



Worthing JSC Sub-Committee
6 September 2022

WORTHING BOROUGH
COUNCIL

Key Decision : No

Ward(s) Affected: All

1st Quarter Capital Investment Programme & Projects Monitoring 2022/23

Report by the Director for Digital, Sustainability and Resources

EXECUTIVE SUMMARY

1. PURPOSE

1.1 This report updates the Sub-Committee on the progress made on the delivery of the 2022/23 Capital Investment Programme for 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: Worthing Borough Council Capital Monitoring Summary

Appendix 2: Worthing Borough Council Reprofiled Budgets

2. RECOMMENDATIONS

2.1 The Worthing Sub Committee of the Joint Strategic Committee is asked to:

- i) To note the reprofiling of the Worthing Borough Council capital schemes as advised in paragraph 6.2.1 and appendix 2.
- ii) To note the conditional grant received from Rampion Community Benefit Fund towards the cafe in Brooklands Park as detailed in paragraph 6.2.3.
- iii) To approve the addition of the Northbrook Recreation Ground Fitness Facility to the 2022/23 Capital Investment Programme funded from S106 receipts as detailed in paragraph 6.2.4.
- iv) To approve the addition of the £100,000 Changing Places Facilities Grant to the 2022/23 Capital Investment Programme as detailed in paragraph 6.2.5.
- v) To approve the addition of the Broadwater Pavilion roof recovering to the 2022/23 Capital Investment Programme as detailed in paragraph 6.2.6.

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 2022/23 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. PROGRESS OF THE WORTHING BOROUGH COUNCIL 2022/23 CAPITAL INVESTMENT PROGRAMME – AUGUST 2022

- 4.1 There are 99 schemes in the 2022/23 current capital investment programme which are progressing as follows:

	Number of	Percentage
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	schemes	%
Schemes which are progressing satisfactorily or have completed	75	75.8
Schemes where progress is being closely monitored	24	24.2
Schemes with significant challenges or financial issues	0	0

4.2 A summary of the financial movements of the 2022/23 Capital Investment Programme is attached as Appendix 2 to this report. A summary of the progress of all the schemes in the 2022/23 Capital Investment Programme is available from the Councils' Joint Intranet.

5.0 **SUCCESSSES AND CHALLENGES IN THE WORTHING BOROUGH COUNCIL 2022/23 CAPITAL INVESTMENT PROGRAMME**

5.1. The following schemes are progressing well:

5.1.1 **AW Workspaces (Partnership Scheme with Adur District Council)**

All works have now completed and the Sussex Partnership NHS Foundation Trust will occupy part of Portland House. As part of this project, improvement works have been undertaken at Portland House and Worthing Town Hall..

Overall the project is on target to deliver a saving of £365,000 (£188,000 after funding the associated debt charges).

5.1.2 **Decoy Farm - Site Development**

All remediation works have been completed and the site has been handed back to the Council.

Phase 2 of the development and the output to deliver a new business park at Decoy Farm which will create jobs and provide new employment floor space is progressing well.

Specialist consultants and an architectural team have been appointed to design the scheme, submit a planning application and tender the construction of the development. A further report is due to be considered by members once the full costs of the proposal are known.

5.1.3 **Information and Communications Technology - Digital Programme (Partnership Scheme with Adur District Council)**

The following projects are progressing well:

- i) Ultrafast Network / Gigabit Project
- ii) Wifi Upgrade / Network Refresh

5.2. **Challenges in the 2022/23 Capital Investment Programme:**

5.2.1 There has been significant reprofiling of budgets from 2022/23 to 2023/24 this financial year caused by both Brexit and Covid 19 resulting in significant supply problems for equipment and materials, and also increases in prices:

Delays have been encountered as follows:

- i) In obtaining quotes and estimates from suppliers.
- ii) In placing orders due to supplier's availability of stock.
- iv) Long lead in times for deliveries due to supply issues.

In addition there are staffing shortages in the Technical Services Department and projects have had to be prioritised and non urgent works deferred to 2022/23.

5.2.2 Worthing Pier, Southern Pavilion and Seafront Amusements - Fire Safety Compliance Works

Phase 1: Installation of the fire main and sewerage pipe completed in previous years.

Phase 2: New sprinkler system for seafront buildings. The tenant of the Southern Pavilion installed a new sprinkler system whilst undertaking renovation works to the building, and has been reimbursed by the Council for the cost of these works.

Discussions are currently in progress regarding the siting of the sprinkler pump and a new supply pipe underneath the Pier and it is anticipated that additional resources will be required.

5.2.3 Major Projects

The Council has a number of construction projects underway at present. The construction industry has experienced significant inflation, material and labour shortages which has affected the cost and timely delivery of projects. A further detailed report will be brought forward in the autumn to provide a full update of market conditions on the Council's projects and the latest expected costs for the major projects.

6. ISSUES FOR CONSIDERATION

6.1 Adur and Worthing Joint Service Schemes

6.1.1 Ground Maintenance Equipment Replacements - Use of capital receipts

The current joint services grounds maintenance equipment replacement budget is under considerable pressure due to the age of the current equipment, which needs to be replaced to meet current demands, to comply with the decarbonisation programme and to comply with health and safety requirements.

Some of the existing equipment is not fit for purpose and a programme of sales is in progress. It is recommended that any 2022/23 sales receipts from the sale of old equipment is ring-fenced for updates to the grounds maintenance equipment purchases.

To date one tractor and some equipment have been sold for £17,255 and it is requested that this funding is added to the joint services grounds maintenance equipment budget of £94,350 to make a total budget of £111,610.

6.2 Worthing Borough Council

6.2.1 Budgets totalling £51,218,620 have been reprofiled to 2023/24 and future years where the original project plan has changed and the schemes are unable to complete in 2022/23. A list of schemes reprofiled is attached as Appendix 4 to this report.

6.2.2 The following amendments to the Worthing Borough Council 2022/23 Capital Investment Programme are recommended:

6.2.3 Brooklands Park Redevelopment - Cafe

The Council has received a conditional grant of £100,000 from the Rampion Community Benefit Fund Award towards the cafe in Brooklands Park, dependent on planning permission.

The overall scheme to develop Brooklands Park is progressing well; the path works have completed, works in the wider landscape and play area have commenced, design works for the cafe and car park are now in progress. All works are anticipated to complete January 2023.

The £100,000 grant needs to be added to the Brooklands Park Redevelopment Scheme in the 2022/23 Capital Investment Programme.

6.2.4 Northbrook Recreation Ground Play Fitness Equipment - Funding from S106 Receipts

The Council has received S106 receipts totalling £129,744 for the provision of offsite skateboarding facilities within the wards of Northbrook and Durrington and it has been agreed that these receipts can be used for fitness equipment.

It is proposed to provide a large, high tech outdoor fitness equipment hub in Northbrook Recreation Ground funded from the above S106 receipts. The equipment will utilise bluetooth and other digital technology to establish a leisure hub to allow residents and the community in Durrington to have access to fitness equipment which is free to use when they want. The works will include a fence and bund realignment.

Following community consultation in September, it is proposed to install the equipment between December 2022 and March 2023.

It is recommended that this project is added to the 2022/23 Capital Investment Programme funded from S106 receipts.

6.2.5 Changing Places Facilities Grant

The Council has secured a £100,000 Changing Places Facilities Grant to create a DDA toilet in the Worthing Borough.

The works will need to be undertaken in 2022/23 and discussions are in progress as to the location.

The grant funding needs to be added to the 2022/23 Capital Investment Programme and a Project Initiation Document (PID) will be completed to release the funding when the site is agreed. Additional funding may be required to top up this grant to deliver these facilities which will be taken from the existing Public Convenience Capital budget

6.2.6 Broadwater Pavilion - Roof recovering

The existing roof covering is at end of life and has been patched a number of times in an attempt to prevent water ingress into the pavilion. In order to prevent further deterioration and damage over the winter months, works have been programmed for 5th September with completion due mid October 2022.

The cost of the new roof covering is £35,000 and will provide a 20 year guaranteed waterproof covering, and extend the life of the roof. Therefore the works meet the capitalisation criteria and can be included in the Capital Investment Programme.

It is recommended that the works are added to the 2022/23 Capital Investment Programme funded from the 2022/23 Contingency Budget.

7. ENGAGEMENT AND COMMUNICATION

7.1 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.

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

8. FINANCIAL IMPLICATIONS

8.1 There are no unbudgeted financial implications arising from this report as the Worthing Borough Council 2022/23 Capital Investment Programmes were approved by the Council in December 2021. 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.

9. LEGAL IMPLICATIONS

- 9.1 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.
- 9.2 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.

CAPITAL MONITORING SUMMARY 2022/23
1st Quarter

Executive Portfolios	(1) Total WBC Scheme Budgets £	(2) Previous Years' Spend £	(3) 2022/23 Original Budget £	(4) Net Budget b/f from 2021/22 £	(5) Approved Changes to Original Budget £	(6) 2022/23 Budget Reprofiled to and (from) 2023/24 £	(7) 2022/23 Current Budget £	(8) 2022/23 Spend to Date £	(9) Spend % of Current Budget
Citizen Services	10,057,800	0	6,631,320	1,266,480	440,000	(6,238,240)	2,099,560	371,877	17.71%
Climate Emergency	5,644,470	2,450	1,520,000	-	-	-	1,520,000	169,308	11.14%
Community Wellbeing	405,360	0	165,240	10,120	-	(20,000)	155,360	1,775	1.14%
Culture and Leisure	2,221,780	415,960	1,395,710	71,810	58,300	(152,920)	1,372,900	94,061	6.85%
Environment	7,279,740	830,160	3,588,330	441,970	109,000	(676,210)	3,463,090	716,316	20.68%
Regeneration	64,402,471	26,054,341	32,819,420	4,269,340	(285,800)	(3,985,000)	32,817,960	9,984,253	30.42%
Resources	134,114,310	87,310,820	44,903,860	1,260,400	103,000	(40,146,250)	6,121,010	930,160	15.20%
TOTALS	224,125,931	114,613,731	91,023,880	7,320,120	424,500	(51,218,620)	47,549,880	12,267,750	25.80%

Financing of 2022/23 Programme:

	£'000
Borrowing:	39183
Capital Receipts:	12
Revenue Contributions and Reserves:	307
Government Grants:	3552
S106 Receipts	2181
Other Contributions:	2,315
	<u>47,550</u>

Capital Monitoring - Summary of Progress:

Schemes with significant challenges:	-
Schemes where progress is being closely monitored:	24
Schemes which are progressing satisfactorily or have completed:	75
Total Schemes:	<u><u>99</u></u>



WORTHING BOROUGH
COUNCIL

WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Affordable Housing - Grants to Registered Social Landlords for the provision of affordable housing	2,671,800	Budget reprofiled due to lead times for new developments.
Broadwater Green Pavilion - Contribution to refurbishment	89,600	Meetings in progress regarding the future lease and responsibility for undertaking the works. Budget reprofiled in line with anticipated expenditure.
Cark Parks - High Street Refurbishment	2,700,000	No plans to commence the project. Budget reprofiled to 2024/25.
Church House Ground (Tarring) Pavilion - Contribution to refurbishment	50,000	Works anticipated January 2023 with completion expected April/May 2023.
Disability Discrimination Act Improvements - Provision of minor alterations and improvements to Council properties	20,000	Durrington Cemetery DDA works under discussion with bereavement services. Budget reprofiled in line with anticipated expenditure.
Economic Development - Montague Street Design Works	100,000	Design works to begin in the autumn, expected to be delivered by Summer 2023. Budget reprofiled in line with anticipated expenditure.
Foreshore Management - Promenade - Replacement of festoon lighting with LED units	235,000	Scheme unlikely to progress this financial year due to resourcing issues in Technical Services.
Housing Development - Acquisition and development of emergency, interim or temporary accommodation for the homeless	3,566,440	Budget reprofiled due to lead times for new schemes.
Match Funding - Hillbarn / Rotary Recreation Ground contribution to new changing rooms / building	13,320	Contribution to Chippendale Cricket Club dependent on external funding bids.
Portland House - Replacement of boiler and heating upgrade	148,000	Public sector decarbonisation grants application to be submitted for works in 2023/24.
Portland House - Replacement of building management system	100,000	Scheme currently out for tender. Works anticipated in 2023/24.
Public Conveniences - Rolling Programme of upgrades and improvements	100,000	Further refurbishments of the rolling programme are likely to be delayed to 2023/24 due to staffing shortages in Technical Services.



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WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Strategic Property Investments - Investments in property for regeneration or service delivery.	37,398,250	Budget reprofiled as no investments identified to date.
Strategic Property Investments - Southdown View Road Development	2,500,000	Project on hold so that options for the future of the site can be reconsidered. Budget reprofiled in line with anticipated expenditure.
Street Cleansing / Refuse / Recycling Service Replacement Vehicles	576,210	The purchase of 2 x 26 tonne refuse vehicles is on hold while options are reviewed. All other 2022/23 vehicle replacements budgets reprofiled to 2023/24 due to lead in times for the delivery of new vehicles.
Teville Gate Regeneration - Provision of housing and employment opportunities	950,000	Site to be sold within 3 years. Budget reprofiled in line with anticipated expenditure.
Total Reprofiled Budgets:	51,218,620	