



Key Decision : No

Ward(s) Affected: All

1st Quarter Capital Investment Programme & Projects Monitoring 2021/22
Report by the Director for Digital, Sustainability and Resources

EXECUTIVE SUMMARY

1. PURPOSE

- 1.1 This report updates the Joint Strategic Committee on the progress made on the 2021/22 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 note the addition of the Lancing Manor Bowling procurement of an irrigation system to the 2021/22 Capital Investment Programme as detailed in paragraph 7.2.3.

- iii) To note the S106 receipt of £17,450 for the improvement of the Southlands Hospital Play Area and the addition to the 2021/22 Capital Investment Programme of the improvement works as advised in paragraph 7.2.4.
- iv) To approve the replacement of the Transport Workshop HGV vehicle lift replacements funded from underspends in the Street Cleansing Vehicle Replacement Budget, and the addition of the scheme to the 2021/22 Capital Investment Programme as detailed in paragraph 7.1.1.
- v) To approve the replacement of the Transport Fleet Management System funded from the budget a replacement Bereavement Services Vehicle and the addition of the project to the 2021/22 Capital Investment Programme as detailed in paragraph 7.1.2.
- vi) To note the bringing forward of the budget for the Lancing Manor Leisure Centre Car Park access reconstruction and security improvements to 2021/22 as detailed in paragraph 7.4.1.
- vii) To note the revised decarbonisation programme and to approve the release of up to £118,050 funding from the Capacity Issues Reserve to address the financial pressures within the decarbonisation scheme as outlined in paragraph 4.2.1.
- viii) To approve the additional funding of £50,000 for the Southwick Football Club to be used as match funding for the demolition of the existing buildings to enable the new tenant to redevelop the site as outlined 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 replacement of Grafton MSCP essential payment equipment and entry / exit barriers funded from underspends in the High Street and Buckingham Road MSCP equipment replacements, and the addition of the project to the 2021/22 Capital Investment Programme as detailed in paragraph 7.3.2.
- iii) To approve the refurbishment of the Worthing Rotunda funded from the underspend in the Worthing Parades Improvements Budget and the addition of the project to the 2021/22 Capital Investment Programme as detailed in paragraph 7.3.3.
- iv) To note the addition of the Church House Grounds Bowling Green procurement of an irrigation system to the 2021/22 Capital Investment Programme as detailed in paragraph 7.3.4.

- v) To approve the replacement of the Worthing Leisure Centre Hammer / Throws Cage funded from the Play Area Equipment Budget, and the addition of scheme to the 2021/22 Capital Investment Programme as detailed in paragraph 7.3.5.
- vi) To approve the replacement of the Transport Workshop HGV vehicle lift replacements funded from underspends in the Street Cleansing Vehicle Replacement Budget, and the addition of the scheme to the 2021/22 Capital Investment Programme as detailed in paragraph 7.1.1.
- vii) To approve the replacement of the Transport Fleet Management System funded from the budget a replacement Bereavement Services Vehicle and the addition of the project to the 2021/22 Capital Investment Programme as detailed in paragraph 7.1.2.
- vi) To note the bringing forward of the budgets for the Broadwater Parish Rooms replacement electrics and heating system to 2021/22 as detailed in paragraph 7.4.2.

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 2021/22 Capital Investment Programmes are prepared each quarter highlighting:

Schemes with significant challenges	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	↓

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 2021/22 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 2021/22 was approved by the Joint Strategic Committee on 2nd March 2021.

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 work schemes 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 and external works to Bushby Court and Beachcroft place is ongoing.

4.1.2 Adur Homes External Works Programme

The external capital works programme is being compiled and the following

schemes are under consideration or progressing:

- The original project to undertake external works to Rocks Close and Locks Court has been reviewed and consultation with residents is being undertaken regarding redevelopment rather than refurbishment. Officers are currently reviewing emergency works with the potential scope of extending usable life of properties before broader decisions are taken. Works might be undertaken in the wider Southwick area.
- The project to undertake external works to Bushby Close has been delayed due to outstanding loft insulation works and is now anticipated to complete August 2021.
- External works to Beachcroft Place are anticipated to complete December 2021.
- Decisions are in progress regarding additional works programmes for roofs and windows.

4.1.3 Housing Development and Acquisition Programme

Covid-19 has had a significant impact on all of the housing development schemes. The nationwide lockdown, site shutdowns and subsequent updated guidance on site operation and safety in a post Covid environment has impacted on supply chains, deliveries and on-site productivity. In particular the social distancing measures have meant that on-site staffing levels (site staff and site subcontractors/labour) have, in many cases, needed to be reduced to 50% of normal capacity.

Whilst the above will mean an inevitable impact on programme delivery, during the past 6 months the team have still overseen the completion of one site and signed contracts and made a start on 3 new sites (76 homes). A report identifying a further 9 pipeline sites was approved by the Joint Strategic Committee in October 2020.

Albion Street Refurbishment of 2 semi-detached house for temporary accommodation

Condition surveys have been undertaken along with asbestos removal. The build contract tender was issued in early February 2021 to undertake the conversion of 2 houses into 6 flats for temporary accommodation. Completion is anticipated in 2022/23.

Cecil Norris Development

The newly announced fire regulations have impacted on sign off / handover of the new building. Officers have undertaken a review with third party input and handover is now scheduled for September.

Albion Street

Covid-19 has had a significant impact on the timescales for the contract award. However, works are now on time and delivery is anticipated December 2022.

Small Sites (Hidden Homes)

Following approval of the small sites programme to deliver 56 new homes, planning applications are being submitted. Land Release Funding of £566,000 has also been secured to help unlock unviable sites.

Downsview Pub Site

Nine flats were completed in April 2020 as part of phase 1. All of the flats are now occupied, providing temporary accommodation to families in need.

Building contracts for phase 2 of Downview have been signed with the contractor currently on site to develop a further 8 homes for temporary accommodation. Works are now due to complete in September 2021.

Rowlands Road Site

Works on site to deliver a further 19 homes are progressing well, however some time and cost impact has been felt from the discovery of more asbestos than had been identified as part of the asbestos survey. Also additional works have been identified on the structure and drainage adding to both costs and delay. Due to the expanded scope of works and the impact of Covid 19 restrictions the completion date is currently forecasted for late September 2021. Overall the scheme is now expected to cost more than the original forecast but it is anticipated that the additional spend can be accommodated within the overall programme budget. A full update report on the scheme can be found elsewhere on the agenda.

- 4.2 The following schemes have provided challenges and have been identified as having financial issues:

4.2.1 **Decarbonisation programme - Adur**

The Council has successfully bid for funding from the Public Sector Decarbonisation Scheme (PSDS) for £1.7m to be used to support a range of decarbonisation schemes across Adur. The original approved programme was:

Scheme	Cost £	Grant awarded £	Internal resources needed £
Adur			
General Fund			
Shoreham Centre - Air source heat pumps	415,000	325,020	89,980
Solar panels	51,000	39,950	11,050
Total General Fund programme	466,000	364,970	101,030
Housing Revenue Account			
Shadwells Court			
- Heat pumps	900,000	693,930	206,070
- Solar Panels	34,900	34,900	0
- Cavity Wall Insulation	42,500	42,500	0
Marsh House			
- Heat pumps	707,000	545,120	161,880
- Solar Panels	12,750	12,750	0
Total HRA programme	1,697,150	1,329,200	367,950
Total investment in Adur assets	2,163,150	1,694,170	468,980

Following some further design work on the proposals, it has been identified that for the projects to be successfully delivered, significant work on the local electricity substations with substantial additional associated costs is required at both Marsh House (£212k) and the Shoreham Centre (£180k).

Given the financial pressure that the Adur Homes capital investment programme is under, it is not possible to find additional match funding for the proposed scheme at Marsh House without significantly compromising other high priority schemes. Consequently, this scheme will be rebid for in the next round of PSDS along with a range of other heating improvements to benefit Adur tenants.

To facilitate the delivery of the Shoreham Centre scheme, underspend and residual contingency will be reallocated to the project of £20k.

In addition, the Solar PV scheme will be funded from the energy efficiency invest to save budget pending the submission of a report to the Executive Member of Resources for approval.

This will leave a shortfall of £118,050 for this scheme. If no further underspends are identified within the General Fund programme, it is proposed that the balance is funded from the Capacity Issues Reserve.

Consequently the new programme and associated funding is as follows:

Scheme	Revised Cost £	Grant awarded £	Internal resources needed £
Adur			
General Fund			
Shoreham Centre - Air source heat pumps	593,000	364,970	228,030
Solar panels - Invest to save scheme	62,000	0	62,000
Total General Fund programme	655,000	364,970	290,030
Housing Revenue Account			
Shadwells Court			
- Heat pumps	866,504	675,824	190,680
- Solar Panels	34,900	14,550	20,350
- Cavity Wall Insulation	11,556	11,556	0
Marsh House			
- Solar Panels	33,100	33,100	0
Total HRA programme	946,060	735,030	211,030
Total investment in Adur assets	1,601,060	1,100,000	501,060

4.2.2 Shoreham Harbour Walls Coast Protection Scheme

The purchase of land from the Sussex Yacht Club was completed in 2019/20 enabling them to build a new club house.

Officers are currently undertaking an options appraisal to consider what the most cost effective drainage solution to incorporate into the new flood wall. This piece of work is required to mitigate against any potential build up of drainage and surface water forming on the northern side of the flood wall and to identify if there will be any impacts on adjoining land.

Adur District Council is working with West Sussex County Council and key stakeholders to agree a suitable solution to Public Rights of Ways access associated with the project.

It is anticipated the redundant yacht club house will be demolished in Autumn 2021.

5. PROGRESS OF THE ADUR DISTRICT COUNCIL 2021/22 CAPITAL INVESTMENT PROGRAMME – AUGUST 2021

5.1 There are 67 schemes in the 2021/22 current capital investment programme which are progressing as follows:

	Number of schemes	Percentage %
Schemes which are progressing satisfactorily or have completed	46	68.7
Schemes where progress is being closely monitored	20	29.9
Schemes with significant challenges	1	1.4

5.2 A summary of the financial movements of the 2021/22 Capital Investment Programme is attached as Appendix 1 to this report. A summary of the progress of all the schemes in the 2021/22 Capital Investment Programme is available from the Councils' Joint Intranet.

6. PROGRESS OF THE WORTHING BOROUGH COUNCIL 2021/22 CAPITAL INVESTMENT PROGRAMME – AUGUST 2021

6.1 There are 95 schemes in the 2021/22 current capital investment programme which are progressing as follows:

	Number of schemes	Percentage %
Schemes which are progressing satisfactorily or have completed	65	68.4
Schemes where progress is being closely monitored	30	31.6
Schemes with significant challenges	0	0

6.2 A summary of the financial movements of the 2021/22 Capital Investment Programme is attached as Appendix 2 to this report. A summary of the progress of all the schemes in the 2021/22 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 Transport Workshop - Replacement of HGV vehicle lifts

When Adur and Worthing's Transport functions merged in 2004 two sets of different makes of single leg mobile lifts, which are not compatible with each other, were transferred to the new joint workshop.

The lifts transferred from Worthing Borough Council (Hetra Lifts) were procured in 1986 and the Adur District Council (Pro Lifts) were procured in 1998. The Hetra lifts are now becoming extremely unreliable and parts are very difficult to source and, when available, very expensive. Also if one leg is out of action waiting to be repaired, a whole set of 4 lifts are out of action and it can take several months to source parts and repair.

Replacing the current lifts would allow more flexibility on how the lifts can be deployed within the workshop while taking advantage of any advancements in technology and safety features.

A two phase replacement of one make of lift is requested with the Hetra lifts being replaced in the first phase in 2021/22 with the remaining Pro Lifts being replaced in 2022/23.

Phase 1: Set of 10 lifts 2021/22	£40,000
Phase 2: Set of 4 lifts 2022/23	£16,000
Total Cost:	£56,000

Proposed Funding:

Phase 1: Underspend on 2019/20 vehicle replacements following delivery of final vehicle:	£40,000
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Phase 2: New PID submitted for 2022/23	£16,000
Total Funding:	£56,000

7.1.2 Transport Fleet Management System - Replacement

The current fleet management system was procured in 2005. Due to the age of the system it is no longer supported by the provider Civica as the system has been superseded by numerous upgraded versions. The current system has developed many problems and is no longer functioning. Civica are unable to resolve these problems due to the systems age and because the software is not compatible with the Councils' current PCs.

There is a budget provision of £28,000 for the replacement of a vehicle used for Bereavement Services and it has been agreed that this budget will be used to fund the replacement of the Transport Fleet Management System to a cloud based system.

New systems are currently being reviewed and installation of a new system is anticipated September 2021.

The replacement needs to be added to the current Capital Investment Programme.

7.2 Adur District Council

7.2.1 Budgets totalling £35,134,090 have been reprofiled to 2022/23 and future years, where the original project plan has changed and the schemes are not expected to complete in 2021/22. A list of schemes reprofiled is attached as Appendix 3 to this report.

7.2.2 The following amendments to the Adur District Council 2021/22 Capital Investment Programme are recommended:

7.2.3 Lancing Manor Bowling - Procurement of Irrigation System

The 2021/22 Adur District Council Capital Investment Programme included a budget provision of £16,800 for a programme of improvements to Adur Allotments. No improvement works have been identified to date.

Outdoor bowling is popular in Adur and all bowling greens with the exception of Lancing Manor have automatic water irrigation. Lancing Manor Bowls Club who play at Lancing Manor have a vibrant and well supported club membership who play bowls regularly throughout the season.

A virement has been approved to transfer the Adur Allotment Improvements budget to fund the provision of an automatic water irrigation system with water harvesting from associated buildings at Lancing Manor Bowling Green. This will enable the bowling green to be maintained to a higher standard and quality, reduce labour costs, recycle water and reduce water wastage.

The new scheme needs to be added to the 2021/22 Capital Investment Programme.

7.2.4 Southlands Hospital Play Area - Upgrade

Adur District Council has received a S106 receipt of £17,450 for the improvement of the Southlands Hospital Play Area which has been transferred to us under a planning agreement.

The upgrade of the play area needs to be added to the 2021/22 Adur District Council Capital Investment Programme funded from the S106 receipt.

7.2.5 Southwick Football Ground Buildings - Match funding for the tenant's funding bid for the demolition of the existing buildings on site

The buildings are in a poor condition and have been condemned due to health and safety breaches. The new tenant is submitting bids for funding to redevelop the site. As part of the process £50,000 has already been included in the 2021/22 Capital Investment Programme funded from S106 receipts.

Additional funding of £50,000 has also been requested to be used as match funding for external funding bids by the new tenants in 2021/22. The contribution is to be used as match funding for the demolition of the existing

buildings on site. It is proposed to fund the contribution from underspends in the 2021/22 Capital Investment Programmes follows:

Match funding requested: £50,000

Funding:

Eastbrook Community Centre Muga £30,000

Public Conveniences Improvements £20,000

A further contribution of £50,000 is requested in 2022/23 and a Capital Project Initiation Project has been submitted for consideration as part of this years Capital Bidding Process.

7.3 Worthing Borough Council

7.3.1 Budgets totalling £34,455,030 have been reprofiled to 2022/23 and future years where the original project plan has changed and the schemes are unable to complete in 2021/22. A list of schemes reprofiled is attached as Appendix 4 to this report.

7.3.2 Grafton MSCP - Replacement of payment equipment and entry / exit barriers

Key items of the Grafton MSCP essential equipment; cameras and entry/exit barriers have reached the end of their useful life. The equipment needs to be replaced to maintain and possibly increase income levels, to fulfil the obligations of the off-street parking order, to maintain the Council's reputation, to reduce the number of faults with the equipment and the consequent payment equipment downtime and to offer more opportunities for payment options to customers.

The estimated cost of the replacement equipment is £19,800 and it is proposed to transfer underspend from the 2021/22 High Street and Buckingham Road MSCP equipment budget to fund this equipment. The underspend in the High Street and Buckingham Road Equipment Budget has arisen from only essential equipment being purchased in 2021/22 with a full replacement planned for 2023/24.

The replacement of the essential equipment at Grafton MSCP needs to be added to the 2021/22 Capital Investment Programme.

7.3.3 Worthing Rotunda Refurbishment

The 2021/22 Capital Investment Programme includes a budget of £100,000 for public space improvements within four of Worthing's outer parades. The works have progressed well and are nearing completion at an estimated cost of £60,000.

It is proposed to utilise the remaining budget of £40,000 on the refurbishment of the Worthing Rotunda. The scope of the project is still under discussion and will be detailed in the Project Initiation Document when submitted for

approval. The budget provision needs to be added to the 2021/22 Capital Investment Programme, pending submission of the PID.

7.3.4. Church House Grounds Bowling Green - Procurement of Irrigation System

The 2021/22 Worthing Borough Council Capital Investment Programme included a budget provision of £16,800 for a programme of improvements to Worthing Allotments. No improvement works have been identified to date.

Outdoor bowling is popular in Worthing and all bowling greens with the exception of Church House Grounds have automatic water irrigation. Tarring Priors Bowls Club, who play at Church House Grounds, have ambitions to extend and improve their bowling club house as the club is popular and well supported.

A virement has been approved to transfer the Worthing Allotment Improvements budget to fund the provision of an automatic water irrigation system with water harvesting from associated buildings at Church House Grounds Bowling Green. This will enable the bowling green to be maintained to a higher standard and quality, reduce labour costs, recycle water and reduce water wastage.

The new scheme needs to be added to the 2021/22 Capital Investment Programme.

7.3.5 Worthing Leisure Centre - Replacement of Hammer Cage

The Council is committed to work with South Downs Leisure and other partners on strategic plans to enhance the facilities at Worthing Leisure Centre.

The hammer / throws cage needs replacing to enable young athletes, schools and academies to train safely. The upgraded facility will be relocated to the centre of the running track, which will allow the current fenced off space in West Park to be used by dog walkers. South Downs Leisure, which owns the lease to the land, has given permission for the area to be opened and made available to dog walkers on most days but will still need access to the area for events.

The estimated cost of the replacement is £40,000 and it is proposed to fund the equipment from the 2021/22 Play Area Equipment Budget.

The purchase of the new hammer / throws cage needs to be added to the 2021/22 Capital Investment Programme.

- 7.4 Every year the Councils' prepare a 3 Year Capital Investment Programme which is approved by the Joint Strategic Committee in December. Officers are asked to submit Project Initiation Documents for schemes to be included in the Programme in the year in which the works are estimated to be required. However, there are occasions

when schemes have to be brought forward to the current year due to the works becoming urgent or a Council priority and retrospective approval is requested to bring forward budget from 2022/23 to 2021/22 for the following schemes which needed to be progressed.

7.4.1 Adur District Council - Lancing Manor Leisure Centre Car Park access reconstruction and security improvements £39,200

Following recent incursions on to the site the works are now required to be expedited to prevent further access breaches.

7.4.2 Worthing Borough Council - Broadwater Parish Rooms replacement of electrics and heating system £42,600

The electrical installation was non-compliant and required immediate replacement, and the heating system had reached the end of its serviceable life and required replacement prior to the winter.

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 2021/22 Capital Investment Programmes. Officers of the Council have been consulted on the progress of the schemes which they are responsible for delivering.

8.2 Specific schemes are subject to public consultation (e.g new playgrounds) to ensure that they meet community needs.

9. FINANCIAL IMPLICATIONS

9.1 There are no unbudgeted financial implications arising from this report as the Adur District Council and Worthing Borough Council original 2021/22 Capital Investment Programmes were approved by the Councils in December 2020. 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 2021/22 – 2023/24 Adur District Council, Worthing Borough Council and Joint Committee
- Capital Strategy 2022/25.
- Enabling the Digital Future for Adur & Worthing: Extending Ultrafast - Report to the Joint Strategic Committee dated 2nd April 2019.

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