



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 Adur Sub-Committee of the Joint Strategic Committee on the progress made on the delivery of the 2022/23 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: Adur District Council Reprofiled Budgets

2. RECOMMENDATIONS

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

- i) To note the reprofiling of the Adur District Council capital schemes as advised in paragraphs 7.2.1 and Appendix 2.
- ii) To approve the ring-fencing of capital receipts from the sale of the Parks Service redundant equipment and vehicles for funding new equipment and vehicles for the Parks Service as detailed in paragraph 6.1.1.
- iii) To approve the addition of the replacement of end of life play equipment in Adur Recreation Ground, funded by S106 receipts, to the 2022/23 Capital Investment Programme as detailed in paragraph 6.2.2.
- iv) To approve the addition of the £100,000 Changing Places Facilities Grant to the 2022/23 Capital Investment Programme as detailed in paragraph 6.2.3.

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 ADUR DISTRICT COUNCIL 2022/23 CAPITAL INVESTMENT PROGRAMME – AUGUST 2022

4.1 There are 71 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	57	80.3
Schemes where progress is being closely monitored	13	18.3
Schemes with significant challenges	1	1.4

4.2 A summary of the financial movements of the 2022/23 Capital Investment Programme is attached as Appendix 1 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 2022/23 ADUR DISTRICT COUNCIL CAPITAL INVESTMENT PROGRAMME**

5.1. The following schemes are progressing well:

5.1.1. **Adur Homes Capital Investment Programme**

The Adur Homes Capital Investment Programme for 2021/22 and 2022/23 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.

5.1.2 **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 the scheme will now include the wider Southwick Estate. A prioritised package of interim works has been compiled to address essential structural works required to keep the Estate in good repair for the next 10 years and is now being progressed.
- The project to undertake external works to Bushby Close was delayed by variations to the contract but this has now been completed.
- External works to Beachcroft Place are also behind the delivery programme and completion is now anticipated by September 2022.
- A programme of replacement door entry systems has been agreed and is now in progress.

- The replacement of the Frazer Court roof is scheduled for 2022/23.
- A further roof replacement program is being established and is scheduled to commence the last quarter of 2022/2023.
- A window / door replacement programme is due commence in 2022/23.
- Preparatory works are also being compiled for external works at the following sites:
 - i) Millfield
 - ii) Nelsons Close
 - iii) Manor Court
 - iiii) Raffa Balconies and external fire exits
 - iiiii) Warren Court Balconies and external works

5.1.3 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 two sites and signed contracts and made a start on 2 new sites (55 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 houses into 6 flats for temporary accommodation

The contract has been let and the construction started on site in November 2021 with completion anticipated October 2022. The costs are anticipated to be within the current budget.

Albion Street New Build

Covid-19 had a significant impact on the timescales for the contract award. However, works are now on site with piling due for completion. Works have been delayed whilst on site due to material and labour shortages; delivery is now anticipated for March / April 2023.

Small Sites (Hidden Homes)

Following approval of the small sites programme to deliver 56 new homes, the Council is progressing with 7 sites, 5 of these have planning consent and the remaining planning applications are in progress. The contract for the initial design has been tendered with start on site estimated Winter 2022.

Construction will take approximately one year to complete. Land Release Funding of £566,000 was received to help unlock unviable sites.

Ashcroft

Following JSC approval in July 2021 to progress with the demolition and design of a new building for sheltered housing, and extensive site due diligence, dialogue with the planning department and consultation with residents and neighbours of the site, a planning application was made in July 2022 for the construction of a new block of 44 homes. The Council have been awarded £407,000 in Land Release Fund money which will be used to enable demolition of the existing building and diversion of services where required. A decision is expected in Autumn 2022.

5.1.4 AW Workspaces (Partnership Scheme with Worthing Borough 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).

5.1.5 Information and Communications Technology - Digital Programme (Partnership Scheme with Worthing Borough 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.

5.2.3 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 and planning permission was granted for a new flood wall in 2018.

A delay has been caused due to the nature of the flood defence design and further testing of the permeability of the water flows is to be undertaken and is estimated to cost £133,000. This work will inform the final designs for the scheme.

A further grant of £106,000 has been secured from the Environment Agency and the Council has allocated additional funds of £120,000.

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.

The redundant yacht club house has been demolished and tendering is anticipated Autumn 2022 with the works estimated to commence March / April 2023.

5.2.4 Lancing Manor Leisure Centre - External cladding, flat roof and glazing units replacements

The 2022/23 Capital Investment Programme includes a budget £237,730 for replacing the external cladding, renewal of the flat roof area over the entrance hall and replacement of glazing units in the entrance hall.

The works have been tendered and the tenders were considerably over budget with a poor tender response. Scheme currently being rendered but additional resources likely to be required.

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 Adur District Council

6.2.1 Budgets totalling £73,812,900 have been reprofiled to and from 2023/24 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.

6.2.2 Adur Recreation Ground Play Area Equipment - Funding from S106 Receipts

The Council has received a S106 receipt towards upgrading the play equipment and play area safety surface on the Adur Recreation Ground.

It is proposed that £25,000 of the above S106 receipt is used to replace ageing play equipment in Adur Recreation Ground. The equipment to be replaced will have reached the end of its economic life and needs to be replaced for public safety.

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

6.2.3 Changing Places Facilities Grant

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

The works will need to be undertaken in 2022/23 and discussions are in progress as to the location. Additional funds may be required to top up this budget which will be taken from the existing Public Convenience Capital budget.

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.

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 Adur District Council 2022/23 Capital Investment Programmes were approved by the Councils 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.

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

CAPITAL MONITORING SUMMARY 2022/23 **1st Quarter**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Executive Portfolios	Total ADC Scheme Budgets	Previous Years' Spend	2022/23 Original Budget	Net budget b/f from 2021/22	Approved Changes to Original Budget	2022/23 Budget Reprofiles to and from 2023/24	2022/23 Current Budget	2022/23 Spend to Date	Spend % of Current Budget
	£	£	£	£	£	£	£	£	
Adur Homes and Customer Services	63,532,320	6,194,880	36,344,670	8,575,260	500,000	(26,854,830)	18,565,100	3,406,909	18.35%
Environment and Leisure	4,296,379	235,779	2,218,150	40,030	-	(615,600)	1,642,580	33,756	2.06%
Communities and Wellbeing	656,510	-	522,600	6,910	55,000	(356,050)	228,460	280	0.12%
Regeneration and Strategic Planning	7,285,200	4,068,990	2,568,250	42,340	226,000	(2,000,000)	836,590	31,563	3.77%
Resources	131,859,430	84,146,760	45,992,350	444,340	51,000	(43,986,420)	2,501,270	106,847	4.27%
TOTALS	207,629,839	94,646,409	87,646,020	9,108,880	832,000	(73,812,900)	23,774,000	3,579,355	15.06%

Financing of 2022/23 Programme:

Adur Homes Capital Programme:

Capital Receipts:	100
Major Repairs Reserve:	3,900
Capital Grants:	100
Prudential Borrowing:	11,906
	<u><u>16,006</u></u>

General Fund Capital Programme:

Prudential Borrowing:	6,226
Capital Receipts:	100
Government Grants:	1,044
Revenue Reserves and Contributions	130
S106 Receipts	203
Other Contributions	65
	<u><u>7,768</u></u>

Summary of Progress:

Schemes with significant challenges:	1
Schemes where progress is being closely monitored:	13
Schemes progressing well or completed:	57
Total Schemes:	<u><u>71</u></u>

(1) SCHEME (Responsible Officer)	(2) Total ADC Scheme Budget £	(3) 2022/23 Original Budget £	(4) Budget Reprofiles to and from 2022/23 and Future Years £	(5) 2022/23 Current Budget £	(6) 2022/23 Spend to Date £	(7) Anticipated Completion Date (C) / Approval Report(D)/ P.I.D.(P)	(8) 2021/22 Anticipated (Underspend) /Overspend (Council Resources) £	(9) COMMENTS AND PROGRESS	(10) Status
								<input checked="" type="checkbox"/> Progress Beyond Council's Control £ Schemes with financial issues ▲ Scheme Progress Improved ▼ Scheme Progress Deteriorated	
Lancing Manor Leisure Centre i) External cladding replacement and renewal of flat roof area and replacement glazing	250,000	157,730	-	237,730	-	Mar-23 02/01/20 (P) 13/07/21 (P)		Tenders received were over budget and the scheme is now being retendered. Additional resources likely to be required.	£ RED
TOTAL:	250,000	-	-	237,730	-				

RESPONSIBLE OFFICER: Kevin Smith Principal Building Surveyor, Facilities & Technical Services

ADUR DISTRICT
COUNCIL

ADUR DISTRICT COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
<u>Adur Homes Capital Investment Programme</u>		
Building Services - Replacement Vehicles	48,000	Budget reprofiled due to lead in times for deliveries of new vehicles.
Decarbonisation Schemes - Invest to Save	100,000	Replacement heating scheme being investigated. Budget reprofiled in line with anticipated expenditure.
Development of Properties	13,979,910	i) Small Sites Programme - Construction expected to begin in the winter and will be on site for approximately 1 year. Budget reprofiled in line with anticipated expenditure.
	453,170	ii) Contingency / Purchase of Properties - Reprofiled as no properties have been identified to date.
External Structural Works	500,000	Works planned on Penstone / Osborne / Warren Court balconies and various roofing replacements. Due to lead in times for consultation and tendering, budget reprofiled to 2023/24.
	1,300,000	ii) Milfield Remedial Works - Currently in initial stages, budget reprofiled in line with anticipated expenditure.
	1,854,900	iii) Southwick Estate Remedial Works - Design, specification and procurement of initial works to be undertaken in 2022/23, remainder of budget reprofiled to future years.
Fire Safety Works	2,500,000	i) Fire Door Replacements - New contractor being sourced for the project due to poor quality. Budget reprofiled in line with anticipated expenditure.
Heating and Energy Efficiency Schemes	150,000	Replacement heating scheme under consideration. Possible invest to save scheme. Budget reprofiled due to lead times for works.
Professional and Consultancy Services for Adur Homes major repairs schemes	756,580	Budget reprofiled in line with lead in time for construction schemes.
Affordable Housing - Grants to Registered Social Landlords for the provision of affordable housing	2,069,800	Reprofiled due to lead times for new developments



ADUR DISTRICT
COUNCIL

ADUR DISTRICT COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Coast Protection Works - Shoreham Harbour Walls Project	2,000,000	Tendering for the scheme is anticipated in the Autumn with works estimated for 2023/24. Budget reprofiled in line with anticipated expenditure.
Corporate Buildings - Carbon Reduction Schemes (Invest to Save)	498,000	Reports to be submitted for any schemes which meet the "invest to save criteria".
Eastbrook Community Centre - Provision of Multi Use Games Area and Building Fabric Repairs	291,050	Due to reporting and lead in times for works, external works likely to be undertaken in 2023/24. Budget reprofiled in line with anticipated expenditure.
Fishersgate Recreation Ground - Car Park Resurfacing	140,000	Scheme to be undertaken alongside the Community Centre redevelopment scheme. Budget reprofiled in line with anticipated expenditure.
Housing Development - South Street Car Park	1,836,000	Budget profiled in line with anticipated expenditure.
Housing Development (General Fund) - Acquisition and development of emergency and temporary accommodation for the homeless	1,306,470	Reprofiled due to lead in times for new developments.
Kingston Beach - Environmental Improvements	20,000	Works to be undertaken after the Coast Protection Works have completed. Budget reprofiled in line with anticipated expenditure.
Public Conveniences - Rolling Programme of upgrades and improvements	110,000	Refurbishments of public conveniences likely to be delayed to 2023/24 due to staffing shortages in Technical Services.
Southwick Community Centre - Replacement of windows to the café area	35,000	Scheme unlikely to progress this financial year due to resourcing issues in Technical Services.
Southwick Community Centre - Replacement of windows to the Porter Room and floor replacement	30,000	Scheme unlikely to progress this financial year due to resourcing issues in Technical Services.
Strategic Property Investments - Investments in property for regeneration or service delivery.	43,488,420	Budget Reprofiled as no investments have been identified to date.
Street Cleansing / Refuse / Recycling Service Replacement Vehicles	345,600	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.
Total Reprofiled Budgets:	73,812,900	