
Balance brought forward as at 31st March		3,074
Receipts generated in year	454	
Less: Administration costs deducted from the capital receipts	-7	
Capital receipts passed to MHCLG as part of pooling arrangement	-319	
Net receipts generated in year	128	
Use of receipts to finance the capital programme	-1,275	
Decrease in receipts retained by the HRA		-1,147
Balance carried forward as at 31st March		1,927

Analysis of RTB receipts	£'000
Capital receipts which can be used for any purpose	1,005
Capital receipts which are to be used for new affordable dwellings*.	922
Balance carried forward as at 31st March	1,927

- * These receipts must be spent on the delivery of new affordable homes. Only 30% of the cost of any new build can be financed from these receipts, and they must be spent in a three year time frame although due to pandemic the 3-year requirement has been relaxed. These receipts are currently allocated to the development at Albion Street.

4.4 Worthing Borough Council Capital Outturn – All Portfolios

- 4.4.1 The Worthing capital investment programme for all Portfolios was originally estimated at £60,066,980. Subsequent approvals and reprofiling of budgets to and from 2021/22 produced a total current budget of £16,470,810.
- 4.4.2 Actual expenditure in the year totalled £17,744,319 an increase of £1,273,509 on the revised estimate, comprising a net brought forward of £1,650,000 and a net underspend of £376,491. Individual Portfolio expenditure was as follows:

	Revised Estimate £	Actual Outturn £
General Fund Other Services:		
E.M. for Customer Services		
- Housing	2,839,960	2,907,617
- Other Schemes	242,890	79,864
E.M. for Digital and Environment	4,612,650	2,696,303
E.M. for Health and Wellbeing	89,750	79,677
E.M. for Regeneration	7,618,600	6,944,218
E.M. for Resources	1,066,960	5,036,640
TOTAL	16,470,810	17,744,319

4.4.3 The major scheme variations are listed in Appendix 2. Covid 19 contributed this year to the level of reprofiling identified.

4.4.4 The remaining usable capital receipts held at 31st March, 2021 totalled £1,884,879. To be utilised as follows:

- Ring-fenced for Coast Protection £88,800
- Ring-fenced for Affordable Housing (RTB Clawback Receipts) £1,370,869
- Ring-fenced for Empty Property grants and loans £12,187
- Ring-fenced for the flexible use of capital receipts. £413,023

4.4.5. Proceeds from the sale of assets in 2020/21 are analysed in Appendix 4.

5. Issues for consideration

Adur District Council:

5.1 Adur District Council capital expenditure in 2020/21 was financed as follows:

	£	£
General Fund Schemes Financing:		
Government Grants	605,222	
Local Enterprise Partnership Grants	9,308,470	
Prudential Borrowing	2,402,592	
Capital Receipts		
- General fund schemes	7,129	
S106 Contributions	103,773	
Other Contributions	51,291	
Revenue Contributions / Reserves	33,445	
TOTAL GENERAL FUND FINANCED		12,511,922
Housing Revenue Account Capital Investment Programme Financing:		
Major Repairs Reserve	1,961,130	
Capital Receipts	1,275,000	
Prudential Borrowing	1,297,081	
Government Grants	652,587	
TOTAL ADUR HOMES FINANCED		5,185,798
TOTAL OVERALL FINANCED		17,697,720

- 5.2 The Joint Strategic Committee is asked to recommend that the Council approve the overall financing of the 2020/21 capital programme, and the utilisation of £1,282,129 usable capital receipts in the funding of the 2020/21 capital programme.
- 5.3 The Joint Committee is also asked to recommend to Adur District Council to approve the Capital Flexibilities Strategy which includes details of the use of £4,414.45 of capital receipts to fund AW workspaces project in 2020/21.

Project	Overall annual savings generated £	Adur District Council				Nature of expenditure
		Share of annual saving %	Annual saving £	Financial year	Amount of capital receipts used £	
Environmental Services Redesign - Phase 1	336,670	37.91	127,630	2018/19 Actual	44,630	Redundancy costs and pension strain
				2019/20 Actual	0	
2021/22 savings proposals						
- General	83,950	40	33,580	2021/22 Estimate	60,000	tbc
- Accommodation project	180,000	40	72,000	2020/21 Actual	4,415	Project delivery costs
				2021/22 Estimate	92,845	
Total	600,620		127,630		44,630	

- 5.4 Approval is requested to carry over to 2021/22 and bring forward from 2021/22 certain budgeted expenditure where spending patterns have changed since the 3rd Quarter Monitoring, as detailed in Appendix 1.

	Carried Forward To 2021/22 £
Executive Member Environment	376,150
Executive Member for Customer Services	
- General Fund	720,000
- Adur Homes Capital Investment Programme	3,495,290
Executive Member for Health and Wellbeing	23,160
Executive Member for Regeneration	955,200
Executive Member for Resources	686,860
TOTAL CARRIED FORWARD TO 2021/22	6,256,660

	Brought Forward to 2020/21 £
Executive Member for Environment	339,110
Executive Member for Customer Services	
- General Fund	46,200
- Adur Homes Capital Investment Programme	742,360
Executive Member for Resources	953,770
TOTAL BROUGHT FORWARD TO 2020/21	2,081,440
NET CARRIED FORWARD TO 2021/22	4,175,220

- 5.5 The significant budget variations and budget reprofiles in the 2020/21 capital investment programme have been detailed in Appendix 1.
- 5.6 In addition to the carry forward of existing budgets to finish approved projects in 2021/22, permission is also sought to utilise the capital resources from the overall underspend in the 2020/21 Capital Investment Programme to fund budget pressures in 2021/22 as detailed in paragraph 4.2.2.
- 5.7 It is also recommended that the remaining Council capital underspend after funding the above budget pressures is carried forward to 2021/22 to fund the following schemes:

i) **Southwick Square Improvements.**

Southwick Square has been identified as a key urban centre in Adur and whilst the Council retains a strong commercial portfolio interest in the area, the public realm is in need of upgrading. The scheme will revitalise Southwick Square, improving the streetscene and reducing the severance to the local businesses.

The 2020/21 capital investment programme included a budget of £25,000 for improvements at Southwick Square. Lighting improvements were undertaken in 2020/21. Officers and consultants are now working on an enlarged scheme to be delivered in 2021/22. A report is to be submitted to the Joint Strategic Committee later in the year detailing full costs and funding. The proposal is to allocate an additional £37,000 from the overall underspend in the 2020/21 Capital Investment programme.

Estimated Costs:	£112,000
Funding Sources:	
Public Realm Budget 2020/21 c/f	£20,000
Public Realm Budget 2021/22	£25,000
Underspends 2020/21 Capital Programme	£37,000
Welcome Back Safely Fund	£30,000
Total funding identified:	£112,000

ii) **Shoreham Harbour Coast Protection Works.**

The Council is planning to demolish the redundant Yacht Club this summer. The Council is meeting with West Sussex County Council in June to agree on a final drainage solution for the flood defence scheme. Once this is agreed the Council will be in a position to complete the designs, re-tender and appoint a contractor to enable the flood wall and cycle path to be built. It is proposed to carry forward £120,000 from the overall underspend in the 2020/21 Capital Investment programme as a contingency for the scheme.

iii) **Partnership Domestic Wheeled Bin Replacements**

The 2021/22 current partnership budget is £50,000. However, £45,000 has been spent to date and it is estimated that a further 4 orders of £12,000 will need to be placed before 31 March 2022. The additional demand is anticipated from new housing developments completing in 2021/22 which have been delayed by Covid 19 restrictions.

Additional Funding Required:	£60,000
Adur Share of Funding:	£21,840
Worthing Share of Funding:	£38,160

iv) **Partnership Commercial Trade Waste Wheeled Bin Replacements**

There is currently no capital funding in the 2021/22 Capital Investment programme. The current estimated expenditure in 2021/22 is £50,000 which is required to maintain and develop the service. There is a budget of £25,000 in the 2021/22 revenue budget for these replacements and the balance can be funded from the overall 2020/21 Capital Investment Programme underspends:

Additional Funding Required:	£50,000
Contribution from Revenue Budget:	£25,000
Adur Share of Funding:	£7,500
Worthing Share of Funding:	£17,500

5.8 In summary the following approvals are sought:

	£
Southwick Square Improvements	37,000
Shoreham Harbour Coast Protection Works	120,000
Domestic Wheeled Bins Replacements (Adur Share of Costs)	21,840
Commercial Trade Waste Wheeled Bin Replacements (Adur Share of Costs)	7,500
Total proposed c/f from underspends	186,340

Worthing Borough Council

- 5.9 Worthing Borough Council capital expenditure in 2020/21 was financed as follows:-

	£	£
Usable Capital Receipts		
- Housing	502,355	
- Other General Fund	701,663	
- Flexible Use of Capital Receipts	6,772	
		1,210,790
Prudential Borrowing	9,054,345	
Grants and Contributions	7,328,454	
Revenue Contributions	150,730	
		16,533,529
TOTAL CAPITAL FINANCED		17,744,319

- 5.10 The Joint Strategic Committee is asked to recommend that the Council approve the overall financing of the capital programme and the utilisation of £1,210,790 usable capital receipts in the funding of the 2020/21 capital programme.
- 5.11 The Joint Committee is also asked to recommend to Worthing Borough Council to approve the Capital Flexibilities Strategy which includes details of the use of £6,771.68 capital receipts to fund AW workspaces project in 2020/21.

Project	Overall annual saving generated £	Worthing Borough Council				Nature of expenditure
		Annual saving %	Annual saving £	Financial year	Amount of capital receipts used £	
Environmental Services Redesign - Phase 1	336,670	62.09	209,040	2018/19 Actual	164,432	Redundancy costs and pension strain
				2019/20 Actual	22,093	
				2020/21 Actual	22,300	
2021/22 savings proposals - general						
- General	83,950	60	50,370	2021/22 Estimate	90,000	tbc
- Accomodation project	180,000	60	108,000	2020/21 Actual	6,772	Project delivery costs
				2021/22 Estimate	139,108	
Total	336,670		209,040		208,825	

5.12 Approval is requested to carry over to 2021/22 and bring forward from 2021/22 certain budgeted expenditure where spending patterns have changed since the 3rd Quarter Monitoring, as detailed in Appendix 2.

	Carried Forward To 2021/22 £
Executive Member Environment	1,540,740
Executive Member for Customer Services	373,650
Executive Member for Health and Wellbeing	10,070
Executive Member for Regeneration	1,654,670
Executive Member for Resources	899,400
TOTAL CARRIED FORWARD TO 2020/21	4,478,530

	Brought Forward to 2020/21 £
Executive Member for Customer Services	186,180
Executive Member for Environment	66,870
Executive Member for Regeneration	1,006,400
Executive Member for Resources	4,869,080
TOTAL BROUGHT FORWARD TO 2020/21	6,128,530
NET BROUGHT FORWARD TO 2020/21	1,650,000

5.13 The significant budget variations and budget reprofiles in the 2020/21 capital investment programme have been detailed in Appendix 2.

5.14 In addition to the carry forward of existing budgets to finish approved projects in 2021/22, permission is also sought to utilise the Councils resources overall underspend in the 2020/21 Capital Investment Programme to fund budget pressures as detailed in paragraph 4.2.2.

5.15 It is also recommended that the remaining Council capital resources underspend, after funding of the above budget pressures, is carried forward to 2021/22 to address the following budget pressures in 2021/22:

i) **Splashpoint Replacement Heat Pump.**

The estimated cost of the replacement is £200,000 and a further report will be submitted detailing the costs, funding and timescales for replacement. It is proposed to create a contingency for this scheme as follows:

2020/21 Capital Investment Programme Underspends:	£122,000
2021/22 Capital Investment Programme Contingency:	£8,000
Virement from the Public Conveniences Refurbishment:	£70,000
Total:	£200,000

ii) **Partnership Domestic Wheeled Bin Replacements.**

The 2021/22 current partnership budget is £50,000. However, £45,000 has been spent to date and it is estimated that a further 4 orders of £12,000 will need to be placed before 31st March 2022. The additional demand is anticipated from new housing developments completing in 2021/22 which have been delayed by Covid 19 restrictions.

Additional Funding Required:	£60,000
Adur Share of Funding:	£21,840
Worthing Share of Funding:	£38,160

iii) **Partnership Commercial Trade Waste Wheeled Bin Replacements**

There is currently no capital funding in the 2021/22 Capital Investment Programme. The current estimated expenditure in 2021/22 is £50,000 which is required to maintain and develop the service. There is a budget of £25,000 in the 2021/22 revenue budget and the balance can be funded from the overall 2020/21 Capital Investment Programme underspends:

Additional Funding Required:	£50,000
Contribution from Revenue Budget:	£25,000
Adur Share of Funding:	£7,500
Worthing Share of Funding:	£17,500

5.16 In summary the following approvals are sought:

	£
Connaught Theatre Ventilation Scheme	178,720
Palatine Park Artificial Pitch	63,000
Splashpoint - Replacement Heat Pump	200,000
Domestic Wheeled Bins	38,160
Commercial Trade Waste Wheeled Bins	17,500
Total allocations requested within this report	497,380

6. Engagement and communication

- 6.1 The purpose of this report is to communicate with stakeholders on the outturn of the Adur District Council and Worthing Borough Council 2020/21 Capital Investment Programmes. Officers of the Council have been consulted on the progress of the schemes which they are responsible for delivering. The overall progress of the programmes have been considered by the Capital Working Group

7. Financial implications

- 7.1 There are no further financial implications arising from this report as the financing of the Adur District Council and Worthing Borough Council original 2020/21 Capital Investment Programmes was 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 all be funded from existing resources.

8. Legal implications

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

Background Papers

- Investing for the future: Capital Programme 2020/21 to 2022/23 - Report to the Joint Strategic Committee dated 1st December 2020
- Becoming financially sustainable - Capital Strategy 2020/21 - Report to the Joint Strategic Committee dated 9th July 2019.
- Reinvigorating Right to Buy and One for One Replacement - Information for Local Authorities - DCLG
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/5937/2102589.pdf

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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.

**ADUR DISTRICT COUNCIL FINAL ACCOUNTS 2020/21 - CUSTOMER SERVICES
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**




 ADUR DISTRICT COUNCIL Scheme	Scheme Progress	2020/21 Current Budget £	2020/21 Spend £	2020/21 (Under-spend)/Overspend £	Budget C/F (Budget B/F) £
Adur Homes Capital Works Programme <i>The following works were undertaken in 2019/20:</i>		4,160,560	1,961,130	(2,199,430)	658,830
<ul style="list-style-type: none"> i) External works programmes to Rocks Close and Locks Court. Consultation with residents is to be undertaken with regard to redevelopment rather than refurbishment. ii) External works programmes to Bushby Close and Beachcroft Court: The works are in progress and are estimated to complete December 2021. iii) Warren Court replacement of balconies and walkways: Structural inspections have been undertaken. iv) Essential boiler replacements. v) Fire Safety works: Fire doors replacements, smoke detection, electrical works and general needs fire safety works. vi) Disability Adaptations to provide access and improve facilities vii) Major repairs to void properties to enable them to be relet. 					
Adur Homes Development of Properties					
<ul style="list-style-type: none"> i) Cecil Norris House Redevelopment - Scheme has been delayed by Covid 19 restrictions. Handover date from the contractors is now anticipated July 2021. 		1,722,520	2,268,471	545,951	(545,950)
<ul style="list-style-type: none"> ii) Albion Street Redevelopment - Scheme has been delayed by Covid 19 restrictions. Works on site anticipated to complete September 2022. 		3,037,070	583,761	(2,453,309)	2,453,310
<ul style="list-style-type: none"> iii) Hidden Homes - Planning applications are being submitted to deliver 56 new homes. 		172,970	368,825	195,855	(195,860)
<ul style="list-style-type: none"> iv) Development of Properties Contingency for further unforeseen works. 		382,600	3,610	(378,990)	382,600
Community Alarm Service		50,000	7,045	(42,955)	-
Purchase of Community Alarm Equipment to replace old equipment					
2020/21 purchases completed at a cost less than originally forecast.					
No carry forward of budget is requested as there is a budget of £50,000 in 2021/22 which should be sufficient to fund 2021/22 equipment replacements.					

**ADUR DISTRICT COUNCIL FINAL ACCOUNTS 2020/21 - CUSTOMER SERVICES
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**


 ADUR DISTRICT COUNCIL Scheme	Scheme Progress	2020/21 Current Budget £	2020/21 Spend £	2020/21 (Under-spend)/Overspend £	Budget C/F (Budget B/F) £
<p>Housing</p> <p><i>Disabled Facilities Grants</i></p> <p>These grants are mandatory and the Council has to approve all eligible grants. All approvals are for 12 months and works can be undertaken at any time in this period. The Council has received sufficient Better Care Grant to fund all 2020/21 expenditure.</p> <p><i>Affordable Housing General Provision</i></p> <p>A grant of £720,000 to the Hyde Group for the provision of 14 rented units has been approved. Grant payment has been delayed by Covid 19 restrictions.</p> <p><i>Home Repair Assistance Grants</i></p> <p>The scheme is demand led; grant approvals are for 3 - 12 months and can be taken up at any time in this period. The discretionary grants have been less in demand due to the new Discretionary Safe and Warm Grant for vulnerable people, which provides the same function but uses Better Care Grant Funding.</p> <p><i>Redevelopment of properties for emergency and temporary accommodation for the homeless</i></p> <p>Redevelopment of 2 properties in Albion Street</p> <p>Condition surveys have been undertaken along with asbestos removal. The build contract tender was issued in February 2021 to undertake the conversion of the two homes into 6 flats for temporary accommodation.</p> <p>Completed schemes</p>	<div>○</div> <div>○</div>	<p>540,000</p> <p>720,000</p> <p>59,640</p> <p>30,000</p> <p>8,950,000</p>	<p>555,122</p> <p>-</p> <p>41,680</p> <p>61,203</p> <p>8,960,384</p>	<p>15,122</p> <p>(720,000)</p> <p>(17,960)</p> <p>31,203</p> <p>10,384</p>	<p>-</p> <p>720,000</p> <p>(15,000)</p> <p>(31,200)</p> <p>-</p>
TOTAL - Customer Services		19,825,360	14,811,232	(5,014,128)	3,426,730

WORTHING BOROUGH COUNCIL FINAL ACCOUNTS 2020/21 - CUSTOMER SERVICES

CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS

 WORTHING BOROUGH COUNCIL Scheme	Scheme Progress	2020/21 Current Budget £	2020/21 Spend £	2020/21 (Under-spend)/Overspend £	Budget C/F (Budget B/F) £
Housing Acquisition and development of temporary accommodation for the homeless <p>Downsview Road Site - Phase 1 (9 flats) The construction has completed and the flats are let.</p> <p>Downsview Road Site - Phase 2 (8 flats) construction nearing completion.</p> <p>Rowlands Road Site (19 flats) - construction in progress, completion anticipated July 2021.</p>		92,520	92,520	-	-
Disabled Facilities Grants <p>These grants are mandatory and the Council has to approve all eligible grants. All approvals are for 12 months and works can be undertaken at any time in this period. The Council has received sufficient Better Care Grant to fund all 2020/21 expenditure and c/f requested for outstanding commitments at 31 March 2021.</p>		1,200,000	1,101,979	(98,021)	98,020
Home Repair Assistance Grants <p>The scheme is demand led; grant approvals are for 3 - 12 months and can be taken up at any time in this period. Carry forward of £14,500 budget requested to fund outstanding commitments at 31 March 2021.</p>		76,990	29,670	(47,320)	14,500
Assembly Hall Health and Safety Works <p>All health and safety works complete. Some of the works were not as extensive as originally anticipated and minor repairs have been undertaken from the revenue budget, resulting in an underspend.</p> <p>The underspend is requested to be carried forward and vired to the Connaught Ventilation scheme to fund the budget shortfall.</p>		132,890	76,948	(55,942)	55,940
Curtain Replacements <p>The order has been placed for installation in 2021/22.</p>		25,000	-	(25,000)	25,000
Connaught Theatre and Connaught Studio Ventilation System <p>The budget has been profiled over 2 years 2020/21 and 2021/22. Tenders are being evaluated, and it is estimated that the total cost of the scheme is now £420,000, resulting in a shortfall of £178,720.</p>	£	15,000	6,950	(8,050)	147,780

WORTHING BOROUGH COUNCIL FINAL ACCOUNTS 2020/21 - CUSTOMER SERVICES
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS

 WORTHING BOROUGH COUNCIL Scheme	Scheme Progress	2020/21 Current Budget £	2020/21 Spend £	2020/21 (Under- spend)/ Overspend £	Budget C/F (Budget B/F) £
<p>Approval is requested to utilise the underspend of £55,940 from the Theatres health and safety schemes, which resulted from the works being less extensive than originally anticipated, and £122,780 from underspends in the overall 2020/21 Capital Investment Programme to fund the shortfall.</p> <p>Pavilion Theatre <i>Drains - Realignment, relining and refurbishment</i> Works anticipated 2021/22.</p> <p>Richmond Room <i>Replacement Roof</i> Works commenced in 2020/21 and completed April 2021.</p> <p>Completed schemes and Miscellaneous Minor Variations</p>					
		10,000	-	(10,000)	10,000
		60,000	37,591	(22,409)	22,410
		5,000	(9,810)	(14,810)	-
TOTAL - Customer Services		3,082,850	2,987,481	(95,370)	187,470



FINAL ACCOUNTS 2020/21		
Analysis of Capital Receipts		
	£	£
A. GENERAL FUND		
1. Grant Repayments:		
Housing Renewal Grants	931	
2. Equipment Sales:		
Sale of Equipment and Vehicles	21,443	
		22,374
B. HOUSING REVENUE ACCOUNT		
1. Council House Sales:		
Houses and Flats	445,400	
Lease Extensions	8,706	
2. Less Pooling Requirement :	(318,691)	
3. Less Admin Fees:	(7,304)	
		128,111
TOTAL CAPITAL RECEIPTS		150,485



WORTHING BOROUGH COUNCIL

FINAL ACCOUNTS 2020/21		
Analysis of Capital Receipts		
	£	£
A. GENERAL FUND		
1. Sales of Land and Other Assets:		
2 The Waterfront Deferred Premium	40,000	
Land at Cote Street	63,000	
Sale of Equipment and vehicles	21,812	
Shoreham Airport Deferred Premium	666,667	
		791,479
B. HOUSING RECEIPTS (RINGFENCED)		
2. Worthing Homes:		
Right to Buy Receipts	119,070	
3. Loan Repayments:		
Council House Mortgages	153	
4. Housing Grant Repayments:		
Housing Renewal Assistance	1,667	
		120,890
TOTAL CAPITAL RECEIPTS		912,369