



WORTHING BOROUGH  
C O U N C I L

4 September 2023

**Joint Strategic Sub-Committee (Worthing)**

<b>Date:</b>	<b>12 September 2023</b>
<b>Time:</b>	<b>6.30 pm</b>
<b>Venue:</b>	<b>The Shaftesbury Room, Worthing Leisure Centre</b>

**Committee Membership:** Councillors Caroline Baxter, Dr Beccy Cooper (Chair), Sophie Cox, Rita Garner, Emma Taylor-Beal, John Turley, Carl Walker (Vice-Chair), Vicki Wells and Rosey Whorlow

**Agenda**

**Part A**

**1. Declarations of Interest**

Members and officers must declare any disclosable pecuniary interests in relation to any business on the agenda. Declarations should also be made at any stage such an interest becomes apparent during the meeting.

If in doubt, contact the Legal or Democratic Services representative for this meeting.

**2. Minutes**

To approve the minutes of the Worthing Joint Strategic Sub-Committee meeting held on 13 June 2023, copies of which have been previously circulated.

**3. Public Question Time**

To receive any questions from members of the public.

Questions should be submitted by noon on Thursday 7 September 2023 to Democratic Services, [democratic.services@adur-worthing.gov.uk](mailto:democratic.services@adur-worthing.gov.uk)

(Note: Public Question Time will operate for a maximum of 30 minutes.)

#### **4. Members Questions**

Pre-submitted Members questions are pursuant to rule 12 of the Council & Committee Procedure Rules.

Questions should be submitted by noon on Thursday 7 September 2023 to Democratic Services, [democratic.services@adur-worthing.gov.uk](mailto:democratic.services@adur-worthing.gov.uk)

(Note: Member Question Time will operate for a maximum of 30 minutes.)

#### **5. Items Raised Under Urgency Provisions**

To consider any items the Chairman of the meeting considers to be urgent.

#### **6. Financial Performance 2022/23 - Capital and Projects Outturn (Pages 5 - 26)**

To consider a report by the Director for Sustainability & Resources, copy attached as item 6

#### **7. 1st Quarter Revenue Monitoring Report 2023/24 (Pages 27 - 56)**

To consider a report by the Director for Sustainability and Resources, copy attached as item 7

#### **8. 1st Quarter Capital Investment Programme & Projects Monitoring 2023/24 (Pages 57 - 72)**

To consider a report by the Director for Sustainability and Resources, copy attached as item 8

#### **9. Worthing Theatres & Museums - Annual Review 2022/23 (Pages 73 - 78)**

To consider a report by the Director for Place, copy attached as item 9

#### **10. New Leisure Principles for Worthing (Pages 79 - 90)**

To consider a report by the Director for Place, copy attached as item 10

#### **11. Worthing Public Realm - Delivering transformation at Montague Place (Pages 91 - 104)**

To consider a report by the Director for Place, copy attached as item 11

#### **12. Teville Gate Update (Pages 105 - 116)**

To consider a report by the Director for Place, Copy attached as item 12

**13. Delivering a Business Support Package for Adur and Worthing (2024 - 2025)**  
(Pages 117 - 130)

To consider a report by the Director for Place, copy attached as item 13

**14. Referral of Motion on Notice from Worthing Borough Council** (Pages 131 - 136)

To consider a report by the Director for Sustainability and Resources, copy attached as item 14

**Recording of this meeting**

Please note that this meeting is being live streamed and a recording of the meeting will be available on the Council's website. This meeting will remain on our website for one year and will be deleted after that period. The Council will not be recording any discussions in Part B of the agenda (where the press and public have been excluded).

For Democratic Services enquiries relating to this meeting please contact:	For Legal Services enquiries relating to this meeting please contact:
Chris Cadman-Dando Senior Democratic Services Officer 01903 221364 Email: <a href="mailto:chris.cadman-dando@adur-worthing.gov.uk">chris.cadman-dando@adur-worthing.gov.uk</a>	Andrew Mathias Senior Solicitor – Legal Services 01903 221032 <a href="mailto:andrew.mathias@adur-worthing.gov.uk">andrew.mathias@adur-worthing.gov.uk</a>

**Duration of the Meeting:** Three hours after the commencement of the meeting the Chairperson will adjourn the meeting to consider if it wishes to continue. A vote will be taken and a simple majority in favour will be necessary for the meeting to continue.

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ADUR & WORTHING  
COUNCILS

Joint Strategic Sub-Committee (Worthing)  
12 September 23

Key Decision [Yes/No]

Ward(s) Affected: All

## Financial Performance 2022/23 - 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 2022/23 financial year for capital schemes included in the capital programme of Worthing Borough Council. This includes progress on joint initiatives with the Council's partner Adur District Council.
- 1.2 Information is also provided in respect of capital receipts for the constituent authority.
- 1.3 The following appendices have been attached to this report:

**Appendix 1:** Worthing Borough Council Outturn Summary  
**Appendix 2:** Worthing Borough Council Sale Proceeds  
**Appendix 3:** Invest to save scheme - final position

##### 2. Recommendations

- 2.1 The Joint Strategic Sub-Committee is asked:
  - i) Note the outturn position for 2022/23

- ii) To **recommend** that Worthing Borough Council at its Council meeting on 17th October 2023:
  - (a) Note the overall capital final outturn for 2022/23.
  - (b) Agree the net carry over of General Fund Capital underspends for Worthing Borough Council as detailed in paragraph 4.3.2.
  - (c) Approve the financing of the Worthing Borough Council 2022/23 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 Appendix 1 and summarised in paragraph 5.4.
- iii) To note the final projected benefit from completed invest to save scheme as outlined in Appendix 3.

### 3. CONTEXT

- 3.1 The monitoring of capital budgets has been reported to the Joint Strategic Sub-Committee three times during the year.
- 3.2 In accordance with the Council's Capital Strategy, the Joint Capital Working Group oversees the development, implementation and progress of both Council's Capital Investment Programmes.
- 3.3 Full summaries of the outturn of all the schemes in the 2022/23 Capital Investment Programmes are available from the Council's Joint Intranet and highlight:

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

#### 4. 2022/23 Outturn

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

Capital Outturn - Summary of Progress:	Worthing	Status
Schemes where the Councils have experienced significant challenges or where financial issues have been identified	1	Red
Schemes where progress is being closely monitored	24	Amber
Schemes progressing well	66	Green
Schemes completed	20	
Total Schemes:	111	

#### 4.2 Successes and challenges in the 2022/23 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 1% of schemes presenting any significant issues. Highlights include:

##### **Joint initiatives:**

- i) Grants for disabled adaptations were awarded to 138 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 scheme has now completed and the offices are now run more efficiently. The space created is leased to the NHS in Portland House to help alleviate some pressure on revenue budgets with a saving estimated at £405,580 per year. Efficiency works were also completed to windows to reduce energy wastage and reduce the Council's carbon footprint. Appendix 3 contains details of the final position on the project.

##### iii) **Information and Communications Technology - Digital Programme**

The Joint Services Digital Programme has progressed well and the following projects are close to completion in 2023/24 as the timescales have extended slightly due to the nature of IT works:

CRM System  
Ultrafast Network / Gigabit Project  
Wifi Upgrade / Network Refresh  
Cloud Migration

**Worthing Borough Council schemes:**

- i) BEIS - Carbon reduction funding. The council received £255K of grants towards the Heat Network project in 2022/23. The procurement of the delivery partner is progressing and it is anticipated that the build of the network is expected to commence in 2024. This project will bring low carbon heat to public buildings in central Worthing with the prospect of extending the network to new residential developments and existing in the Town Centre as part of the councils' commitment to be a net zero carbon area by 2045.
- ii) Buckingham Road Car Park - The Car park has almost completed its full refurbishment. The car park will re-open in 2023/24 to provide residents and tourists with an upgraded parking offer in the town centre.
- iii) Brooklands Park - the works progressed well in 2022/23 with the landscaping and play area now complete. The car park and cafe will be completed in 2023/24 to finish the project and complete the enhancement of the popular local amenity.

4.2.2 However, there were some challenges faced by the Councils. The following schemes have been identified as having financial issues at 31<sup>st</sup> March 2023:

**i) Colonnade House**

Tenders for the project were received in excess of the proposed budget due to rising cost of materials and inflation. This scheme has now been deferred to 2025/26 whilst options are being explored for the delivery of the site. Further reports with detailed proposals will be presented to members later in the financial year.

**ii) Worthing Integrated Care Centre**

A progress report was submitted in February 2023 requesting additional funding as costs had outstripped the original expectation due to unexpected additional costs associated with the new electricity substation and contaminated land works. This has been approved and the project is expected to complete late in 2023/24.

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 although it has again proved difficult to identify developments to fund in 2022/23.

ii) **Worthing Pier Fire Safety Sprinkler system**

The siting of the sprinkler pump has caused delays. A provision for a new building has now been proposed to house the pump and following review it is now expected that the project will complete in 2023/24.

4.3 **Worthing Borough Council Capital Outturn – All Portfolios**

4.3.1 The Worthing capital investment programme for all portfolios was originally estimated at £91,023,880. Subsequent approvals and reprofiling of budgets to and from 2023/24 produced a total current budget of £61,906,810.

4.3.2 Actual expenditure in the year totalled £57,558,700 a decrease of £4,348,110 on the revised estimate, comprising a net carry forward of £4,215,210 and a net underspend of £132,900. Individual Portfolio expenditure was as follows:

	<b>Revised Estimate £</b>	<b>Actual Outturn £</b>
<b>General Fund Other Services:</b>		
E.M. for Customer Services		
- Housing	2,099,560	1,430,890
- Other Schemes	0	0
E.M. for Climate Emergency	950,000	633,710
E.M. for Community Wellbeing	105,360	23,080
E.M. for Culture and Leisure	422,110	217,140
E.M. for Environment	3,270,630	2,293,240
E.M. for Regeneration	28,463,240	26,353,570
E.M. for Resources	26,595,910	26,607,070
<b>TOTAL</b>	<b>61,906,810</b>	<b>57,558,700</b>

4.3.3 The major scheme variations are listed in Appendix 1. In 2022/23 the Council took a conscious decision to defer capital expenditure to reduce the cost of borrowing to the Council for both last year and 2023/24.

4.3.4 The remaining usable capital receipts held at 31st March, 2023 totalled £2,026,810. To be utilised as follows:

- Ring-fenced for Coast Protection £88,800
- Ring-fenced for Affordable Housing (RTB Clawback Receipts) £1,847,000
- Ring-fenced for Empty Property grants and loans £12,190
- Ring-fenced for Disabled Facilities Grants £8,450
- Ring-fenced for the flexible use of capital receipts. £70,370

4.3.5. Proceeds from the sale of assets in 2022/23 are analysed in Appendix 2.

## 5. Issues for consideration

5.1 Worthing Borough Council capital expenditure in 2022/23 was financed as follows:-

Usable Capital Receipts	£	£
- Housing	0	
- Other General Fund	18,970	
- Flexible Use of Capital Receipts	248,550	
		267,520
Prudential Borrowing	53,747,800	
Grants and Contributions	3,442,630	
Revenue Contributions	100,750	
		57,291,180
<b>TOTAL CAPITAL FINANCED</b>		<b>57,558,700</b>

5.2 The Joint Strategic Sub-Committee is asked to recommend that the Council approve the overall financing of the capital programme and the utilisation of £267,520 usable capital receipts in the funding of the 2022/23 capital programme and the use of receipts to fund initiatives to save the Council future costs.

5.3 The Joint Sub-Committee is also asked to recommend to Worthing Borough Council to approve the Capital Flexibilities Strategy detailed below.

Project	Worthing Borough Council					Nature of expenditure
	Overall annual saving generated £	Annual saving %	Annual saving £	Financial year	Amount of capital receipts used £	
2022/23 savings programme						
- Accommodation project NWOW phase 2	210,000	60	126,000	2022/23	8,760	Project management, removal and minor works costs
- Asset disposal programme	600,000	100	600,000	2022/23	0	Costs associated with the sales of assets
- Digital rapid improvement programme	177,640	60	106,580	2022/23 Estimate	8,870	Digital developers and project manager
- Organisational redesign	250,000	60	150,000	2022/23	205,510	HR support and delivery manager (who will also support the digital improvement programme). Associated Statutory departure costs
- Service redesign	400,000	60	240,000	2022/23	14,970	Departure costs

- 5.4 Approval is requested to carry over to 2023/24 and bring forward from 2022/23 certain budgeted expenditure where spending patterns have changed since the 3rd Quarter Monitoring, as detailed in Appendix 1.

	<b>Carried Forward To 2023/24 £</b>
Executive Member for Citizen Service	677,190
Executive Member for Climate Emergency	344,610
Executive Member for Community Wellbeing	83,360
Executive Member for Culture & Leisure	170,580
Executive Member for Environment	1,007,260
Executive Member for Regeneration	2,307,000
Executive Member for Resources	519,320
<b>TOTAL CARRIED FORWARD TO 2022/23</b>	<b>5,099,320</b>

	<b>Brought Forward to 2022/23 £</b>
Executive Member for Community Wellbeing	1,090
Executive Member for Environment	5,000
Executive Member for Regeneration	190,690
Executive Member for Resources	687,330
<b>TOTAL BROUGHT FORWARD TO 2022/23</b>	<b>84,110</b>
<b>NET CARRIED FORWARD TO 2022/23</b>	<b>4,215,210</b>

- 5.5 The significant budget variations and budget reprofiles in the 2022/23 capital investment programme have been detailed in Appendix 2.

## 6. Engagement and communication

- 6.1 The purpose of this report is to communicate with stakeholders on the outturn of the Worthing Borough Council 2022/23 Capital Investment Programme. Officers of the Council have been consulted on the progress of the schemes which they are responsible for delivering. The overall progress of the programme have been considered by the Capital Working Group

## 7. Legal implications

- 7.1 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.
- 7.2 Section 151 of the Local Government Act 1972 requires the Councils to make arrangements for the proper administration of their financial affairs.
- 7.3 In February 2021, the Secretary of State announced the continuation of the capital receipts flexibility programme for a further three years, to give 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.

Accordingly the Secretary of State for Housing & Communities issued a direction under sections 16(2)(b) and 20 of the Local Government Act 2003 that local treat as capital expenditure, expenditure which:

- i. is incurred by the Authorities that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners; and
- ii. is properly incurred by the Authorities for the financial years that begin on 1 April 2022, 1 April 2023 and 1 April 2024.
- iii. is not incurred with respect to redundancy payments, except where such redundancy costs are necessarily incurred and limited to the amounts available as statutory redundancy payments.

Legal Officer: Joanne Lee

Date: 21/08/2023

### Background Papers

- Investing in our Places - Capital Programme 2022/23 to 2024/25 Report to the Joint Strategic Committee dated 7th December 2021
- Investing for our future - Capital Strategy 2022/25 - Report to the Joint Strategic Committee dated 13th July 2021.
- 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](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/5937/2102589.pdf)

**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 Council's Capital Investment Programme.

### **4. Governance**


- The Council's priorities, specific action plans, strategies or policies are considered when capital schemes are assessed for inclusion in the Council's Capital Investment Programme.
- The Council's reputation or relationship with our partners or community is taken into account when capital schemes are assessed for inclusion in the Council's Capital Investment Programme.
- Resourcing, risk management (including health and safety) and the governance of either Council are fully considered during the preparation of the Council's Capital Investment Programme.

APPENDIX 1 - WORTHING BOROUGH COUNCIL FINAL ACCOUNTS 2022/23 - CITIZEN SERVICES  
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS


 WORTHING BOROUGH COUNCIL Scheme	Scheme Progress	2022/23 Current Budget £	2022/23 Spend £	2022/23 (Under- spend)/ Overspend £	Budget C/F (Budget B/F) £
<b>Housing</b> <b>Acquisition and development of temporary accommodation for the homeless</b> Victoria Road Development - Phase 1 planning and procuring		440,000	116,576	(323,424)	323,420
<b>Disabled Facilities Grants</b> 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 2022/23 expenditure and c/f requested for outstanding commitments at 31 March 2023.		1,451,810	1,245,335	(206,476)	206,470
<b>Empty Property Grants and Loans to bring empty properties back into use</b> One landlord grant in progress. Future grants: i) A grant for £82,000 being processed. ii) Grants to bring a building containing 21 flats back into use.		126,040	22,650	(103,390)	103,390
<b>Home Repair Assistance Grants</b> 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 £21,710 budget requested to fund outstanding commitments at 31 March 2022.		81,710	37,796	(43,914)	43,910
<b>Completed schemes and Miscellaneous Minor Variations</b>		-	8,530	8,530	-
<b>TOTAL - CITIZEN SERVICES</b>		2,099,560	1,430,887	(668,673)	677,190




**APPENDIX 1 - WORTHING BOROUGH COUNCIL FINAL ACCOUNTS 2022/23 - Climate Emergency  
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**

 WORTHING BOROUGH COUNCIL Scheme	Scheme Progress	2022/23 Current Budget £	2022/23 Spend £	2022/23 (Under- spend)/ Overspend £	Budget C/F (Budget B/F) £
<b>Worthing Heat Network</b> Report to submitted to JSC prior to award of Heat Supply and Connection Agreements. Loan to be given to Pinnacle Power along with an on-grant of £3.1m. Contract expected to be concluded by Sept 23. Expected spend of grant and 2/3 of grant in 23/24. Additional Funding awarded for enabling works part funded by a Public Sector Decarbonisation grant		950,000	615,384	(334,616)	334,610
<b>Completed schemes and Miscellaneous Minor Variations</b>		-	18,331	18,331	-
<b>TOTAL - CLIMATE EMERGENCY</b>		<b>950,000</b>	<b>633,715</b>	<b>(316,286)</b>	<b>334,610</b>


**APPENDIX 1 - WORTHING BOROUGH COUNCIL FINAL ACCOUNTS 2022/23 - COMMUNITY WELLBEING  
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**

 WORTHING BOROUGH COUNCIL Scheme	Scheme Progress	2022/23 Current Budget £	2022/23 Spend £	2022/23 (Under- spend)/ Overspend £	Budget C/F (Budget B/F) £
<b>High Street Accessible Toilets</b> Planning phase now complete and tenders are received. Works due to start in 2023/24.		50,000	10,100	(39,900)	39,900
<b>Completed schemes and Miscellaneous Minor Variations</b>		55,360	12,983	(42,377)	42,370
<b>TOTAL - COMMUNITY WELLBEING</b>		<b>105,360</b>	<b>23,083</b>	<b>(82,277)</b>	<b>82,270</b>


**APPENDIX 1 - WORTHING BOROUGH COUNCIL FINAL ACCOUNTS 2022/23 - CULTURE & LEISURE  
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**

 WORTHING BOROUGH COUNCIL Scheme	Scheme Progress	2022/23 Current Budget £	2022/23 Spend £	2022/23 (Under- spend)/ Overspend £	Budget C/F (Budget B/F) £
<b>Church House Grounds Pavilion</b> Refurbishment of the pavilion and toilet block with a contribution from the Bowls Club. Completion due autumn 2023		100,000	12,774	(87,226)	87,220
<b>Worthing Cultural Buildings</b>  a) Assembly Hall - Solar PV b) Connaught Theatre - Ventilation System c) Museum - Structural and Condition surveys d) Museum - Display Cases e) Richmond Room - Renewal of Partition Wall		141,400	56,948	(84,452)	83,360
<b>Completed schemes and Miscellaneous Minor Variations</b>		180,710	147,420	(33,290)	-
<b>TOTAL - CULTURE &amp; LEISURE</b>		<b>422,110</b>	<b>217,141</b>	<b>(204,969)</b>	<b>170,580</b>


APPENDIX 1 - WORTHING BOROUGH COUNCIL FINAL ACCOUNTS 2022/23 - ENVIRONMENT  
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS

 WORTHING BOROUGH COUNCIL Scheme	Scheme Progress	2022/23 Current Budget £	2022/23 Spend £	2022/23 (Under-spend)/Overspend £	Budget C/F (Budget B/F) £
<b>Brooklands Park Redevelopment</b> Works have completed on site with path works, integrating the old golf course into the wider park and play area. Works are currently in progress for the café with completion expected in 2023/24. Additional parking was also created while café works are underway at the old go kart track.		2,453,050	1,868,222	(584,828)	577,250
<b>Durrington Cemetery</b>  Improvement works to the chapel and drainage works. Works delayed due to resource issues and focus on other projects potentially until 2024/25.		91,570	-	(91,570)	91,570
<b>Parks and Open Spaces</b> <b>Grounds Maintenance Equipment and Vehicles</b> Purchase of equipment and vehicles for the parks team.		174,970	110,480	(64,490)	64,480
<b>Landscaping</b> a) Sustainable Landscaping - bulb planting complete b) Landscape Adaptions - Rain gardens, wild flower planting, rewilding and habitat creation		95,000	51,462	(43,538)	45,000
<b>Play Area Improvements</b>  a) Replacement Play Equipment and Fitness Equipment b) Replacement Surfaces and Fencing		268,530	103,684	(164,846)	157,270
<b>Completed schemes and Miscellaneous Minor Variations</b>		187,510	159,389	(28,121)	66,690
<b>TOTAL - ENVIRONMENT</b>		<b>3,270,630</b>	<b>2,293,236</b>	<b>(977,394)</b>	<b>1,002,260</b>


**APPENDIX 1 - WORTHING BOROUGH COUNCIL FINAL ACCOUNTS 2022/23 - REGENERATION  
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**

 WORTHING BOROUGH COUNCIL Scheme	Scheme Progress	2022/23 Current Budget £	2022/23 Spend £	2022/23 (Under-spend)/ Overspend £	Budget C/F (Budget B/F) £
<b>Car Parks</b> <b>Buckingham Road MSCP Refurbishment</b> Works on site. Completion anticipated 2023/24. Replacement equipment, cameras and barriers also being installed.		2,080,130	1,825,015	(255,115)	255,110
<b>Grafton MSCP Structural Works</b> Preliminary works under taken. Consideration of options going forward is ongoing.		120,000	4,803	(115,197)	115,190
<b>Coast Protection Works</b> Strategic monitoring project for the South East - Partnership scheme administered by New Forest District Council		106,430	20,835	(85,595)	-
<b>Colonnade House Digital Hub</b> Initial tenders were received in excess of current budget. Scheme deferred to 2025/26 whilst options under consideration. Options are being considered to be taken forward		10,320	11,838	1,518	(1,520)
<b>Decoy Farm</b> Current phase of development complete. Options being assessed for go forward strategy.		590,450	692,078	101,628	-
<b>Foreshore</b> <b>Fire prevention works to pier, southern pavilion and seafront amusements</b> Discussions in progress regarding the siting of the sprinkler pump. Additional resources awarded for 2023/24 for the provision of a new building to house the pump for the sprinkler system.		130,000	143,600	13,600	(13,600)
<b>Worthing Pier Timber decking and structures</b> Works to be programmed during low tide periods to maximise the time available in tidal windows to complete by March 24 with new term maintenance contractor.		322,600	19700	(302,900)	302,900
<b>Montague Street Improvements</b> Design work to commence in Autumn 2023.		100,000	62,800	(37,200)	37,200
<b>Portland Road Improvements Scheme</b> Scheme is led by West Sussex County Council in partnership with Worthing Borough Council. Main works complete. Ancillary works to complete in 2024.		1,410,720	532,448	(878,272)	878,270


**APPENDIX 1 - WORTHING BOROUGH COUNCIL FINAL ACCOUNTS 2022/23 - REGENERATION  
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**

 WORTHING BOROUGH COUNCIL Scheme	Scheme Progress	2022/23 Current Budget £	2022/23 Spend £	2022/23 (Under- spend)/ Overspend £	Budget C/F (Budget B/F) £
<b>Teville Gate Development</b> The purchase of the Teville Gate site has completed. Groundworks, including the reinstatement of the north-south footpath across the site has also completed. Further works anticipated to the site.		210,030	204,489	(5,541)	5,540
<b>Union Place Development</b> Planning permission granted. Preferred development partner agreed and the scheme is to progress by way of a Joint Venture Partnership between the organisations.		582,210	-	(582,210)	582,210
<b>Worthing Integrated Care Centre</b> <i>Development of a Care Centre on Worthing Town Hall Car Park</i> Progress report to be submitted to JSC February 2023, additional funds granted from the SPF Practical completion estimated May 2024		22,637,170	22,812,746	175,576	(175,570)
<b>Worthing Town Centre</b> <i>Enhancements of public spaces and the improvement of facilities within the Town Centre, including secondary shopping areas</i> Electricity hook-ups along the promenade at a select number of positions to help facilitate existing concessional businesses and move away from individual generator use.		96,290	0	(96,290)	96,290
<b>Completed schemes and Miscellaneous Minor Variations</b>		66,890	23,215	(43,675)	34,290
<b>TOTAL - REGENERATION</b>		28,463,240	26,353,565	(2,109,675)	2,116,310

**APPENDIX 1 - WORTHING BOROUGH COUNCIL FINAL ACCOUNTS 2022/23 - RESOURCES  
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**

 WORTHING BOROUGH COUNCIL Scheme	Scheme Progress	2022/23 Current Budget £	2022/23 Spend £	2022/23 (Under- spend)/ Overspend £	Budget C/F (Budget B/F) £
<b>Administration Buildings</b> <i>Commerce Way</i> Female showers - Work under way to be completed early 2023/24 Refurbishment of offices - Complete		62,500	50,521	(11,979)	11,970
<b>Cannon House Refurbishment</b> Refurbishment works were approved to refit the building for letting for office space and the works completed April 2022.		232,470	228,044	(4,426)	-
<b>Adur and Worthing Workspaces Project</b> <b>Town Hall - Refurbishment and Furniture</b> Works commenced on site October 2021 and are completed.		526,830	579,220	52,390	-
<b>Portland House - Replacement of windows, balconies, asbestos removal and fire safety works</b> Works are progressing along side the Town Hall refurbishment.		616,870	663,853	46,983	-
<b>Portland House Building Management system replacement</b> Design completed. BMS upgrades prep work needed for the heat network.		75,000	12,542	(62,458)	62,450
<b>Portland House Refurbishment</b> Refurbishment complete and council staff relocated to Town Hall, NHS staff allocated to excess areas.		300,000	250,509	(49,491)	49,490
<b>Information and Communications Technology</b> <b>Digital Strategy</b> i) Corporate ICT hardware and infrastructure replacement programme - Complete. ii) Environmental Health System - Invoice to be received 2023/24 iii) Google migration - Servers moved the cloud, further migration to continue in iv) Cloud hosting environments set up. Complete. v) COSSH Management System - To be purchased in 2023/24.		285,340	183,500	(101,840)	101,830

**APPENDIX 1 - WORTHING BOROUGH COUNCIL FINAL ACCOUNTS 2022/23 - RESOURCES  
CAPITAL OUTTURN - DETAILS OF MAJOR VARIATIONS**

 WORTHING BOROUGH COUNCIL Scheme	Scheme Progress	2022/23 Current Budget £	2022/23 Spend £	2022/23 (Under- spend)/ Overspend £	Budget C/F (Budget B/F) £
<p><b>Extension of Ultrafast Fibre Network</b>                      Fibre rollout to homes continues to be delivered but the progress to Adur and Worthing sites (including Public Sector Network sites) is slower than expected due to City Fibre delays in planning routes and then obtaining the appropriate permits and The Fibre Exchange is waiting on a 2nd backhaul circuit to provide resilience. There are also delays to procurement of firewalls due to global supply chain issues for network components. This has resulted in an underspend on the forecast spend for 2022/23 and request for carry forward of budget to complete the project. Timescales are now extended and the project is expected to complete June 2023.</p>		303,530	146,605	(156,925)	156,930
<p><b>Network Refresh Project</b>                      This is a very complex programme of work with a number of dependencies on other projects and involving multiple suppliers.                       Equipment purchased in 2021/22 and installed 2022/23. Council wifi connection changed to the Gigabit. Project close to completion and will be completed in 2023/24</p>		114,750	108,730	(6,020)	6,020
<p><b>Strategic Property Investment Fund</b>                      Southern House and Caravan Club Acquisition</p>		23,650,000	24,072,225	422,225	(422,230)
<p><b>Flexible Powers Funding for revenue expenditure</b>                      Breakdown as listed in the report and to be finance by capital receipts</p>		-	248,550	248,550	(238,110)
<p><b>Completed schemes and Miscellaneous Minor Variations</b></p>		428,620	62,773	(365,847)	103,640
<b>TOTAL - Resources</b>		26,595,910	26,607,073	11,163	(168,010)
<b>TOTALS - ALL EXECUTIVES</b>		61,906,810	57,558,700	(4,348,110)	4,215,210



WORTHING BOROUGH  
COUNCIL

FINAL ACCOUNTS 2022/23

Analysis of Capital Receipts

	£	£
<b>A. GENERAL FUND</b>		
<b>1. Equipment Sales:</b>		
Sale of Equipment and Vehicles	24,474	
		24,474
<b>B. HOUSING RECEIPTS (RINGFENCED)</b>		
<b>2. Worthing Homes:</b>		
Right to Buy Receipts	352,803	
<b>3. Housing Grant Repayments:</b>		
Housing Renewal Assistance	2,350	
<b>TOTAL CAPITAL RECEIPTS</b>		355,153
		<b>379,627</b>



### Invest to save schemes - Completed schemes

The Joint Strategic Committee approved an invest to save scheme to release space at Portland House which would then be rented to NHS partners enabling the Council to reduce its accommodation footprint and associated costs.

Phase 1 of the refurbishment project completed in January 2023, this was then extended to phase 2 which created additional space for our partners.

As part of the overall project the Council also undertook a number of energy efficiency measures designed to improve the carbon footprint of both buildings. These were part-funded by a grant from the Public Sector Decarbonisation Fund.

Overall the refurbishment cost £3.1m

	£
Total cost	3,120,400
Funded from:	
Grants	198,000
Contribution from tenant	234,000
Capital receipts	146,570
Borrowing	2,541,830

The investment generated a net savings of £405,580 which was marginally more than the original amount expected of £365,000.

	£
Rental income	281,290
Net saving in building costs	304,800
Overall saving in accommodation costs	586,090
Less: Financing costs	-170,510
Less: Room booking system	-10,000
Net annual saving	405,580

The saving was allocated as follows between the two Councils:

- Adur £162,230
- Worthing £243,350

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WORTHING BOROUGH  
COUNCIL

Joint Strategic Sub Committee Worthing  
12th September 2023  
Joint Strategic Sub Committee Adur  
27th September 2023

Key Decision [Yes/No]  
Ward(s) Affected: All

## 1st Quarter Revenue Monitoring Report 2023/24

### Report by the Director for Sustainability and Resources

#### Executive Summary

##### 1. Purpose

- 1.1. This report updates the Joint Strategic Sub Committees with the latest expenditure and income projections for both Adur District Council and Worthing Borough Council for the current financial year 2023/24, compared to the Revenue Budget approved by both Councils in February. Whilst the 'spend to date' will be the position as at the 30th June 2023, the forecast outturn position will reflect the latest information available to ensure an up-to-date forecast is presented.

The current outturn projection for the 2023/24 financial year for the Worthing Borough Council General Fund is a net overspend after reserve transfers of £1.8m and for Adur District Council General Fund is a net overspend after reserve transfers of £254k. A breakdown is set out in section 4.4 of the report.

- 1.2. The following appendices have been attached to this report:

- (i) **Appendix 1** Briefing Note on Service Performance
- (ii) **Appendix 2** (a) Worthing Summary  
(b) Worthing Use of Earmarked Reserves
- (iii) **Appendix 3** (a) Adur Summary  
(b) Adur Use of Earmarked Reserves
- (iii) **Appendix 4** (a) HRA Summary  
(b) HRA Major variances
- (iv) **Appendix 5** Table of Variations over £20,000

## **2. Recommendations**

- 2.1. The Joint Strategic Sub Committee for Worthing Borough Council is asked to note the report and projected outturn position for the Joint Committee and Worthing Borough Council against the approved revenue budgets and proposed use of reserves (Appendix 2b).
- 2.2. The Joint Strategic Sub Committee for Adur District Council is asked to note the report and projected outturn position for the Joint Committee and Adur District Council against the approved revenue budgets and proposed use of reserves (Appendix 3b).

### **3.0 Context**

- 3.1 The Joint Strategic Committee last considered the 5-year forecast for 2023/24 to 2027/28 on 5th July 2022.
- 3.2 The report outlined the financial context, and updated the outline 5 year forecast, the key budget pressures and the savings proposals for addressing the budget gap for Adur and Worthing Councils. The report built on previous strategies whose aim was to ensure that the Councils would become community funded by 2020 reliant, by then, only on income from trading and commercial activities, council tax income and business rate income.
- 3.3 The successful delivery of the strategy is fundamentally changing how the Councils are funded. The Councils are moving increasingly away from ever reducing government funding towards funding from the local community via Council Tax and Business Rates, and will become increasingly reliant on income from commercial activities.

### **4.0 Issues for consideration - Revenue 2023/24 Forecast**

- 4.1 As part of the 2023/24 budget the Councils committed to savings of £1.333m for Adur District Council and £3.203m for Worthing Borough Council to produce a balanced budget and to address the reduction in Government support. Services were required to carry out efficiency, procurement and base budget reviews to identify where income could be increased or expenditure reduced.

4.2 However, the financial landscape has changed due to the impact of the economic downturn, energy prices, rising inflation and interest rates visible in additional cost pressures falling on the Council. Additional pressures are anticipated when the national pay award is agreed, which is predicted to be higher than assumed % built into the 2023/24 budget.

4.3 The ongoing uncertainty around inflation, increased demand on services and energy resources and pricing, it is difficult to have certainty on the estimates and assumptions, the current projections indicate forecast year end overspends against budgets of £1,830k in Worthing and an overspend of £254k in Adur. This includes meeting the challenges of the impact of the inflationary cost pressures, reduced levels of income together with the significant savings requirements to balance the 2023/24 budget. The main factors influencing the level of spend are discussed in detail in section 4.11 of the report.

4.4 The current year-end forecast is comprised of a number of elements as set out in the table below:

	<b>Worthing</b>	<b>Adur</b>
	Q1	Q1
<b>2023/24 Forecast Outturn</b>	£000	£000
Over/(under)spend in operational services – including share from Joint	1,406	427
Net Borrowing requirement: Forecast call on the MRP (provision to repay debt)	476	(84)
Net Interest (increase)/decrease	(288)	(298)
Commercial property income shortfall and cost pressure (excluding business rates)	187	403
Property void allowance	(678)	(750)
Proposed pay award	567	422
Insurance contract renewal	161	135
LCR Unwinding agreement	300	
<b>Net over/(under) spend before Transfer to/(from) Reserves</b>	2,130	254
Transfer to/(from) reserves	(300)	-
<b>Forecast net over/(under) spend</b>	1,830	254

4.5 The key factors underpinning the current financial position include:

- The financial impact of rising inflation and interest rates;

- In Worthing there is a net overspend in the Minimum Revenue Provision (MRP) and interest budgets of £187k and in Adur a net underspend forecast of £382k. The budgets are calculated on both the historic financing of previous years capital programmes and the impact of financing the current year's capital spend. Changes to the expected spend, interest rate forecasts, and the associated level of borrowing have increased the expected cost in 2023/24. In Worthing the borrowing position has been affected by the delay in the sale of key assets assumed in the 2023/24 budget which has meant that capital receipts are yet to be realised.

Once the above items are taken into account, the operational position is a net overspend by services of £1.4m in Worthing and £427k in Adur. This projection demonstrates the pressure on the Councils finances as a result of an increase in inflation, increased homelessness caseloads and income levels in some areas still below pre pandemic levels.

4.6 In summary the overall revenue outturn projections reported for Q1 are as follows:

<b>Projected Outturn Summary</b>			
	<b>Joint</b>	<b>Adur</b>	<b>Worthing</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Current Budget 2023/24	27,521	10,612	14,189
Forecast Outturn	28,137	10,866	16,319
<b>Projected Forecast over/ (underspend) before Government support packages or any transfer to reserves</b>	<b>616</b>	<b>254</b>	<b>2,130</b>
Reserves Funding		0	(300)
<b>Projected Forecast over/ (underspend) after Government funding and proposed transfer to reserves</b>	<b>616</b>	<b>254</b>	<b>1,830</b>
Projected over/(underspend) percentage	2.24%	2.40%	12.90%

The Adur and Worthing projected forecasts in the table above include the respective share of the estimated Joint Services overspend.

4.7 In the table below, projections have been separated between authority and by Income and Expenditure, to indicate the level of overall under/overspend of costs and the over/under achievement of income targets.

	<b>Expenditure</b>	<b>Income</b>	<b>Net Total</b>
<b>Joint</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Budget	32,906	(6,302)	26,604
Forecast (after transfer to reserves)	33,253	(6,033)	27,220
Projected Forecast (Under)/ Overspend	347	269	616
Forecast variance % before Government funding	1.06%	-4.27%	2.32%
<b>Adur</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Budget	37,420	(27,153)	10,267
Forecast (after transfer to reserves)	37,511	(27,236)	10,275
Authority Projected Forecast (Under)/ Overspend	91	(84)	8
Share of Joint (Under) / Overspend	139	108	247
Authority Projected Forecast (Under) / Overspend	230	24	254
Forecast variance % before Government funding	0.62%	-0.09%	2.48%
<b>Worthing</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Budget	71,251	(54,762)	16,489
Forecast (after transfer to reserves)	73,451	(55,201)	18,249
Authority Projected Forecast (Under)/Overspend	2,199	(439)	1,760
Share of Joint (Under) / Overspend	208	161	370
Authority Projected Forecast (Under)/ Overspend	2,408	(278)	2,130
Forecast variance % before Government funding	3.38%	0.51%	12.92%

4.8 The Joint Strategic Committee (JSC) sub committees for Worthing Borough Council and Adur District Council are asked to consider:-

- the current projections of variances in the Council's General Fund Revenue Budgets;
- any amendments and virements to budgets which may require a recommendation onto Council for approval;

In addition, the Strategic Committee (JSC) sub committee for Adur District Council is asked to consider:-

- the current projections of variances in the Adur Housing Revenue Account; and

4.9 We adopt a more structured approach to services which have more volatile budgets or hard to predict income streams. For 2023/24, these services are:-

- Car Parking
- Crematorium
- Development Management
- Homelessness
- Commercial Waste
- Cross cutting services including maintenance and utilities

4.10 Most of these services are subject to closer monitoring because they meet one or more of the following criteria:-

- Demand led
- Income based
- Specialist
- Significant changes to the service are being made in the near future.

4.11 Headline budget variations across both the Councils' and the Joint account

4.11.1 Commentary on service areas that are forecasting significant variances from budget are presented in appendix 1 of this report, summarised highlights are provided in this section 4.11.



4.11.2 The forecast in year deficit is set out in the following table with focus on the main factors that make up the estimated outturn position:

<b>In Year (surplus)/deficit</b>	<b>Joint (Memo) £000</b>	<b>Worthing £000</b>	<b>Adur £000</b>
Cross Cutting			
Pay Award	586	215	188
Insurance		161	135
Treasury		187	(382)
Services (detail in appendix 1)			
Waste	30		
Car Parks		274	14
Homelessness		640	148
Bereavement		687	49
Strategic Property		(191)	(347)
Planning and Development		231	189
Other Income		(443)	15
<i>Share of Joint</i>		370	247
<b>Total projected deficit before use of reserves</b>		<b>2,130</b>	<b>254</b>

Further detail on these factors is provided below.

#### 4.11.3 Pay Award and National Insurance contributions

The national pay award offered an increase of £1,925 to each spinal column pay point. This equates to an average increase of 5.7%, which is higher than the 4.5% increase built into the 2023/24 budget. There is a potential for this to be an extra 2% higher, which is the the current assumption built into the forecast.

#### 4.11.4 Utilities and Rates

The contract for energy was renewed in October 2022 and the Council was tied into a 6 month substantially higher contract for that period. However, since April 2023 the Council's have moved to variable rates and with the decrease in energy costs, we are expecting the energy budgets to be below those set. These figures at the time of writing this report are not yet available, due to delayed invoicing information from the suppliers.

At the present time we are making an assumption that this will be on budget, but once we have received accurate invoices, we will be able to provide a more informed forecast by the end of quarter 2.

#### 4.11.5 Maintenance

Costs are currently forecast to be kept within budget.

#### 4.11.6 Treasury

Worthing Borough Council has an overspend against the MRP and interest budgets of £476k in Worthing due to the delay in the sale of key sites and associated capital receipts, which has impacted on the level of borrowing needed. For Adur there is a projected underspend of £84k due to the delay in some capital schemes commencing.

Increase in interest rates during the year has also led to higher investment return income for both Authorities.

#### 4.11.7 Waste

There are additional costs resulting from agency spend being incurred to cover vacancies, holiday and sickness. Income is currently expected to be on budget. In addition, the decision to externalise the clinical waste contract to provide a more consistent and reliable service is costing more than the in-house provision. There are also rising costs of fuel, parts, bins and consumables. The cost pressure resulting from both the impact of inflation and an ageing vehicle fleet.

#### 4.11.8 Car Parks

Demand for parking in Worthing Borough is still below pre covid levels and the income is continuing to underachieve against budget.

Car Parks are currently forecasting a net underachievement of budget of £274k due to a combination of drop in demand and delayed ticket price increases. In addition Buckingham Road MSCP is still closed to enable refurbishment works to be undertaken in the town centre car park.

There is a minor shortfall of £14k currently projected in Adur.

Further information is provided in the Appendix

#### 4.11.9 Homelessness

Costs pressures continue to be experienced with consistent caseload numbers (individuals, couples and families presenting themselves to the council in immediate housing crisis)

The increase in the demand is projected to increase by 2 per month in Worthing and by 1 in Adur. As a consequence of this the average nightly cost for temporary accommodation has increased from £42 in 2022/23 to £46 (Worthing) and from £46 to £53 (Adur) per night, with the need to use hotel chains and expensive nightly booked self contained accommodation. Cost pressures have been compounded further with some bed and breakfast providers and contracted landlords increasing their prices to meet growing inflationary costs pressures.

#### 4.11.10 Bereavement

The deficit against budget is due to a continued underachievement in income, in Worthing this is associated with a budget that is no longer achievable for cremations. A review and budget reset is being undertaken as part of the 24/25 budget process. There has also been a shortfall in income from memorials but work is underway to create an extension to the memorial garden.

In Adur there is a forecast shortfall in burial income predicted.

Further detail is set out in appendix 1.

#### 4.11.11 Strategic Property

Projected income in Adur & Worthing from strategic property portfolios are based on the assumption that the budgeted transfer to the Property Investment Risk Reserves of £678,000 for Worthing and £750,000 for Adur are not made for 2023/24. There are currently vacant properties in each Council's portfolio's where the council picks up associated service costs and rates charges, and one lease under a rent free period.

#### 4.11.12 Planning and Development

As with Bereavement Services the budget shortfall is largely related to the underachievement of income. These income streams are largely demand led and can therefore fluctuate making forecasting difficult to predict. Based on current performance the forecast outturn position is a shortfall of £230k in Worthing and £189k in Adur.

#### 4.12 Budget variations greater than £20,000

The Council's individual Summary Projected Outturns are reported in Appendix 2a & 3a. The variations greater than £20,000, for this report, are detailed in Appendix 5.

There are some expenditure items that are not identified until the year end that will impact on the final outturn. These items can have a positive or negative impact on the final position.

They include:-

- Movement in the estimate for doubtful debts
- A review of any amounts needed to be set aside for liabilities that are likely to occur in the future
- Changes in allocations of staff time to outside the General Fund

#### 4.13 Future Risks

##### 4.13.1 *Inflation*

Inflation is still currently the biggest risk on Council finances with the pressure on rising costs across all budget areas, particularly in utilities, fuel, supplies, salaries and construction costs. The forecast outturn positions will be reviewed during the year and adjusted to reflect the changes in actual experience and economic forecasts.

##### 4.13.2 *Demand for housing*

Any increase in demand on Housing services through homelessness caseloads will cause additional cost pressures on the councils finances. With demand levels in excess of the availability of cheaper supply in the form of Council owned accommodation or private leasing, the costs will escalate further as the service is forced to utilise more expensive hotels.

#### 4.13.3 *Financial sustainability*

The level of earmarked reserves will reduce if they are required to meet the overspends currently forecast for the year.

This is a particular issue for Worthing where the level of available reserves (excluding the Business Rates Smoothing Reserve, the Tax Guarantee Reserve and Grants and Contributions) will be reduced significantly. The predicted level of reserves undermines the Councils financial stability and potentially puts Worthing Council in an unsustainable financial position, as set out in the table below:

<b>Worthing Borough Council Available Reserves</b>	<b>Balance at 1.4.23</b>	<b>Projected Transfer In/(Out) 2023/24</b>	<b>Remaining balance</b>
	£	£	£
Capacity Issues Reserve	881,673	(486,153)	395,520
General Fund Working Balance	1,347,348		1,347,348
Property Investment Risk Reserve	450,000		450,000
Building Maintenance Reserve	176,259		176,259
Insurance Reserve	230,244		230,244
Museum Reserve	74,899		74,899
Leisure Lottery & Other	27,766		27,766
Projected overspend 2023/24		(1,829,980)	(1,829,980)
<b>Total</b>	<b>3,188,189</b>	<b>(2,316,133)</b>	<b>872,056</b>

The Council's established policy to maintain the General Fund Working Balance at between 6 – 10% of net revenue expenditure. The current balance as at 31st June 2023 is £1,347,350. This balance is 8.5% of net revenue expenditure (previously, 9.80% in 2022/23) and is in the mid part of the range of 6% -10% set by the Council.

In Adur, the level of reserves are in a slightly healthier position, though the planned draw down for the year would use up the majority of the Capacity Issues Reserve, Overall, the value of useable reserves are set out below:-

<b>Adur District Council Available Reserves</b>	<b>Balance at 1.4.23</b>	<b>Projected Transfer In/(Out) 2023/24</b>	<b>Remaining balance</b>
	£	£	£
Capacity Issues Reserve	441,405	(135,122)	306,283
General Fund Working Balance	1,051,497		1,051,497
Property Investment Risk Reserve	375,674		375,674
Insurance Reserve	82,959		82,959
Projected underspend 2023/24		254,317	254,317
<b>Total</b>	<b>3,188,189</b>	<b>119,195</b>	<b>2,070,730</b>

As in Worthing, the Council's established policy to maintain the General Fund Working Balance at between 6 – 10% of net revenue expenditure. The current balance as at 31st June 2023 is £1,051,497. This balance is 9.9% of net revenue expenditure (previously, 9.90% in 2022/23) and is in the top part of the range of 6% -10% set by the Council.

The current commitment on all the General Fund earmarked reserves are set out in appendix 2b and 3b. As set out in the '2024/25 Budget Update' report elsewhere on this agenda the council will need to plan for protecting and rebuilding reserve levels into the future to ensure we meet the guideline minimum level.

#### 4.14 Corrective action:

4.14.1 As an organisation we are addressing the forecast overspend by initiating a mid year directorate based spending review. During this period of review the following actions will be taken:

1. Vacancy control - recruitment paused whilst the review is undertaken,
2. Identification of areas where costs could be delayed or reduced to help mitigate unavoidable in year cost pressures,
3. Aligning the spending review with the annual planning work to identify any opportunities to accelerate towards our future state in terms of service model or delivery.

4.14.2 The current budget pressures will continue to be monitored throughout the year, and to identify if any further action is required to bring them back within the set budget.

#### 4.15 Housing Revenue Account

4.15.1 The Adur Housing Revenue Account is a ring fenced account. The HRA forecast is shown in Appendix 4a.

4.15.2 The HRA is forecast to overspend against the budget for 2023/24 by £217,000. The most significant pressures are due to:

- Void properties (including losses in associated service charges and increased Council Tax liabilities) - £713,000
- Delay in implementation of the rent increase by 6-8 weeks - £75,000
- Employee costs in respect of additional repairs and maintenance support now required which means that a budgeted vacancy saving is unlikely to be achievable - £70,000.

4.15.3 In contrast, a review of the depreciation policy last financial year has reduced the annual charge to the revenue budget by £630,000. This will offset some of the cost pressures above.

### **Engagement and Communication**

5.1 The Corporate Leadership Team and budget managers have all collaborated in the content of this report providing explanation and narrative on the forecast variances.

### **Financial Implications**

6.1 At this stage at the end of the 1st quarter of the revenue budgetary cycle, we continue to see the financial impact of the increase in inflation on the Councils.

6.2 Overall the projected outturn positions net of treasury savings, the performance in the strategic property portfolio and reserve transfers is an overspend in Worthing of £2.130m and an overspend in Adur of £0.254m, which includes the councils share of the estimated £0.616m overspend within the Joint Service.

6.3 The financial performance of the Councils will continue to be monitored closely against budgets and projections updated as the financial year continues.

## Legal Implications

- 7.1 Section 151 of the Local Government Act, 1972 requires the Councils to make arrangements for the proper administration of their financial affairs. Further, Local authorities have a statutory duty under 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.
- 7.2 The requirement for financial reserves is acknowledged in statute. Sections 31A, 32, and s42A and 42B of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
- 7.3 There are a range of safeguards in place that help to prevent local authorities overcommitting themselves financially. These include a duty to report on robustness of estimates and adequacy of reserves (under section 25 of the Local Government Act 2003 when the authority is considering its budget requirement).



## **Background Papers**

Joint Overall Budget Estimates 2023/24

[https://democracy.adur-worthing.gov.uk/documents/s9818/2023.02.07%20-%20JSC%20-%20Final%20Revenue%20Budget%20Estimates%20for%202023\\_24.pdf](https://democracy.adur-worthing.gov.uk/documents/s9818/2023.02.07%20-%20JSC%20-%20Final%20Revenue%20Budget%20Estimates%20for%202023_24.pdf)

Adur District Council Budget Estimates 2023/24 and Setting of the 2023/24 Council Tax

[https://democracy.adur-worthing.gov.uk/documents/s9812/2023.02.02%20-%20Adur%20Executive%20-%20Revenue%20Budget%202023\\_24.pdf](https://democracy.adur-worthing.gov.uk/documents/s9812/2023.02.02%20-%20Adur%20Executive%20-%20Revenue%20Budget%202023_24.pdf)

Worthing Overall Budget Estimates 2023/24 and Setting of 2023/24 Council Tax

[https://democracy.adur-worthing.gov.uk/documents/s9774/2023.02.01%20-%20Worthing%20Exec%20-%20Budget%20Estimates%202023\\_24%20and%20setting%20of%20the%202023\\_24%20Council%20Tax.pdf](https://democracy.adur-worthing.gov.uk/documents/s9774/2023.02.01%20-%20Worthing%20Exec%20-%20Budget%20Estimates%202023_24%20and%20setting%20of%20the%202023_24%20Council%20Tax.pdf)

Financial Performance 2022/23 - Revenue Outturn

[https://democracy.adur-worthing.gov.uk/documents/s10814/2023.07.11%20-%20JSC%20-%20agenda%20item%206%20-%20Revenue%20outturn%202022\\_23.pdf](https://democracy.adur-worthing.gov.uk/documents/s10814/2023.07.11%20-%20JSC%20-%20agenda%20item%206%20-%20Revenue%20outturn%202022_23.pdf)

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

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## **Sustainability & Risk Assessment**

- 1. Economic**  
Matter considered and no issues identified
- 2. Social**
  - 2.1 Social Value**  
Matter considered and no issues identified
  - 2.2 Equality Issues**  
Matter considered and no issues identified
  - 2.3 Community Safety Issues (Section 17)**  
Matter considered and no issues identified
  - 2.4 Human Rights Issues**  
Matter considered and no issues identified
- 3. Environmental**  
Matter considered and no issues identified
- 4. Governance**  
Matter considered and no issues identified

## Appendix 1

### Quarter 1 Budget Monitoring - Commentary on Services with significant outturn forecast to budget variances

This information supplements the information in the 1st Quarter Revenue Monitoring report providing more detail to the service forecast in areas where there are significant variances in the forecast outturn positions than budgeted. The variances are across the organisation but are mostly in the areas that are either volatile in nature or demand led which can make income streams more difficult to predict. There are also some areas where global and national economic activity are impacting causing costs pressures, such as inflation and energy supply.

#### 1.1 Car Parking

Worthing car park income continues to be one of the main income streams that is most impacted by the pandemic's longer term effect of changing behaviour by customers. One of the main reasons for this is that previous town centre workers are choosing to work remotely some or part of the time reducing the levels of town centre worker deal income and season tickets.

Buckingham Road is still closed for refurbishment and not expected to open until December 2023 and there are a number of bays closed at Liverpool gardens while works are completed on the former mobility shop section. Whilst some of these drivers will be displaced to other council owned car parks (particularly High Street and Grafton) the closures will have some impact on income.

In Adur, the parking income is showing a small surplus

#### 1.2 Homelessness

There continue to be cost pressures associated with homelessness within both Adur and Worthing, current forecast outturn overspend positions have increased from those in 2022/23 and this is despite an additional £381k (Adur) and £748k (Worthing) 2023/24 budgets respectively. Since 2020/21 the budgets have seen £566k and £1m increases to the respective Adur and Worthing budgets to fund the ongoing additional pressures of people presenting themselves to the Council for support for their housing needs.

The main reasons for these increased pressures on the Council include:-

- Introduction of Homeless Reduction Act
- The Local Housing Allowance does not increased in line with the private sector rent prices
- COVID
- Increasing Interest costs and the change to the Landlord & tenant act, which impacted on smaller landlords resulting in some deciding to sell reducing the number of available rental properties,

Worthing is seeing an increase in demand, the average caseload for 2022/23 was 308 increasing to a projected 334 in 2023/24. The outturn forecast includes an assumed increase in caseload of 2 cases per month for the remainder of the year.

In Adur the average caseload for 2022/23 was 89 increasing to a projected 100 in 2023/24. The outturn forecast includes an assumed increase in caseload of 1 cases per month for the remainder of the year.

The increase in the demand is impacting on the cost pressures in procuring additional accommodation along with increased costs from existing suppliers who are passing on their inflationary cost pressures to customers through their increased accommodation charges. The impact of this is an increase in the average rate being charged from £42 to £46 per night in Worthing and from £46 to £53 in Adur.

### 1.3 Bereavement Services

Worthing cemetery income is currently expected to exceed the income budget by £40,000 (15% overachievement).

The crematorium is forecasting an overall shortfall against the service income budgets of £712,000.

There is currently no available space in the existing memorial garden. Additional income is expected from the delivery of the new garden which was considered and approved by members in January 2023. The works for this are due to commence in the Autumn, when plots can start to be sold off plan.

Overall the Bereavement Services budget in Worthing is predicting a net deficit against the budget of £672,000, which reflects 20% of the £3.3m Income budget.

In Adur there is a predicted shortfall of Burial income against budget of £49k.

## 1.5 Strategic and Commercial Property

Within Worthing investment property and core estate portfolio the forecast is a net income surplus of £491,000 assuming that the transfer of the void allowance of £628,000 to the Property Investment Risk Reserve is not made in 2023/24. This is due to a combination of void periods and the re-letting of some properties with agreed rent free periods. Rent free periods are normal commercial practice and allow us to capture a greater rent in the future whilst the occupier pays business rates and all other outgoings during that period.

In Adur investment property and core estate portfolio the forecast is a net income surplus of £347,000 assuming that the transfer of the void allowance of £750,000 to the Property Investment Risk Reserve is not made in 2023/24. This is due to a couple of void properties (York Road and Eskan Court), whilst empty the Council is responsible for the business rates and all other outgoings until they are relet.

In both Councils the core estate portfolios are forecast to be marginally over budget at this early stage of the year.

## 1.6 Planning and Development

In Adur and Worthing the projected outturn is an overall net overspend of £189,000 and £230,000 respectively within Planning and Development. A breakdown of the variation in the service budget is provided below:

	Worthing Net Total	Adur Net Total
Building Control	£78,000	£91,000
Development Control	£100,000	£50,000
Land Charges	£52,000	£48,000
Total	£230,000	£189,000

The current financial position with high inflation and mortgage rates together with high construction costs is having a significant impact on the housing market and development industry. This has had an impact on planning, building control and land charges fee income.

For Development Management the first few months of the year have seen a reduction in the number of applications received. This has been compounded

by no new major developments being submitted. However, there are some larger schemes that will be submitted; Union Place in Worthing, will boast fee income as the application will attract large planning fees and will help to reduce the current shortfall.

The Government has also announced a significant increase in planning fees and funding to increase the number of planners to tackle resource issues for planning authorities. Draft regulations to introduce a national fee increase of 35% for major applications and 25% for all other applications were laid on 20 July.

#### 1.7 Place and Economy

Worthing is forecasting an overspend in its concession budget. The Worthing Observation Wheel has not returned to the seafront, instead a Carousel has taken the plot for the summer period but the fee is substantially lower (£65k) than the budget and previous income received from the wheel. In addition, business rates are payable on the site, which the Council has to pick up when there is no operator on the site.

#### 1.9 Treasury- External Borrowing Costs, Investments and Minimum Revenue Provision

The Minimum Revenue Provision (MRP) is a statutory charge to the revenue budget to provide for the repayment of debt. The calculation is based on the level of historic capital spend that has been financed from borrowing. Consequently, once the accounts have been closed and the calculation has been updated for the capital spend in 2023/24, there is certainty about the charge for the forthcoming year.

Worthing Borough Council has net projected overspend in the treasury management budgets of £187k largely due to the impact of the delay in the sale of key sites which were estimated to reduce borrowing costs by £600k. The position is kept under review and if the sales complete earlier the forecasts will be recalculated.

Interest receivable from treasury investments is forecast to be above budget due to the higher than forecast base rates available in the market.

In Adur the position is different with a predicted overall underspend in the treasury management budgets of £298k. The decision to use internal funds rather than borrowing which is reflected in the underachievement in the

interest receivable forecast offset by the underspend against the budget for interest payable on borrowing.

The breakdown is provided in the following table.

<b>Treasury Management (under)/overspends</b>	<b>Worthing</b>	<b>Adur</b>
	£000	£000
Minimum Revenue Provision	476	(84)
Interest from Investment Income	(210)	51
Interest payable on borrowing	(79)	(349)
<b>Total</b>	<b>187</b>	<b>(298)</b>

**WORTHING BOROUGH COUNCIL SUMMARY - 1ST  
QUARTER PROJECTED OUTTURN 2023/24**

**APPENDIX 2a**

<b>Actual Previous year 2022/23</b>	<b>WORTHING CABINET MEMBER PORTFOLIOS</b>	<b>Current Estimate 2023/24</b>	<b>Projected Outturn to 31st March 2024</b>	<b>Forecast Over/ (Under)</b>
4,898,300	CM for Environment	3,999,240	4,703,970	704,730
930,829	CM for Community Wellbeing	824,280	824,280	0
5,120,413	CM for Citizen Services	4,304,920	4,945,390	640,470
128,178	CM for Climate Emergency	119,700	119,700	0
4,438,618	CM for Culture & Leisure	3,835,040	3,835,040	0
985,506	Leader	831,510	831,510	0
3,127,961	CM for Regeneration	2,432,060	2,809,950	377,890
(2,724,355)	CM for Resources	(240,010)	(308,841)	(68,831)
0	Holding Accounts	382,350	382,350	0
<b>16,905,450</b>	<b>Total Cabinet Member</b>	<b>16,489,090</b>	<b>18,143,349</b>	<b>1,654,259</b>
(4,198,163)	Credit Back Depreciation	(4,804,180)	(4,804,180)	0
1,693,450	Minimum Revenue Provision	2,417,780	2,893,501	475,721
	Non ring fenced grants	0	0	0
<b>14,400,737</b>		<b>14,102,690</b>	<b>16,232,670</b>	<b>2,129,980</b>
(40,791)	<b>Government Grant funding</b>	0	0	0
	<b>Transfer to/from reserves</b>			
(44,610)	Contribution to/(from reserves)	86,250	86,250	0
(1,308,786)	Transfer from reserves to fund specific expenditure (inc carry forwards)	0	(300,000)	(300,000)
778,101	Net Underspend/(Overspend) Recommended For Transfer To/(From) Reserves	0	(1,829,980)	(1,829,980)
<b>13,784,651</b>	<b>Total Budget requirement before External Support from Government</b>	<b>14,188,940</b>	<b>14,188,940</b>	<b>-</b>



## Appendix 2b

### Movements in Earmarked Reserve Accounts

WORTHING BOROUGH COUNCIL EARMARKED REVENUE RESERVE ACCOUNTS	Opening Balance 2022/23	Estimated Transfers Out 2022/23	Estimated Transfers in 2022/23	Projected Closing Balance 2022/23
		£	£	£
<b>REVENUE GRANT RESERVES</b>				
<b>Capacity Issues Reserve including approved Carry Forward budgets</b>	881,673			
Hardship Fund Contribution (11/01/22 JSC/77/21-22)		-100,000		
Foodbank - (£100k from unused Hardship contribution & Treasury)				
Resourcing of community engagement, inclusion and participation activities (JSS-C(W)/4/22-23 5 July 2022) - Big Cleanup		-15,000		
Business Development Fund		-29,080		
Local Plan examination costs		-42,073		
LCR Caravan Club Agreement		-300,000		
Worthing carry forwards from 2022/23 underspends				-
Budgeted contribution (to)/from revenue				-
<b>Balance</b>	<b>881,673</b>	<b>-486,153</b>	<b>0</b>	<b>395,520</b>
<b>Insurance Reserve</b>	230,244			230,244
<b>Leisure Lottery &amp; Other Partnerships - 01/02/18 JSC/092/17-18 for Museum Costume Research Centre</b>	27,766			27,766
<b>Museum reserve</b>	74,899			74,899
<b>Business Rates Smoothing Reserve</b>	2,491,626			2,491,626
<b>Local Tax Income Guarantee</b>	264,949			264,949
<b>Property Investment Risk Reserve</b>	450,000			450,000
<b>Building Maintenance Reserve</b>	176,259			176,259
Place Project	82,711			82,711
<b>Wellbeing Grant funded Employee exit cost reserve</b>	68,150			
Grants & Contributions sub total	754,421	0	0	754,421
Projected Underspend/ (Overspend) (Reserve to be identified at outturn).		-1,829,980		-1,829,980
				0
				0
<b>General Fund Working Balance</b>	<b>1,347,348</b>			<b>1,347,348</b>
<b>TOTAL</b>	<b>7,604,465</b>	<b>-2,316,133</b>	<b>0</b>	<b>4,465,761</b>

**ADUR DISTRICT COUNCIL SUMMARY - 1ST QUARTER  
PROJECTED OUTTURN 2023/24**

**APPENDIX 3a**

<b>Actual Previous year 2021/22</b>	<b>ADUR EXECUTIVE MEMBER PORTFOLIOS</b>	<b>Current Estimate 2022/23</b>	<b>Projected Outturn to 31st March 2023</b>	<b>Forecast Over/ (Under)</b>
3,611,352	CM for Environment & Leisure	3,364,830	3,439,857	75,027
1,531,276	CM for Communities & Wellbeing	1,332,300	1,332,300	0
2,329,295	CM for Adur Homes & Customer Services	1,887,080	2,035,160	148,080
704,985	Leader	704,630	704,630	0
1,982,718	CM for Regeneration & Strategic Planning	2,028,950	1,871,140	(157,810)
721,607	CM for Finance & Resources	681,210	954,563	273,353
0	Holding Accounts	268,270	268,270	0
<b>10,881,233</b>	<b>Total Cabinet Member</b>	<b>10,267,270</b>	<b>10,605,920</b>	<b>338,650</b>
(1,541,257)	Credit Back Depreciation	(1,625,520)	(1,625,520)	0
1,875,637	Minimum Revenue Provision	1,969,970	1,885,637	(84,333)
	Non ring fenced grants	0	0	0
<b>11,215,613</b>		<b>10,611,720</b>	<b>10,866,037</b>	<b>254,317</b>
-470,979	<b>Government Grant funding</b>	0	0	0
	<b>Transfer to/from reserves</b>			
0	Contribution to/(from reserves)	0	0	0
0	Budgeted contribution to/(from) Reserves	0	0	-
(992,117)	Transfer from reserves to fund specific expenditure (inc carry forwards)	0	0	0
0	General Fund Working balance	0	0	0
(10,166)	Net Underspend/(Overspend) Recommended For Transfer To/(From) Reserves	0	(254,317)	(254,317)
<b>9,742,351</b>	<b>Total Budget requirement before External Support from Government</b>	<b>10,611,720</b>	<b>10,611,720</b>	<b>-</b>

## Appendix 3b

### Movements in Earmarked Reserve Accounts

ADUR DISTRICT COUNCIL EARMARKED REVENUE RESERVE ACCOUNTS	Opening Balance 2023/24	Estimated Transfers Out 2023/24	Estimated Transfers in 2023/24	Projected Closing Balance 2023/24
	£	£	£	£
<b>Capacity Issues Reserve including approved Carry Forward budgets</b>	441,405			
New Salts Farm Lancing (JSC/047/20-21 8 September 2020)		-2,199		
Shoreham Centre Decarbonisation (JSC/34/21-22 7 sept 2021)		-118,000		
Business Development fund		-14,923	-	
<b>Balance</b>	441,405	-135,122	0	306,283
<b>Insurance Fund</b>	82,959	0	0	82,959
<b>Business Rates Smoothing Reserve</b>	1,765,540	0	0	1,765,540
<b>Local Tax Income Guarantee</b>	59,666	0	0	59,666
<b>Property Investment Risk Reserve</b>	375,674	0	0	375,674
<b>Risk Reserve Exit cost</b>	68,150	0	0	68,150
<b>Grants and Contributions held in Reserves</b>	913,667	0	0	913,667
Projected Underspend/(Overspend) (Reserve to be identified at outturn)		254,317	0	254,317
Projected Underspend/(Overspend) HRA (Reserve to be identified at outturn)		0		0
General Fund Reserve	1,051,497	0	0	1,051,497
<b>TOTALS</b>	<b>5,672,224</b>	<b>119,195</b>	<b>0</b>	<b>5,791,419</b>

## HOUSING REVENUE ACCOUNT SUMMARY

Appendix 4a

	<b>ORIGINAL BUDGET</b>	<b>FORECAST ACTUAL</b>	<b>VARIANCE</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>EXPENDITURE</b>			
General Management	4,102,590	4,154,060	51,470
Special Services	796,020	823,360	27,340
Rent, Rates, Taxes & Other Charges	64,010	116,250	52,240
Repairs & Maintenance	3,142,880	3,114,952	(27,928)
Bad/Doubtful Debt	50,000	50,000	0
<b>Capital Financing Costs</b>			
Depreciation and Revenue Contribution to Capital	4,421,760	3,788,165	(633,595)
Interest charges	2,304,920	2,304,920	0
<b>TOTAL EXPENDITURE</b>	<b>14,882,180</b>	<b>14,351,707</b>	<b>(530,473)</b>
<b>INCOME</b>			
Dwelling Rents	(13,330,160)	(12,794,000)	536,160
Non-Dwelling Rents	(537,320)	(526,250)	11,070
Heating and Other Service Charges	(706,760)	(506,480)	200,280
Leaseholder's Service Charges	(307,940)	(307,940)	0
Interest Received	0	0	0
<b>TOTAL INCOME</b>	<b>(14,882,180)</b>	<b>(14,134,670)</b>	<b>747,510</b>
<b>NET (SURPLUS)/DEFICIT -TFR (TO)/FROM HRA GENERAL RESERVE</b>	<b>0</b>	<b>217,037</b>	<b>217,037</b>

HRA Major Variances

Appendix 4b

	(Under)/ Over Spends £'000
<b><u>Variations in Income and Running Costs:</u></b>	
Dwelling Rent & Service Charge void loss	736
Garage Rent void loss	13
Staff costs	52
Council Tax - increased costs due to extended void periods.	52
Repairs & Maintenance - responsive and void works	(28)
Repairs & Maintenance - planned maintenance contracts	0
Leasehold Service charges	0
Provision for Bad Debts	0
Other	25
<b>TOTAL VARIATION IN RUNNING COSTS:</b>	<b>851</b>
<b><u>Variations in Treasury Management and Capital Costs:</u></b>	
Interest payable	0
Depreciation	(634)
Interest receivable	0
<b>TOTAL VARIATION IN TREASURY MANAGEMENT AND CAPITAL COSTS:</b>	<b>(634)</b>
<b>TOTAL VARIATION:</b>	<b>217</b>

## Q1 Variations

## Appendix 5

Service Area	Joint £000s (under)/ over spend	Adur £000s (under)/ over spend	Worthing £000s (under)/ over spend	Description of Significant Variations
<b>Director of Housing &amp; Communities</b>				
<b>Housing Needs</b>		148	640	Homelessness cost pressures continue to increase
	-	148	640	
<b>Director of Sustainability and Resources</b>				
<b>Parking Services</b>		14	274	Delay in price increases plus decision to not progress free car park charging
<b>Environmental Services (Waste)</b>	30			Mainly due to Agency staff costs in Cleansing plus increased costs from the Medisort Clinical contract (offset partly by Contingency budget In CM)
<b>Bereavement Services (Cemeteries &amp; Crematorium)</b>		49	687	Continuing pressure on income -- budget reset in progress and £500k being built into next years budget for Worthing
<b>Insurance</b>		135	161	New contract tenders were higher than budgeted
<b>Finance: Treasury Interest</b>		(298)	(288)	Interest from Investment income due to higher Interest Rates
<b>Finance: Treasury MRP</b>		(84)	476	Shortfall largely due to the impact of the delay in the sale of key sites which were estimated to reduce borrowing costs
	30	(185)	1,309	

Director for Place				
Regeneration (IP & Estates)		(347)	(491)	Net impact of the position in Investment Properties income which is showing a slight shortfall, offset by the budgeted void allowance to contribute towards reserves
Regeneration (Major Projects)			300	Unwinding of LCR agreement
Place and Economy (Economic Development)			65	Concession income previously Worthing Wheel replaced by the current Carousel contract which receives a lower value of rental income
Planning and Development (Building Control)		91	78	Shortfall projected to continue in Building Control fee income in line with 22/23
Planning and Development (Development Control)		50	100	Current projections for Planning fee income is lower than the budget due to fewer large scale development planning application being received / expected to be received
Planning and Development (Land Charges)		48	52	Shortfall projected to continue in Land Charges fee income in line with 22/23
	-	(158)	104	
Cross Cutting services				
Maintenance				
Pay Award - Latest offer	586	188	215	Pay award over the budgeted amount plus increased costs re post regradings following commitment to review all posts upto a Grade 5
Other Income		15	(508)	
	586	202	(294)	
Allocation of Joint Variance		247	370	Share of joint services allocated 40:60 to Councils
<b>Total Variance</b>	<b>616</b>	<b>254</b>	<b>2,130</b>	

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Worthing Joint Strategic Sub-Committee  
12th September 2023

WORTHING BOROUGH  
COUNCIL

Key Decision : No

Ward(s) Affected: All

## **1st Quarter Capital Investment Programme & Projects Monitoring 2023/24**

**Report by the Director for Sustainability and Resources**

### **EXECUTIVE SUMMARY**

#### **1. PURPOSE**

1.1 This report updates the Sub-Committee on the progress made on the delivery of the 2023/24 Capital Investment Programme for Worthing Borough Council. The programme includes schemes which support the delivery of services by the Joint Services Committee.

1.2 Included within the report is information about the prudential indicators which provide a link between the Council's revenue budget and capital budget. Quarterly monitoring of these indicators is a new requirement introduced as part of the refreshed prudential code.

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

**Appendix 3:** 1st Quarter Treasury Management Update 2023

## 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 6.1 and appendix 2.
- ii) To note the use of the 2023/24 contingency budgets to fund the acquisition of second hand waste and cleansing vehicles as set out in paragraph 6.2.2.
- iii) To note the 1st Quarter Treasury Management Update 2023 as set out in appendix 3.
- iv) To approve the changes to the current schemes as set out in section 6.2 report.

## 3. CONTEXT

3.1 In accordance with the Council's Capital Strategy, the Capital Working Group oversees the implementation and progress of the Council's capital investment programmes. The Capital Working Group also ensures that capital schemes are approved within financial regulations.

3.2 The Capital Working Group meets regularly and monitors the programme's 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 Council's control.

3.3 Full summaries of the progress of all the schemes in the 2023/24 Capital Investment Programmes are prepared each quarter highlighting:

Schemes with significant challenges	<b>Red</b>
Schemes where progress is being closely monitored	<b>Amber</b>
Schemes progressing well	<b>Green</b>
Schemes where progress is beyond officers' control	#
Schemes with financial issues	£
Schemes where progress has improved	⬆
Schemes where progress has deteriorated	⬇

3.4 Financial Regulations require officers to report each project on completion.

#### **4. PROGRESS OF THE WORTHING BOROUGH COUNCIL 2023/24 CAPITAL INVESTMENT PROGRAMME – June 2023**

4.1 There are 107 schemes in the 2023/24 current capital investment programme which are progressing as follows:

	Number of schemes	Percentage %
Schemes which are progressing satisfactorily or have completed	87	83.7%
Schemes where progress is being closely monitored	17	16.3%
Schemes with significant challenges or financial issues	0	0

4.2 A summary of the financial movements of the 2023/24 Capital Investment Programme is attached as Appendix 2 to this report. A summary of the progress of all the schemes in the 2023/24 Capital Investment Programme is available from the Council's Intranet.

#### **5.0 SUCCESSES AND CHALLENGES IN THE WORTHING BOROUGH COUNCIL 2023/24 CAPITAL INVESTMENT PROGRAMME**

5.1. The following schemes are progressing well:

##### **5.1.1 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
- iii) Storage Area Networks have been replaced
- iv) Data migration to the Cloud

##### **5.1.2 Heat Network**

Negotiations on the heat network are progressing well with construction due to commence in 2023/24.

##### **5.1.3 Brooklands Park**

Whilst this programme of works has been delayed, the project is now nearing final completion with the new car park installed and the cafe structure in place. The new childrens' playground was successfully delivered in the last period and is being used by the public with positive comments coming through.

#### **5.1.4 Temporary and Emergency Accommodation programme**

The contract for the delivery of units at Victoria Road is being procured. This scheme will deliver 11 new units of temporary accommodation. Construction is expected to start in 2023/24 with completion expected towards the end of 2024/25.

New units for Marine Parade are planned with the planning application due to be considered in the Autumn.

The team continues to examine the potential of NHS properties on Shelley Road and Heene Road to provide EA/TA, and is revisiting the planning consent at 5&7 High Street.

#### **5.2. Challenges in the 2023/24 Capital Investment Programme:**

5.2.1 There continues to be challenges to the delivery of a number of schemes due to a number of factors outside the Councils controls:

Delays have been encountered as follows:

- i) In obtaining quotes and estimates from suppliers.
- ii) Long lead in times for deliveries due to supply issues.
- iii) Significant inflation of costs within the construction industry

In addition there are staffing shortages in the Technical Services Department and projects have had to be prioritised and non urgent works may be deferred to 2024/25.

These issues have directly impacted on a number of projects which have required additional financial support which are set out below.

#### **5.2.2 Major projects - WICC**

There are ongoing contractual discussions regarding the cost of the project particularly in light of the delay caused by the redesign of the electricity substation and changes to the design of the car park. A further report will be presented to Committee in due course as discussions progress.

#### **5.2.3 Lead in times for new vehicles**

The lead in times for the purchase of new vehicles have been extending. Currently, orders are taking a minimum of 10 months to fulfil leading to challenges in operating the Councils fleet.

### **6. ISSUES FOR CONSIDERATION**

6.1 Budgets totalling £1,475,120 have been reprofiled to 2024/25 and future years where the original project plan has changed and the schemes are unable to complete in 2023/24. £2,616,610 has also been brought forward and reprofiled from 2024/25 due to progress within the heat network scheme. A list of schemes reprofiled is attached as Appendix 2 to this report.

6.2 The following amendments to the Worthing Borough Council 2023/24 Capital Investment Programme are recommended:

### 6.2.1 Improvements to Montague Street properties

Contained within the programme is a budget of £248,210 for the delivery of improvements to Council owned properties in Montague Street. Following improvements to the Grafton Car Park, the issues with water ingress have been resolved and it is recommended that this scheme is deleted from the programme and the resources added back to the contingency budget to help address a number of cost pressures in other areas.

### 6.2.2 Waste Services - urgent replacement of vehicles

Lead times for the purchase of new vehicles are very long at the moment. Despite ordering new vehicles at the start of the year, these new vehicles are unlikely to be delivered until towards the end of the year. Earlier in the year, three vehicles failed and were beyond economic repair; contingency budgets were used to fund replacement second-hand vehicles which ensure continuity of service. These vehicles will be used to bolster the reserve fleet once the new vehicles are delivered. This gives both council's greater resilience against future vehicle failures, particularly during this period of significant order delay. The cost of these vehicles was £100k split as follows between the two Councils:

- Adur - £36,000
- Worthing - £64,000

### 6.2.3 Replacement of key systems:

The costs associated with the replacement of two key systems has been reviewed and it has been identified that the costs have increased substantially since the bids were originally made to the capital programme.

#### 6.2.3.1 Burial and Crematorium system

Crematorium and cemeteries system now has an expected cost of £140,160 against an original budget of £102,560 and requires funding of £37,600.

The implementation of the system will enable the service to digitise maps of graves and improve the administration of the burial and crematorium service.

It is proposed to fund the additional cost from the contingency budgets held by both councils. The additional costs are split as follows:

- Adur District Council £7,560 (20%)
- Worthing Borough Council £30,080 (80%)

#### 6.2.3.2 Planning system

The Planning and Building Control Services have faced challenges due to the outdated and inflexible nature of the Uniform system. Poor integration with the Council's Document Management System (DMS), and the inability

to integrate with Google have also led to significant inefficiencies. For instance, saving a plan or email received in Gmail requires several steps, including opening Outlook, Office Connect, and saving to our DMS, often resulting in time-consuming downloads for each document. This process hampers productivity as staff cannot perform other tasks during this period.

To resolve some of these issues your Officers had explored the option of migrating to an embedded DMS provided by Idox and a cost of £95,040 was included in the current programme. However, after further investigation it was identified that this would have still left the inefficiencies of using an increasingly outdated Idox product with high maintenance costs. Alternatively by migrating to the new cloud based solution (being rolled out by Idox) there would be scope to unlock significant efficiency savings both in terms of staff time and on-going maintenance costs. It is expected that the implementation of the system will reduce the Council's annual costs by around £50,000.

However, the replacement planning and building control system would be a much larger project and now has an expected cost of £214,670 against a budget of £95,040 consequently additional resources of £119,630 are required. It is proposed to fund the additional resources from the contingency budgets of the Councils split as follows:

- Adur District Council £47,850 (40%)
- Worthing Borough Council £71,780 (60%)

#### **6.2.4 Changing Places Toilets - High Street Car Park**

The refurbishment of the public toilets at High Street Car Park is expected to cost the Council £435,000. This project will include a new Changing Places facility part-funded through grant of £100,000.

This is higher than the available approved budget for public convenience improvements of £310,900.

To enable this scheme to progress it is proposed that the following budget adjustments are approved:

- £13,460 from the Equalities Act improvement budget;
- £21,260 from the replacement wallgate unit which is expected to underspend; and
- £89,380 from the Montague Street property improvement budget which remains unused (see paragraph 6.2.1).

#### **6.2.5 Tarring Bowls Pavillion and Tennis Courts**

The Tarring bowls club needs more inclusive changing facilities as a significant proportion of the members are now female. In addition, to support accessible bowls and tennis at the neighbouring courts, there is a requirement to provide accessible toilet provision to supplement the male and female public conveniences which are adjacent to the bowls facility.

This will also benefit the local community and visitors to Church Green. In Parallel to this scheme there is provision for the resurfacing of the nearby Tennis Courts (£243,300). Lawn Tennis Association funding of £34,000 has also been secured to support the resurfacing of the neighbouring tennis courts. However, due to access constraints of the site, the extension works need to be progressed first to enable the court surfacing works to follow on and be delivered by the grant funding deadline.

Whilst there is allocated capital funding for refurbishment of the Pavillion changing facilities project (£150,000) plus a contribution from the bowls club of £6,500, this is insufficient to meet the cost of the overall project cost. It is therefore proposed to use £20,000 from the Equalities Act budget and a further £80,000 from the Asbestos budget to fund this project.

Given the urgency associated with the overall improvement works, the Chief Financial Officer approved the virement following consultation with the Cabinet Member.

#### **6.2.6 Support to opening doors landlords:**

To encourage landlords to enter into a longer term relationship with the Council, it is proposed that a small capital budget of £60,000 is created by diverting some of the funds made available for Registered Social Landlords which has an unallocated budget of £2,671,800. This will be used to provide capital grants to landlords to support the longer term provision of homelessness accommodation.

#### **6.2.7 Splashpoint Heat Pump**

Currently the Council has a budget of £300,000 for the replacement of the failed heat pump at Splashpoint Swimming Pool. This is assumed to be part funded through government funding of £100,000 and a bid is to be made to the Swimming Pool Support Fund to obtain funding for the new pumps. The Fund is due to open in the next few weeks for energy efficiency measures.

The Council has been negotiating with the firm who constructed the pool over issues such as the early failure of the heat pumps, and the firm have agreed to contribute £200,000 to the cost of any replacement.

The most recent cost estimates for the most energy efficient pumps indicate that they will cost £510,000. It is proposed that the budget be increased to £510,000 funded as follows:

- Contribution from construction firm £200,000
- Allocation from contingency fund £10,000

#### **6.2.8 Connaught Theatre Screen:**

There is an existing capital budget of £50k for screening to the air handling system installed during the pandemic. However, materials and parts (aligned to the current technical requirements) have increased and the costs of the screening have inflated by £25k. The screening was a planning condition of

the new air handling system. Following consultation with the Cabinet Member for Culture, the Chief Financial Officer approved the use of the contingency budget to fund this additional cost.

#### **6.2.9 Crematorium Cremator Computers**

The existing control system for the cremators is at the end of its useful life due to its antiquated operating system. The system is now unsupported. A new system needs to be introduced to eradicate the risk of system failure which would close the crematorium for an unknown duration. Funding of £15,900 has been allocated from the capital contingency fund.

### **7. ENGAGEMENT AND COMMUNICATION**

- 7.1 The purpose of this report is to communicate with stakeholders on the progress of the Worthing Borough Council 2023/24 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 2023/24 Capital Investment Programme was approved by the Council in February 2023. Subsequent changes have been reported to and approved by the Joint Strategic Committee or by Officers where a delegation exists. 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 2022/23 – 2025/26 Worthing Borough Council and Joint Committee.
- Capital Strategy 2023/26.

### **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 Equalities Act 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.

<b>CAPITAL MONITORING SUMMARY 2023/24</b>									<b>1st Quarter</b>
<b>Executive Portfolios</b>	<b>(1) Total WBC Scheme Budgets</b>	<b>(2) Previous Years' Spend</b>	<b>(3) 2023/24 Original Budget</b>	<b>(4) Net Budget b/f from 2022/23</b>	<b>(5) Approved Changes to Original Budget</b>	<b>(6) 2023/24 Budget Reprofiled to and (from) 2024/25</b>	<b>(7) 2023/24 Current Budget</b>	<b>(8) 2023/24 Spend to Date</b>	<b>(9) Spend % of Current Budget</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
Citizen Services	15,397,660	1,430,887	7,113,240	677,190	1,800,000	1,475,120	8,115,310	842,337	10.38%
Climate Emergency	14,325,960	633,715	592,000	334,610	2,402,590	(2,616,610)	5,945,810	166,466	2.80%
Community Wellbeing	1,077,060	23,083	230,000	82,270	509,000	-	821,270	20,240	2.46%
Culture and Leisure	2,103,790	217,141	1,137,310	170,580	135,000	-	1,442,890	40,700	2.82%
Environment	6,831,000	2,293,236	1,585,680	1,002,260	(47,660)	-	2,540,280	605,573	23.84%
Regeneration	63,154,600	26,353,565	3,203,290	2,117,830	5,630,000	-	10,951,120	1,365,968	12.47%
Resources	94,198,410	26,607,073	16,656,050	127,410	(7,671,580)	-	9,111,880	52,911	0.58%
<b>TOTALS</b>	<b>197,088,480</b>	<b>57,558,700</b>	<b>30,517,570</b>	<b>4,512,150</b>	<b>2,757,350</b>	<b>(1,141,490)</b>	<b>38,928,560</b>	<b>3,094,195</b>	<b>7.95%</b>

**Financing of 2023/24 Programme:**

	<b>£'000</b>
Borrowing:	25598
Capital Receipts:	958
Revenue Contributions and Reserves:	295
Government Grants:	7022
S106 and CIL Receipts	3366
Other Contributions:	1,690
	<b><u>38,929</u></b>

**Capital Monitoring - Summary of Progress:**

Schemes with significant challenges:	-
Schemes where progress is being closely monitored:	17
Schemes which are progressing satisfactorily or have completed:	87
<b>Total Schemes:</b>	<b><u>104</u></b>



WORTHING BOROUGH  
COUNCIL

**WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS**

Scheme	Reprofiled Budgets	Reason
<b>1. Schemes in Progress where the completion has been delayed beyond March 2024</b>		
Opening Doors - Gratwicke Road	48,000	Total budget of £60,000 reprofiled from the Affordable Housing Registered Social Landlord project. Project spread over 5 year at £12,000 per annum. Budget reprofiled in line with anticipated expenditure
Housing Development - Acquisition and development of emergency, interim or temporary accommodation for the homeless	1,427,120	Budget reprofiled due to lead times for new schemes.
<b>2. Schemes in Progress where the project schedule has changed</b>		
Worthing Heat Network	-2,616,610	Spend expected in 23/24 rather than initial estimate of 24/25. Budget reprofiled in line with anticipated expenditure.
<b>Total Reprofiled Budgets:</b>	<b>-1,141,490</b>	

## Appendix 3

### 1st Quarter Treasury Management Update 2023 Quarter ended 30th June 2023

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021 recommends that members be updated on treasury management activities at least quarterly. This report, therefore, ensures this Council is implementing best practice in accordance with the Code.

#### 1. Economic Backdrop

1.1 Members will be fully updated on the economic backdrop to the start of the financial year as part of the Joint Treasury Management Review to be presented at the Joint Audit and Governance Committee on 26th September 2023, and subsequently the Joint Strategic Committee on 3rd October 2023. Much of this information will remain relevant for quarter one, however the following economic events are specific to Quarter one of the 2023/24 year:

- CPI inflation fell from 10.1% to 8.7% in April, but remained at 8.7% in May, this was the highest of the G7 nations;
- Core CPI inflation rose in both April and May reaching a 31 year high of 7.1%;
- The labour market remained tight with 3 month year on year average earnings growth rising from 6.1% to 6.5% in April data;
- The Bank of England Base rate has risen a further 75 bps over the quarter from 4.25% to 5.00%;
- Gilt yields, an instrument which underpins PWLB borrowing costs for councils, are approaching the peaks of Autumn 2022. Largely caused by higher than anticipated core inflation figures.

1.2 The UK economy has continued to weather the pressures of rising inflation and the drag of increased interest rates, showing surprising resilience. The 0.2% month on month GDP rise in April will further raise hopes that the UK economy may avoid recession this calendar year.

#### 1.3 MPC Meetings During Quarter 1

##### 1.3.1 11th of May 2023 - 0.25% rise

At the 11th May, the Bank of England's Monetary Policy Committee (MPC) increased the Bank Rate by 25 basis points to 4.50%.

##### 1.3.2 22nd of June 2023 - 0.50% rise

At the 22nd June meeting the MPC moved rates up a further 50 basis points to 5.00%.

Both increases reflected a split vote – seven members voting for an increase and two for none.

## 2. Interest Rate Forecast

2.1 The Council has appointed Link Group as treasury advisors and part of their service is to assist in formulating a view on interest rates. The latest forecast, made on the 26th of June, sets the view that both short and long-dated interest rates will be elevated for some while. This is in part due to Bank of England efforts to curtail inflation whilst faced with a stubbornly robust economy and strong labour market.

2.2 Below are the current and previous 2 versions of the Bank Rate and PWLB rate forecasts, note the upward revision between each PWLB forecast. This is representative of the continued surprise upsides in data releases and increased domestic inflationary pressures which have driven markets to demand higher returns on fixed income instruments. One such instrument is Government Gilts which have a direct impact on the cost of PWLB borrowing for local authorities.

Link Group Interest Rate View 26.06.23													
	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
BANK RATE	5.00	5.50	5.50	5.50	5.25	4.75	4.25	3.75	3.25	2.75	2.75	2.50	2.50
3 month ave earnings	5.30	5.60	5.50	5.30	5.00	4.50	4.00	3.50	3.00	2.70	2.60	2.50	2.50
6 month ave earnings	5.80	5.90	5.70	5.50	5.10	4.60	4.00	3.50	3.00	2.70	2.60	2.60	2.60
12 month ave earnings	6.30	6.20	6.00	5.70	5.30	4.80	4.10	3.60	3.10	2.80	2.70	2.70	2.70
5 yr PWLB	5.50	5.60	5.30	5.10	4.80	4.50	4.20	3.90	3.60	3.40	3.30	3.30	3.20
10 yr PWLB	5.10	5.20	5.00	4.90	4.70	4.40	4.20	3.90	3.70	3.50	3.50	3.50	3.40
25 yr PWLB	5.30	5.40	5.20	5.10	4.90	4.70	4.50	4.20	4.00	3.90	3.80	3.80	3.70
50 yr PWLB	5.00	5.10	5.00	4.90	4.70	4.50	4.30	4.00	3.80	3.60	3.60	3.50	3.50

Link Group Interest Rate View 24.05.23													
	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
BANK RATE	4.75	5.00	5.00	4.75	4.50	4.00	3.50	3.25	2.75	2.50	2.50	2.50	2.50
3 month ave earnings	4.80	5.00	5.00	4.80	4.50	4.00	3.50	3.30	2.80	2.50	2.50	2.50	2.50
6 month ave earnings	5.10	5.20	5.10	4.90	4.50	3.90	3.40	3.20	2.90	2.60	2.60	2.60	2.60
12 month ave earnings	5.40	5.40	5.30	5.00	4.50	3.90	3.40	3.20	2.90	2.70	2.70	2.70	2.70
5 yr PWLB	5.00	5.00	5.00	4.80	4.50	4.10	3.70	3.50	3.30	3.20	3.20	3.10	3.10
10 yr PWLB	5.00	5.00	5.00	4.80	4.40	4.10	3.80	3.60	3.50	3.40	3.30	3.30	3.30
25 yr PWLB	5.30	5.30	5.20	5.10	4.80	4.50	4.20	4.00	3.80	3.70	3.60	3.60	3.60
50 yr PWLB	5.10	5.10	5.00	4.90	4.60	4.30	4.00	3.80	3.60	3.50	3.40	3.40	3.40

Link Group Interest Rate View 27.03.23													
	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	
BANK RATE	4.50	4.50	4.25	4.00	3.50	3.25	3.00	2.75	2.75	2.50	2.50	2.50	
3 month ave earnings	4.50	4.50	4.30	4.00	3.50	3.30	3.00	2.80	2.80	2.50	2.50	2.50	
6 month ave earnings	4.50	4.40	4.20	3.90	3.40	3.20	2.90	2.80	2.80	2.60	2.60	2.60	
12 month ave earnings	4.50	4.40	4.20	3.80	3.30	3.10	2.70	2.70	2.70	2.70	2.70	2.70	
5 yr PWLB	4.10	4.10	3.90	3.80	3.70	3.60	3.50	3.40	3.30	3.20	3.20	3.10	
10 yr PWLB	4.20	4.20	4.00	3.90	3.80	3.70	3.50	3.50	3.40	3.30	3.30	3.20	
25 yr PWLB	4.60	4.50	4.40	4.20	4.10	4.00	3.80	3.70	3.60	3.50	3.50	3.40	
50 yr PWLB	4.30	4.20	4.10	3.90	3.80	3.70	3.50	3.50	3.30	3.20	3.20	3.10	

## 3. Annual Investment Strategy

3.1 The Treasury Management Strategy Statement (TMSS) for 2023/24, which includes the Annual investment Strategy, was approved by full Council on 21st of February 2023. In accordance with the CIPFA Treasury Management Code of Practice it sets both Councils investment priorities as being security of capital, liquidity and yield in that order.

### 3.2 Creditworthiness

There have been no changes in credit ratings for institutions which are considered significant during quarter one. However, officers continue to monitor rating agency releases and other subjective measures of creditworthiness to ensure that only appropriate counterparties are considered for investment purposes.

### 3.3 Investment Counterparty Criteria

The current investment counterparty criteria selection approved in the TMSS is meeting the operational requirements of the treasury management function.

### 3.4 Investment Balances

Below is a summary of the portfolio as at 30th June 2023. The portfolio balances have decreased during the quarter, this is a strategic decision, intended to extend gaps between when borrowing is needed, shielding the Council from elevated borrowing rates. Capital expenditure in the quarter has been financed by internal borrowing where possible meaning the cash balances of the council have been utilised in lieu of borrowing.

#### Portfolio position as at 30th June 2023:

Counterparty	Issue Date	Maturity Date	Principal	Interest Rate	Long Term Rating
Black Rock MMF	n/a	n/a	£10,000	var	AAAmmf
CCLA MMF	n/a	n/a	£2,400,000	var	AAAmmf
Federated Investors MMF	n/a	n/a	£5,000	var	AAAmmf
HSBC ESG MMF	n/a	n/a	£230,000	var	AAAmmf
Invesco MMF	n/a	n/a	£5,000	var	AAAmmf
Lloyds Call Account	n/a	n/a	£3,205,000	4.90%	AA
PCC for Warwickshire	28.06.23	05.07.23	£3,000,000	4.75%	Gov
Wakefield Metropolitan BC	21.06.23	07.07.23	£2,000,000	4.85%	Gov
Debt Management Office	07.06.23	07.07.23	£3,000,000	4.53%	Gov
Close Brothers Limited	05.01.23	03.01.25	£1,000,000	4.70%	A-
Close Brothers Limited	19.05.23	20.11.23	£2,000,000	5.00%	A-
Close Brothers Limited	08.09.22	11.09.23	£1,000,000	3.90%	A-
Standard Chartered Bank	23.05.23	22.08.23	£1,000,000	4.68%	A+
Standard Chartered Bank	31.05.23	31.08.23	£1,000,000	4.82%	A+
Standard Chartered Bank	07.06.23	07.07.23	£1,000,000	4.55%	A+
Local Authority Property Fund	27.04.17	n/a	£1,500,000	var	n/a
Boom Credit Union	06.03.15	n/a	£50,000	n/a	n/a
<b>TOTAL</b>			<b>£22,405,000</b>		

Note 1: Investments are given with "var" in the interest rate detail in order to indicate that they are variable rate investments the rate of which changes frequently.

Shorter term deals have been used regularly across the quarter to manage the liquidity limits set in the TMSS for Worthing.

### **3.4 Approved Limits**

The chief financial officer can confirm that the approved limits within the Annual Investment Strategy were not breached during the quarter ended 30th June 2023.

### **3.5 Prudential Indicators**

During the quarter ended 30th June 2023 there has been no material changes or reprofiling of the capital programme which give rise to a review of prudential indicators. Members will be updated in subsequent quarterly reports if material changes occur. In the meantime, members will be updated on the current and projected prudential indicators as part of the end of year Joint Treasury Management Review to be presented at Joint Audit and Governance Committee on 26th September 2023 and subsequently the Joint Strategic Committee on 3rd October 2023.





WORTHING BOROUGH  
COUNCIL

Worthing Joint Strategic Sub-Committee  
12 September 2023

Key Decision [Yes/No]

Ward(s) Affected:  
Cabinet Portfolio:

## Worthing Theatres & Museums - Annual Review 2022/23

### Report by the Director for Place

#### Officer Contact Details

Martin Randall, Director for Place

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### Executive Summary

#### 1. Purpose

- 1.1. The purpose of this report is to present the Worthing Theatres and Museum Trust Annual Review 2022/23.

#### 2. Recommendations

- 2.1. That the Sub-Committee acknowledge and welcome the achievements of Worthing Theatres and Museum over the year, in particular the focus on working with local communities to promote engagement in cultural activities;
- 2.2. That the Sub-Committee refer the report and the accompanying Annual Report to the Joint Overview & Scrutiny Committee for noting.

### 3. Context

- 3.1. Members of the Sub-Committee will recall that Worthing Theatres & Museum (WTM) was established as an independent charitable trust at the beginning of November 2019 and less than 5 months after it was formed, in March 2020, the Covid-19 Pandemic meant that each of the venues closed for an extended period.
- 3.2. 2022/23 was the Trust's first full year of operation since the Pandemic. Over the year, more than 300,000 people attended an event or visited the Museum & Art Gallery.
- 3.3. With the benefit of the whole year of trading, ticket income overall showed a 39% increase; and 29,000 tickets were sold for the popular annual pantomime.
- 3.4. The 2022/23 Annual Review acknowledges that the recovery is not complete, albeit the Acting Chair points toward an organisation that is more resilient, creative and connected to the people of Worthing.
- 3.5. Social Impact
  - 3.5.1. The Trust's focus on communities is very clearly stated in the 2022/23 Annual Review. This is supported by the separate [Social Impact Study](#).
  - 3.5.2. The Report highlights those charitable organisations the Trust has supported as well as 40 local community groups.
  - 3.5.3. 23 free outdoor shows were delivered during July and August 2022 and the Trust worked with local organisations to provide 326 pantomime tickets and for families who would not otherwise been able to attend; and 679 cinema tickets as part of Warm Spaces.
  - 3.5.4. The Trust's Creative Director & CEO and Executive Director state that:

*“We have dramatically increased our participation programme with 66 workshops giving people the opportunity to experience the joy of creativity and a sense of connection.*”
  - 3.5.5. The Annual Review draws particular attention to the *We Are Here* strand of programming that actively sought work from artists with protected characteristics.
- 3.6. Programme Development
  - 3.6.1. The Review records 3,491 events and activities over the course of the year; 326 of which were live events. The programme included the full range of theatre, comedy, dance, music and circus; and highlights included Othello by Frantic

Assembly; comedy featuring Tom Allen and Jason Manford; and dance with good sales figures for BalletBoyz and Giovanni Pernice.

3.6.2. The Review indicates that in line with national trends around home screening, film attendance has been slower to return to pre-pandemic levels. 2,893 screenings took place and 89,000 tickets were sold.

3.6.3. The Review highlights a dramatic increase in the number of people visiting the Museum & Art Gallery. 83,000 people visited during 2022/23 - a 68% increase on the pre-Pandemic level. The Museum has continued to open on Thursday evenings and on Sundays and has hosted school visits on Mondays and Tuesdays. 17 temporary exhibitions were curated over the year and the Autumn lecture series and archaeology walks were sold out.

### 3.7. Buildings and Sustainability

3.7.1. Among the improvements delivered and funded by the Trust are the new seats for the Pavilion Theatre; fully accessible dressing rooms and stage access at the Connaught Theatre; and automatic doors installed at the Studio Theatre.

3.7.2. The Trust is working in partnership with the Borough Council to become carbon neutral by 2030. The Council has installed solar panels on the roof of the Assembly Hall and begun the process of replacing the Connaught windows to improve energy efficiency. The Trust has replaced much of the lighting across the venues with LED and reduced its heating and electricity use through proactive management

### 3.8. Financial Performance

3.8.1. The Annual Review reflects upon the challenges presented by the first full financial year without the COVID-19 specific financial support received in the previous 2 years; and the impact of the cost of living crisis; high inflation; and soaring energy costs.

3.8.2. Whilst the original forecast for 2022/23 was a trading deficit of £70k, the actual deficit was £37k. Allowing for the movement of reserved funds to support investment in the venues, the overall deficit amounted to £90k.

### 3.9. Key Performance Indicators

3.9.1. Supporting the Annual Review, the Trust has supplied the key results that are being monitored as part of the overall performance of the contract. These can be found in the

[background appendices](#), as well as a supporting [Economic Impact Report](#) for the same period.

3.9.2. The highlights include 1,274 tickets provided free, low cost or sponsored to vulnerable people (target 500 tickets), 24% transactions from first time bookers (target 8%), 29,465 pantomime tickets sold (target 27,000) and finally, 307,709 attended an event or show (target 275,000). The key performance indicators are regularly reviewed and have been reset for 2023-24, in line with the contract.

### 3.10. Looking forward

3.10.1. The Trust is required to prepare a Business Plan for the period 2025-30 - the next 5 years of the 25 year contract with the Council. The Review indicates that the Business Plan will prioritise serving the community and developing the programme of events and activities while remaining a viable concern.

3.10.2. The Review highlights priorities around maximising ticket income and venue hire; prioritising audience development and engagement; further accessibility improvements and a new website.

## 4. **Financial Implications**

4.1. The Council's contract payments are set out in the contract and the payment to the Trust for 2022/23 was £1,466,290, reducing by £42,560 to £1,423,730 in 2023/24 and a further £23,470 to £1,400,260 in 2024/25.

4.2. Contained within the contract is a clause governing how any profits made by the Trust will be treated. The contract allows for the Trust to retain the first £750,000 of any accumulated profits made in a risk reserve to provide the Trust with financial stability in the longer term. At the end of the contract 50% of this reserve will be returned to the Council.

4.3. Elsewhere on the agenda is a report concerning the future pension arrangements for the Trusts.

Emma Thomas

1st September 2023

## 5. **Legal Implications**

5.1. The Council entered into a Management and Operation Agreement

with WTM on 19th September 2019. WTM is obliged to provide an annual report to update Members under the terms of that Agreement.

- 5.2. Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 5.3. Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 5.4. s1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation.
- 5.5. At clause 2.5.1 of the Scheme of Delegations the Director for the Economy has a delegated authority to manage the relationship between Worthing Borough Council and WTM.

Andrew Mathias

10 August 2023

## **Background Papers**

- [Annual Review 2022-23](#)
- [Key Performance Indicators \(KPI\) Review 2022-23](#)
- [Economic Impact Report 2022-23](#)
- [Social Impact Report 2022-23](#)

## **Sustainability & Risk Assessment**

### **1. Economic**

Culture is of vital significance to our local economy, employing a growing number of people across a range of skilled activities. A vibrant cultural offer is a significant consideration for businesses seeking to attract new employees and helps to support our visitor economy.

### **2. Social**

The contractual relationship with the Trust is predicated on a formal expectation of extending the scope and range of work with our local communities. This includes working with our schools and colleges to support the development of new skills valued by the creative sector.

#### **2.1. Equality Issues**

The Council's contract with WTM includes a formal commitment to inclusive programming which includes youth theatre; signed and audio described screenings and autism and dementia friendly screenings.

#### **2.2. Community Safety Issues**

As is the case with any venue offering public performance and participative programming, careful attention is paid to ensuring that safeguarding remains a priority and that the safety of customers/participants is paramount.

#### **2.3. Human Rights Issues**

Matter considered and none identified.

### **3. Environmental**

The Trust is expected to embody a commitment to sustainable procurement and to pay close attention to minimising waste and its use of resources.

### **4. Governance**

WTM is a charitable company limited by guarantee.



WORTHING BOROUGH  
COUNCIL

Worthing Joint Strategic Sub-Committee  
12 September 2023

Key Decision [No]

Ward(s) Affected: All  
Cabinet Portfolio: Culture & Leisure

## **New Leisure Principles for Worthing**

### **Report by the Director for Place**

#### **Officer Contact Details**

Andy Willems  
Assistant Director, Place & Economy  
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#### **Executive Summary**

##### **1. Purpose**

- 1.1. The purpose of this report is to outline Worthing Council's approach for supporting the sport and leisure sector and to outline the headline principles that will guide the approach.
- 1.2. The key pillars of the Council's support to the sector reflect the vision of the Council: fair, green and local.
- 1.3. The report sets out the commitment to make the best use of Council assets to support the sector for the benefit of our residents together with the wider economic benefits associated with places that people value and enjoy.

##### **2. Recommendations**

- 2.1 To develop a Sport and Leisure Advisory Group (outlined in 3.7) to be an effective reference group linking, and working with, an Officer / Member Working Group. To share and develop the principles with the

Advisory Group and engage them fully in the shaping of any Sport & Leisure Plan.

- 2.2 For the Officer / Member Working Group to manage progress and report back, and take influence from the Advisory Group and other local networks. To delegate to the Director for Place authority to agree the terms of reference for the working group in consultation with the Executive Member which shall include the requirement to report back to the Committee (at such intervals to be agreed in the terms of reference) with further recommendations to the Committee.
- 2.3 To further develop the principles, moving into the development of a Sport & Leisure Plan, as outlined in section 6. This should cross-reference to developing Service and Project Plans, as part of Our Plan, including alignment to Wellbeing and Young People's Principles and Plans.
- 2.4 For the Working Group to design and develop baseline data and outcome measures to be reported to the Committee within appropriate timeframes as directed by the terms of reference.

### 3. Context

- 3.1. According to the report [“Social and economic value of community sport and physical activity in England” conducted by Sport Industry Research Centre at Sheffield Hallam University \(2020\)](#), £1 spent on community sport and physical activity generates nearly £4 for the economy. This signifies the importance of this sector and the social and economic benefit that can be generated through coordinated activities and plans.
- 3.2 Further studies have also shown the significant health benefits of focusing on this sector. When we're young, being active helps our bodies develop properly, with a strong heart, healthy bones, muscles and brain development. As we get older, regular exercise reduces our risk of illness - from heart disease, stroke, colon and breast cancer to obesity and osteoporosis, among other conditions. Every year, leading an active lifestyle prevents 900,000 cases of diabetes and 93,000 cases of dementia (the leading cause of death in the UK) – a combined saving of £7.1 billion to the UK economy (Sport England - Uniting the Movement p.11).
- 3.3 Activity also has an especially pivotal role to play in levelling up communities, by bridging the gap between the 'have' and 'have nots'. Today, this value – otherwise known as the combined 'social community development' impact – of sport and physical activity is



estimated at £20bn to the UK. But that's nowhere near its full potential (Sport England - Uniting the Movement p.13).

3.4 A [recent report by the District Councils' Network and the King's Fund](#) demonstrates the valuable role Councils also play within Integrated Care Systems (ICSs), to take action on the wider determinants of health and to help shift the focus from treating illness towards preventing it. Resulting interventions from the Leisure Principles will contribute to this area, and more broadly to reducing health inequalities, as the Council has the ability to act as a convenor in local places.

3.5 The UK government provides support to the leisure sector via organisations such as Sport England. In developing Leisure Principles and a Plan in Worthing, the Council needs to be cognisant of these national policies, specifically Sport England's 10-year vision, which launched on 1st April 2021. The strategy is built on:

*"We believe sport and physical activity has a big role to play in improving the physical and mental health of the nation, supporting the economy, reconnecting communities and rebuilding a stronger society for all." (Sport England Strategy)*

The five big issues being focused on, through the strategy, are:

- 1.) **Recover and Reinvent** - Recovering from the biggest crisis in a generation and reinventing as a vibrant, relevant and sustainable network of organisations providing sport and physical activity opportunities that meet the needs of different people.
- 2.) **Connecting Communities** - Focusing on sport and physical activity's ability to make better places to live and bring people together.
- 3.) **Positive experiences for children and young people** - Unrelenting focus on positive experiences for all children and young people as the foundations for a long and healthy life.
- 4.) **Connecting with health and wellbeing** - Strengthening the connections between sport, physical activity, health and wellbeing, so more people can feel the benefits of, and advocate for, an active life.
- 5.) **Active Environments** - Creating and protecting the places and spaces that make it easier for people to be active.

- 3.6 Sport England have the following programmes available and should be targeted as part of the principles and Plan, whether by the Council or local clubs and organisations:
- **Small Grants Programme:** This fund seeks to develop opportunities for communities to get more people physically active and they will support new projects through providing National Lottery funding of between £300 and £15,000.
  - **Active Together:** This fund is a crowdfunding initiative that can match fund, up to £10,000, successful Crowdfunder campaigns from a total pot of £7.5m.
- 3.7 At a local level, the Council, in partnership with Adur District Council, developed the [Health and Wellbeing Strategy \(2021 - 2024\)](#). Whilst there are a number of cross-references and interventions this doesn't provide the pure focus on the leisure sector. Due to the change in political approach, the Council believes it's the right time to develop a dedicated sport and leisure approach for Worthing, built on community-led principles.
- 3.8 To ensure an immediate impact, the Council has started to build a database of sport and leisure contacts. Whilst still in its infancy, the intention is this database will quickly morph into an 'advisory' forum or group, which will help enable the sector to have a greater voice and connection to the Council. This group also provides scope to ensure the finalised principles and Plan are embedded in the community. This group needs to be developed, however the hope is this 'collective' will represent a good cross-section of the sector, including clubs, organisations and venues, all representing an interest in the sport and leisure sector across Worthing.
- 3.9 In addition, the Council has continued to support the sector by helping to facilitate outdoor water sports and fitness in our green and blue spaces, continued investment into sports pavilions, supporting local clubs, whilst also working in contractual partnership with South Downs Leisure Trust regarding the Council's leisure venues, including the award-winning Splashpoint Leisure Centre.
- 3.10 To support the development of the principles, the Council will also take lessons learnt from the development of areas such as the Active Beach Zone (which includes outdoor volleyball), whilst also utilising data and information gleaned from the Open Space, Recreation and Leisure Strategy that accompanied the Worthing Local Plan. Both aspects will be key data inputs in developing any Plan moving forward.

- 3.11 It's important to note that the development of the leisure principles and Plan will clearly reference the Council's commitment to being fair, green and local. Broadly this includes:
- **Fair:** Worthing Council believes in an inclusive, resilient economy which provides stability, high quality opportunities for all and a social safety net at its core.
  - **Green:** With partnerships and networks, providing effective tools to enable organisations to better understand their carbon footprint and take action to drive to net zero, supporting our ambition for Worthing to be net zero by 2045.
  - **Local:** Adopt an approach of community wealth building; a people-centred approach to local economic development that seeks to provide resilience where there is risk and local economic security where there is uncertainty.
- 3.12 Further details relating to the commitments above can be found in the [New Economic Principles for Worthing paper](#), presented to the Worthing Joint Strategic Sub-Committee on 5 December 2022.
- 3.13 It should also be noted that the principles and Plan, will also investigate how the sport and leisure sector, partnering with the Council, can also positively contribute to health, wellbeing and young people provision in Worthing. More specifically, this report aligns and looks to collaborate on a number of interventions coming forward as part of the Wellbeing Principles for the Council as well as the Young People's Strategy.

#### 4. Developing the Principles

- 4.1 The Council has undertaken preparatory work to assist in the development of the emergent principles, as outlined in Section 5. This involved a series of conversations, including with key stakeholders such as South Down Leisure, and a workshop which covered the following aspects:
- **Why are we doing this?:** This explored the rationale behind the Council's decision to establish the principles. Findings included the sense of capitalising on increased footfall into our open spaces (as a result of the pandemic), demographic shifts in the town, a new and dedicated political focus on leisure, a high number assets (both buildings and people) and an opportunity to connect leisure to wider issues that can positively impact society, environment and the economy.

- **What are our assets?:** In assessing the physical, financial and human assets, this signalled the excellent “blue and green spaces” at our disposal for which leisure can be facilitated and our built assets, not only Worthing Leisure Centre but emergent neighbourhood provision (e.g. tennis and basketball courts, outdoor gyms, skate parks, playgrounds etc). Finally, it was noted that the town has a large number of dedicated sport and leisure clubs, volunteers and staff which are the heartbeat of the local leisure scene.
  - **What are the opportunities?:** This focused on the possibility of establishing a coordinated leisure ‘conversation’ to enable and encourage a spirit of experimentation and innovation, executing a place-based and community-led approach (through the leisure lens) and thinking about the sector beyond the physical spaces. There was also a recognition that leisure provision can come in all shapes and sizes, therefore any principles or plan may need to define “leisure” in this context.
  - **What would we like to achieve?:** This was a wide-ranging discussion but specifically under leisure it was agreed that ‘more people more active’ and ‘no groups left behind’ were the primary aims. Whilst these need to be defined further, supplementary aspects included a need for an increased focus on young people, improved physical and mental wellbeing, providing safe and inclusive activities and a visible improvement plan for leisure facilities and assets.
- 4.2 As outlined throughout this report, the outcomes need to be qualified and tested with the community, whilst also encouraging participation to share their own experiences and perceptions of the sector in and around Worthing.

## 5. Emergent Principles

- 5.1. The Council are committed to supporting the sport and leisure sector and whilst these headline principles have been developed it should be noted that these need to be tested and agreed with the community.
- 5.2. The principles are intended to act as ‘guardrails’ to support the sector, with the intention of a more comprehensive Leisure Plan being developed through active community participation.
- 5.3. The principles have been developed through a number of routes. Firstly, an analysis of existing strategies across the Council and, secondly, an assessment of similar ambitions in both coastal and urban communities. Thirdly, an understanding of how this potentially maps against the Council’s strategic aims.

5.4. The emerging principles are as follows:

- **A place that encourages inclusive multi-generational and multi-purpose leisure participation** - ensuring all sectors of the community have access to provision
- **A place where sport and leisure clubs and organisations can set up and flourish, where the leisure sector can thrive on community empowerment and innovation** - encouraging local ownership and community development
- **A place where leisure is accessible, enabling better health and wellbeing outcomes** - ensuring cross-cutting work with health, wellbeing, reducing inequalities and work with community partners
- **A place that celebrates it's natural assets and actively encourages participation in our green and blue spaces** - enhancing the very spaces for the benefit of residents and visitors
- **Where leisure grows sustainably in our place** - championing activities and developments that have sustainability at its heart
- **A place that continuously evaluates the assets and investment required for leisure to flourish** - through establishing a programmed approach to capital investment in partnership with others

5.5. The statements will need to be refined with Worthing's sport and leisure community to achieve the necessary buy-in and support to deliver an effective plan.

5.6. As the principles develop, the intention is these will further align with other cross-cutting themes the Council are also working towards. This isn't an exhaustive list, however this could include how leisure can support our health and wellbeing outcomes and our young people strategies.

## 6. Our Roadmap

6.1. In addition to the specific commitments above we will also ensure our leisure ambitions are positioned in a way that allows for the delivery of these principles through the daily operations of the Council.

- 6.2. To ensure these principles are tested with the community, with the aim of establishing a Leisure Plan, we will develop a comprehensive roadmap in Q4 2023/24 to review relevant policies and strategies in order to move forward with these principles.
- 6.3. The timeline to develop a Plan could be reduced or extended depending on resource, scope and capacity. However, to achieve this and to ensure the best result the Council will work towards a minimum of a 6-month timetable.
- 6.4. It should be noted that the timeline is subject to change and the delivery of 'live' projects will still happen in parallel to the principles being agreed and the Plan coming forward.
- 6.5. In developing the Plan, the Council also needs to take into consideration a number factors, including:
- **Resourcing:** who will develop and lead the Leisure Plan?
  - **Expertise:** what skills and capabilities already exist that can help facilitate the Plan?
  - **Funding:** are there routes to funding to create and deliver the Plan? (e.g. Sport England)
  - **Managing Expectations:** framing this could help answer the resource, expertise and capacity questions.
  - **Momentum:** this needs to be built through early engagement with partner organisations and the community.
- 6.6. In the setting of the principles and a Plan, the Council also need to be mindful of the connections to the sub-regional agenda and ensure any resulting actions connect to the wider coastal economy in West Sussex and beyond.

## 7. Engagement and Communication

- 7.1. This document sets out plans to engage with the local organisations, venues and the wider community in order to develop the strategies and policies needed to respond to the principles and priorities laid out here.
- 7.2. The development of a network is in its infancy but the intention is to build a 'community of practice' to assist in developing the principles. This group or forum will be one of many opportunities for the community to engage with and be part of the principles development, as above.

## 8. Financial Implications

- 8.1. The Council already invests significantly in the leisure sector within the Town through its support to South Downs Leisure Trust and the provision of sporting and recreational facilities within Parks and Open Spaces which have a combined budget of £2.2m.
- 8.2. Contained within the report are the actions required to support and develop the leisure sector in Worthing. It is expected that much of the costs of this programme will be funded from our existing budgets or via external funding. However, if this is not possible then members will be consulted on the release of additional resources.
- 8.3. As outlined in Section 5, it's anticipated the leisure principles will be led by the community, for the community, therefore the Council will play different roles in delivering the principles and the Plan, although this is initially seen in a supportive and facilitative role.

Finance Officer: Sarah Gobey

Date: 18th August 2023

## 9. Legal Implications

- 9.1. Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 9.2. s1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation
- 9.3. Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

Legal Officer: Erutoma Sakpere

Date: 26 July 2023

## Background Papers

- [Driving Better Outcomes through Integrated Health Systems \(2023\)](#)
- [Active Sussex Strategy - Getting Sussex Moving \(2023\)](#)
- [New Economic Principles Paper - WJSSC \(December 2022\)](#)

- [Adur & Worthing Councils - Health & Wellbeing Strategy \(2021\)](#)
- [Sport England Strategy - Uniting the Movement \(2021\)](#)
- [Worthing Local Plan - Open Space, Recreation & Leisure Guidance Note \(2021\)](#)



## **Sustainability & Risk Assessment**

### **1. Economic**

- This document describes a new approach to sport and leisure activity which reflects the objectives and priorities of the Council administration. As such it is intended to have an ongoing effect on the Borough's leisure approach and an action plan to support this will be developed to support this work. This will be done with support of the proposed working group to ensure we develop it with the participation of our communities.

### **2. Social**

#### **2.1 Social Value**

- As a result of the principles, any activity drawn will have a positive social impact on residents and visitors to Worthing. Whether that be health and wellbeing outcomes, inclusion and equality or, in some aspects, talent identification.

#### **2.2 Equality Issues**

- This work will make a positive contribution to reducing inequalities and ensuring this provision is accessible and affordable for all.

#### **2.3 Community Safety Issues (Section 17)**

- By engaging people in physical activity and leisure provision, it is hoped that this will reduce or limit the prevalence of anti-social behaviour across the Borough.

#### **2.4 Human Rights Issues**

- Article 24 of the Universal Declaration of Human Rights outlines that "everyone has the right to rest and leisure".

### **3. Environmental**

- Any resulting plan or projects therein will be considered and reviewed against the environmental lens, as per the Council's commitment to reducing our carbon footprint.

### **4. Governance**

- Matter considered and no issues identified.

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WORTHING BOROUGH  
COUNCIL

Worthing Joint Strategic Sub-Committee  
12 September 2023

Key Decision [Yes]

Ward(s) Affected: Central  
Cabinet Portfolio: Regeneration

## **Worthing Public Realm - Delivering transformation at Montague Place**

### **Report by the Director for Place**

#### **Officer Contact Details**

Andy Willems  
Assistant Director, Place & Economy  
Tel: 01273 263179  
Email: andy.willems@adur-worthing.gov.uk

#### **Executive Summary**

##### **1. Purpose**

- 1.1. The purpose of this report is to update Members on the Montague Place scheme and authorise Worthing Borough Council (WBC) to act as the lead authority and delivery body for West Sussex County Council (WSSCC) on the terms set out in this report.
- 1.2. To present the rationale for WBC delivering the project and the combined approach being undertaken by WBC to deliver a series of public realm improvements under Growth Deal arrangements with WSSCC.
- 1.3. To release Community Infrastructure Levy budget to enable WBC to contribute to delivering the scheme following the Councils Standing Orders and procurement strategy in appointing further consultants and contractors.

## **2. Recommendations**

Members are requested to :-

- 2.1 Delegate authority to the Director for Place to enter into a collaboration agreement with WSCC authorising Worthing Borough Council to take on the project management and delivery responsibility of Montague Place Public Realm work.
- 2.2 Delegate authority to the Director for Place, in consultation with the Executive Member for Regeneration and WSCC, the authority to approve and award a contract for project management capacity required to oversee the public realm project subject to the development of a procurement strategy; the outcome of a compliant procurement process and ensuring that the work is within the authorised budget envelope.
- 2.3 Delegate authority to the Director for Place, in consultation with the Executive Member for Regeneration and WSCC, the authority to approve and award a contract for the construction work required to deliver the public realm project subject to the development of a procurement strategy; the outcome of a compliant procurement process; and, ensuring that the project is within the authorised budget envelope.
- 2.4 Approve the release of £2.7m from the Community Infrastructure Levy strategic pot to support the delivery of Montague Place Public Realm scheme.
- 2.5 To approve the creation of a budget of £2.7m within the capital programme fully funded by the Community Infrastructure Levy to support the delivery of the scheme.

## **3. Background**

- 3.1 The Adur and Worthing Growth (A&WG) Deal signed in March 2017 identified up to 8 public realm schemes aimed at supporting the regeneration of Worthing town centre. The agreed programme included initial funding from WSCC Capital Programme (£5m) with the remainder being sourced through developer contributions, to include Community

Infrastructure Levy (CIL); planning obligations (Section 106) and grants to support delivery of later phases of the programme.

- 3.2 The delivery of the Worthing Public Realm programme is overseen by an Officer Group, namely the Public Realm Board. The Public Realm Board is a joint WBC and WSCC Board. This programme of public realm delivery was born out of the Worthing Investment Prospectus (2016).
- 3.3 Portland Road (completed) and Railway Approach (pre-tendering) were the initial phases agreed by the Public Realm Board. These schemes have been / are being funded by a combination of the WSCC Capital Programme (£5m allocation) and Coast to Capital LEP. The Board agreed that Montague Place, due to its location and significance in the heart of the town centre, would be the next phase to be designed as part of the overall public realm improvement programme.
- 3.4 The Worthing Public Realm programme provides a significant and exciting opportunity to revitalise the public spaces through a people-centred design approach. Montague Place is the next phase and will deliver a number of benefits, including:
  - Establishing a new 'green' destination, arrival zone and meeting point
  - Alignment and enhancement of routes to create town centre circuits
  - Ability to design inclusive and welcoming spaces
  - Improving and enhancing sustainable travel options
  - Responding to key stakeholders through direct consultation
  - Improving place activation by providing improved outdoor spaces
- 3.5 Whilst the Public Realm Programme has straddled the change in Administration in Worthing, it should be noted that Executive Members have put their 'own stamp' on the programme since June 2022 and have influenced the Railway Approach design as well as setting a very clear direction for Montague Place. This is notably around greening being at the heart of any new design as well as a heavy emphasis on sustainable and local sourcing.
- 3.6 The delivery of improvements at Montague Place have been signalled as an area that will aid future economic investment and economic recovery. Railway Approach is now at pre-tendering stage with works due to commence in early 2024, which continues to be linked to the development site at Teville Gate. Portland Road is now complete. All current and future phases are being delivered in partnership with WSCC.

- 3.7 The need for excellent outdoor spaces have been brought into sharp focus with more people taking advantage of the outdoors and, due to changes in work life patterns, enjoying staying local. This project will support the longer term requirement to create sustainable, green and safe pedestrianised areas where residents and visitors feel confident they can enjoy the space within a sound environment. Projects such as this will continue to support the economic performance of Worthing town centre. Montague Place presents a real opportunity to create a transformational change in the heart of the town centre.

#### **4. Context**

- 4.1 In 2016, the northern section of Montague Place received some investment by WSCC in partnership with Coast to Capital LEP. It's important to note that this scheme was delivered in consultation with local business and residents, and whilst beneficial at the time this area has been scrutinised over the last 7 years, with feedback received regarding its purpose and connection to the wider town centre.
- 4.2 The northern section of Montague Place is currently used as a multifunctional space including a main pedestrian and retailing thoroughfare, a meeting place, an events space whilst also activated by neighbouring businesses, namely cafes and restaurants. Due to the feedback received over the last few years, the Council in partnership with WSCC, are looking to 'go further' and revamp this section as well as transformational change to the southern section.
- 4.3 In terms of the southern section, in response to the Covid pandemic, in June 2020 a road closure was put into Montague Place to aid social distancing. At the time, this provided the opportunity for not only the public to maintain safe distance but also provided cafes and restaurants the ability to trade safely outside. A number of local authorities installed road closures as part of the Reopening High Street Safer Fund (RHSSF), as a result of the pandemic.

#### **5. The Temporary Scheme**

- 5.1 The road closure, as described in 4.3, was purely functional in design, and provided much needed external space for existing restaurants and cafes

during the emergence from Covid lockdown. Further to the road being closed for 12 months the Council agreed to move from this to a semi-permanent solution ahead of the main public realm works being presented in this paper.

- 5.2 The works carried out on the semi-permanent solution included levelling the road camber and introducing an event space suitable for performances, including recently for Spin Out, as part of the Worthing Festival. This in addition to softening the appearance of Montague Place and encouraging dwell-time through pocket parks and improved planting and pedestrian lighting has enabled a new pedestrianised area. In providing this solution it also enabled all businesses on the western side to 'spill out' and create more alfresco dining and experiences. The works were completed in April 2022, and have been closely monitored ever since in terms of usage, journey patterns and dwell time.
- 5.3 It should be noted that additional parking provision was provided to offset the loss in Montague Place when the temporary solution was delivered. This included the creation of extra disabled parking bays at Montague Centre car park (Council managed) and also temporary bays on Marine Parade outside Marks & Spencers Store (WSCC managed), therefore ensuring no net loss. These elements, especially the bays on Marine Parade are being reviewed as part of the permanent design, as outlined in Section 6.

## **6. Delivering the Permanent Scheme**

- 6.1 In July 2021, it was agreed at the Joint Strategic Committee that Montague Place would be the next phase of public realm to be delivered. As the schemes at Portland Road and Railway Approach were to be delivered as part of the £5m contribution from WSCC, as part of Growth Deal, the commitment as part of that same Deal was Worthing Borough Council would contribute funding to deliver future public realm schemes via Community Infrastructure Levy (CIL) funding. Conversations are ongoing with WSCC regarding additional support.
- 6.2 The design for the main public realm improvements at Montague Place has run in parallel and has been brought forward due to the temporary scheme. The installation of the temporary space provided a useful insight into intended use as the main scheme has moved through the RIBA design stages.

- 6.3 The report from July 2021 agreed to release a budget of up to £200k, from CIL, and procure urban design consultants to deliver the public realm design necessary to implement the full scheme. The final cost of this design work was £198k and ensured the Council established a detailed design (to RIBA 4) ahead of procuring for the construction works. This work has been ongoing since early 2022 but started in earnest in June 2022. Project Centre was procured as the design agency.
- 6.4 As part of the design work being undertaken, a full cost analysis has been undertaken by Project Centre as the scheme has developed. The current design, as consulted on as outlined in 6.6, has a working budget of £2.7m. This includes a healthy optimum bias and contingency to mitigate current inflation, particularly the cost of materials. Due to this detailed cost work, £2.7m is the total budget requirement, including all associated fees, being requested to vire from CIL to support the delivery of this scheme. Discussions will continue with WSCC as to whether any additional support can be provided to this, or any future, public realm scheme.
- 6.4 In terms of the utilisation of CIL, the Council approved an Infrastructure Investment Plan, updated in 2022. The [Infrastructure Investment Plan \(IIP\)](#) focuses on which projects should be prioritised to receive funding from the Community Infrastructure Levy (CIL). It prioritises infrastructure via a three year rolling programme, which is updated each year to reflect the most up-to-date housing trajectory and infrastructure requirements across the plan area. As articulated under 4.4 within the IIP, a 'A Healthy Town Centre' has been prioritised and, more specifically, under 6.1, Montague Place has been agreed as the next public realm scheme, and therefore identified for a CIL contribution. This funding will come from the CIL Strategic Pot.
- 6.5 This commitment, and the radical design itself, is a real statement of intent from Members to transform the town centre into a more green, sustainable and welcoming environment. This is a significant investment but an investment that signifies the Administration's vision for Worthing, a place that is fair, local but, specifically in the case of Montague Place, the start of greening the town centre and Borough as a whole.
- 6.6 The design of Montague Place is very different to the current situation and radically different from vehicular access experienced in this location for a number of years. The concept design, and therefore the design that will be worked up into detail, is available to view in the background papers and on the Councils website, however the key features are:



- **Greening:** more trees and vegetation
- **Seating:** high quality and accessible seating
- **Shelter:** increased shelter from the sun and coastal wind
- **Accessibility:** improved access throughout the scheme but particularly the connection to the promenade

This new focal point will set the tone for any further public realm improvements throughout Worthing town centre, whilst accessibility and inclusivity are also embedded principles that flow through the design.

6.7 To ensure the best possible delivery, the Council will procure specialist, local, project management services to assist the Council in running a compliant and detailed tendering exercise for the procurement works (and choosing the contractor), liaison with WSCC throughout the process, whilst also providing daily oversight on the construction of the scheme through to final completion. This capacity doesn't exist within the Council's resources and this method has been successfully utilised on other public realm schemes across Worthing.

6.8 Further to the project management service being procured, the Council with the support of the aforementioned, will design and deliver a robust procurement exercise to recruit the contractor/s to deliver the scheme at Montague Place. This process will be appropriately scored and measured against industry standards with quality and the cost of the work being heavily scrutinised. As an underlying theme, the location of contractors, and any subcontractors, will also be scrutinised to support the 'buying local' principle as much as possible. It is anticipated the chosen contractor/s will attend regular update meetings with both the Council and the project management service to ensure complete oversight of the scheme.

6.9 The current timetable for delivery of the scheme is below, however this is subject to change and under constant review:

<b>Stage</b>	<b>By When</b>
Detailed Design & Construction Drawings	October '24
Procurement of the Works	January '24
Appointment and Mobilisation	February '24
Construction Commencement	March '24

Estimated Completion	March '25
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As part of this programme, where possible, this will be phased to ensure minimal disruption for local residents and businesses.

6.10 It should be noted that any public realm improvements require WSCC Highways to support the scheme and active dialogue has been maintained throughout the design process with WSCC colleagues, via the Growth Deal. There are a number of processes that will require direct support to achieve the scheme, including elements such as Traffic Regulation Orders to adjust certain aspects of engagement on the highway. All dialogue with WSCC has been built into the overall programme signalled in 6.9. In terms of delivery, as part of Growth Deal, and similar to the approach taken at Portland Road, it has been agreed between the parties that Worthing Borough Council will act as the delivery body for this scheme, under a collaboration agreement.

## 7. Engagement and Communication

7.1 Since scheme inception, it's been imperative that the Council provide an open, transparent and two-way process to ensure the design of Montague Place meets with the needs of the community. This engagement has been via a three phase process, as follows:

- **Phase 1:** in August / September 2022, the Council undertook the [Big Listen](#) across the Borough. Members and Officers attended a series of events and meetings, both at the Town Hall, but more notably in public spaces, to gain a sense of what the community would like to see across Worthing. An online questionnaire was also deployed. As part of that process, a number of respondents highlighted Montague Place as an area of improvement and, more specifically, identified the need for more green infrastructure in the town centre.
- **Phase 2:** earlier this year, and more detailed to Montague Place and fuelled by Phase 1, the Council undertook an engagement exercise with local stakeholders, including offering a business walkaround, an accessibility walkaround (with disabled / accessible groups) and also resident engagement, for those in close proximity to the scheme area. The final element of this process saw all previously engaged stakeholders, and any new interest, attend a 'world cafe' at a vacant

unit in Montague Quarter, facilitated by Project Centre. This final session focused on the key features of the design and helped shape and develop the concept design. The outturn [engagement report can be found here](#).

- **Phase 3:** further to receiving feedback at Phase 2, the Council, with the support of Project Centre (as the urban design specialists) developed and discussed a series of conceptual plans for the space. It was agreed that the design as outlined in the background papers, most closely matched with the feedback received, which connected nicely with the aspirations of the Members. To corroborate the design the Council again went out to public consultation in June / July 2023 to reaffirm the previous two phases.

7.2 To ensure continuity of message the Council has established a centralised depository of information about the scheme by creating a dedicated [webpage](#). This page has been, and will be, regularly updated to reflect the changing circumstances of the scheme. This will be supported by other forms of media.

7.3 During all phases, the Council has received good engagement, both positively but also in terms of good challenge and conversation. For Phase 3 the consultation ran for a period of 4 weeks from 7 June to 5 July 2023. Members of the public were invited to complete an online form which received over 100 responses. Key findings from this consultation included:

- 72% of respondents supported bringing in new green areas to the space
- 58% liked the 'change of use' to a seafront garden
- Overwhelmingly response in favour of a better connection to the seafront with many commenting that pedestrians needed to take priority over traffic in allowing them to access the seafront
- Including shelter from the wind, sun and rain was well received and had only positive comments.

7.3 As this scheme has been consulted on for a period of 11 months, running from August 2022 to July 2023, it's anticipated no further consultations will take place on the design itself, however further public dialogue will be required as part of any Traffic Regulation Orders or such like, in partnership with WSCC. The feedback received from all three phases has iterated the design over the same period and whilst the high level concept design will remain the representations received will affect the detailed design, for

example the number and style of benches and the level of green infrastructure. The Council are very aware about listening to the community and reacting to the feedback, and this scheme is no different.

- 7.4 In addition to more detailed consultation, it should be noted that the Council are already thinking about scheme pre-construction and construction periods and, taking a similar approach to the delivery of Portland Road, the intention will be to ensure the Council's website remains up to date, information boards are available onsite to explain the works and regular newsletters and media / social media releases will be gathered to ensure a regular flow of information during the build phase.

## **8. Financial Implications**

- 8.1. The release of £2.7m from the Community Infrastructure Levy strategic pot to support the delivery of Montague Place Public Realm scheme. The proposals outlined above would require the committee to approve the creation of a capital scheme and the associated budget virement.

Finance Officer: Emma Thomas

Date: 1st September 2023

## **9. Legal Implications**

- 9.1. The report is seeking authority to spend and enter into a collaboration agreement with the Council and WSCC. Such an arrangement is permitted under Regulation 12 Public Contracts Regulations 2015 (PCR) as long as it is a genuine cooperation between the two Councils.
- 9.2. Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 9.3. Section 1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation
- 9.4. Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are

exercised, having regard to a combination of economy, efficiency and effectiveness.

- 9.5. When entering into a public contract, the authority is required to comply with the Councils' Contract Standing Orders found at Part 4 of the Councils' constitution. Where the Contract is an above threshold contract for goods and/or services as defined by the Public Contract Regulations 2015 any procurement exercise to contract for those goods and services must be conducted in accordance with those Regulations.

Legal Officer: Erutoma Sakpere

Date: 26 July 2023

### **Background Papers**

- [Designing the future of Montague Place \(JSC Paper 13/07/21\)](#)
- [Community Infrastructure Levy \(CIL\): Infrastructure Investment Plan \(2020-2023, Revised 2022\)](#)
- [Montague Place Engagement Report \(March 2023\)](#)
- [Montague Place Concept Design \(May 2023\)](#)

## **Sustainability & Risk Assessment**

### **1. Economic**

- Public realm improvements are important to create the right setting for our town centres and economy, including our business base, to operate. Not only does this project represent an opportunity for our businesses, it will also provide alternate possibilities for 'open space' activities, including events and pop up markets.
- The aforementioned activities are vital to support and revitalise our changing high streets; even more so in response to the current economic uncertainty. Public realm improvements at Montague Place, and future schemes, will support and give confidence to residents and visitors regarding the outdoor environment, and show these places need to be cared for and improved.

### **2. Social**

#### **2.1 Social Value**

- The scheme will support a number of stakeholders, including community groups and those businesses in and around Montague Place. The proposal will upgrade and improve the open space experience, which will serve both visitors and residents to Worthing town centre. Other benefits also include supporting cycling and walking interventions in this location, subsequently supporting the wellbeing agenda. All elements combine to improve the attractiveness of Worthing town centre

#### **2.2 Equality Issues**

- The design for Montague Place has included specific consultation with accessible groups and organisations. This consultation, and wider equality points, have been considered and will be implemented further as the project progresses through detailed design, procurement and delivery.

#### **2.3 Community Safety Issues (Section 17)**

- The improved public realm works will fully consider crime and disorder act implications through the detailed design phase of the project. Consideration will also be given to the ongoing environment that the new public realm will create in relation to providing a safe and enjoyable space.

#### **2.4 Human Rights Issues**

- The improvements at Montague Place will require significant construction work. During this period it's anticipated there will be disruption to local

residents and businesses in the immediate area. WBC, with guidance from the appointed design team and contractors, will assess the impacts throughout and consider mitigating actions to reduce the disruption where possible.

- During construction, parts of Montague Place won't be accessible to the public, however alternative routes and options will be provided.

### **3. Environmental**

- The permanent scheme will include significant, new, green infrastructure throughout Montague Place; this is integral to the design, guided by the original scheme principles. The design will also include the integration of sustainable methods, to include water retention. Environmental improvements have been heavily considered as part of the permanent scheme.
- The design also supports and encourages improvements to cycling and walking infrastructure to access Montague Place, as well as Worthing town centre, encouraging residents and visitors to utilise the additional pedestrianised space to support their own wellbeing.
- A further consideration is ensuring, where possible, that resources, materials and contractors are sourced as local as possible, therefore reducing the overall carbon footprint of the scheme.

### **4. Governance**

- The Growth Board and Public Realm Board are existing and functional, and they will act as the key governance control for this project. These will have strict oversight of all elements of the project, including spend and programme.
- The CIL Board will also be kept informed of the project as CIL will be the funding source for the scheme.

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WORTHING BOROUGH  
COUNCIL

Worthing Joint Strategic Sub-Committee  
12 September 2023

Key Decision: **No**  
Ward(s) Affected: Central Ward  
Cabinet Portfolio: Regeneration

## Teville Gate Update

### Report by the Director for Place

#### Officer Contact Details

Martin Randall, Director for Place

[martin.randall@adur-worthing.gov.uk](mailto:martin.randall@adur-worthing.gov.uk)

## Executive Summary

### 1. Purpose

- 1.1. The purpose of this report is to update Members with the progress made by officers with the completion of the Teville Gate marketing materials and assessment criteria; and specifically to set out the aspirations for the Council to sell its freehold interest in the site to Homes England to deliver a housing-led regeneration scheme.

### 2. Recommendations

- 2.1. That the Joint Strategic Sub Committee delegates authority to the Director of Place to:
  - a) Finalise the terms for working with Homes England as set out in section 6.
  - b) Enter into formal negotiations to sell the Council's freehold interest in Teville Gate to Homes England subject to the receipt of an acceptable financial offer and conditions.
  - c) Consult with, and regularly update, the Leader and Cabinet Member for Regeneration on the negotiations with Homes England.

d) Provide a progress report on the negotiations and terms of a financial offer to the December 2023 Committee meeting.

- 2.2.** Should negotiations or terms not be reached with Homes England, that the Joint Strategic Sub Committee delegates authority to the Director of Place, in consultation with the leader and Cabinet Member for Regeneration, to issue the Teville Gate Marketing Brochure to secure a development partner and report progress back to this Committee.

### **3. Background**

- 3.1.** Teville Gate site is a key development site in Worthing and the site's development has been a prominent issue affecting residents and businesses in the town for a long period. Since 2006 there have been a number of development proposals for the site from private sector investors, none of which have been delivered to date. The Council now has an opportunity of working with Homes England, who wish to proceed at pace in 2023, to bring forward a housing-led regeneration scheme. The site is a cornerstone of the Council's 2016 Investment Prospectus, is one of the most significant housing allocations in the adopted Local Plan for the town. Development of the site relates to two of the missions identified in Our Plan "Thriving Places" and "Thriving Economy".
- 3.2.** In 2018, the Council was successful in receiving £2.09 million of funding from the [Coast to Capital Local Enterprise Partnership](#) immediate demolition of the multi-storey car park (MSCP), and the surrounding, derelict buildings, as well as the provision of a temporary surface car park. The social, economic and environmental outputs that the funding agreement enables are required to be delivered by March 2025. The development of the site will fulfil important regeneration and housing objectives for the town and solve a significant blight in the town, providing confidence for further economic growth and investment.
- 3.3.** The Committee considered and approved a report on 12<sup>th</sup> January 2023 on the proposed marketing of the Teville Gate site and approval for the assessment criteria for any bids received for the site.

## **4. Marketing Brochure and Development Principles**

- 4.1.** The Council's property advisors, CBRE, has been retained to advise on the purchase, enabling, and disposal of the site in line with the Council's agreed strategy of bringing in a suitable development partner to deliver the site. CBRE has now completed the marketing brochure for the site which is appended to this report.
- 4.2.** The marketing brochure sets out seven key development principles for the site which were discussed and agreed during a workshop with the cabinet and chair of the planning committee. These development principles were agreed by the Joint Strategic Committee at its meeting on 12th January 2023 and are summarised below:
- Worthing's front door – delivering high quality architecture that reflects the local character of Worthing.
  - Housing – housing-led regeneration to create a more mixed, inclusive and sustainable community.
  - Better public spaces – including green public realm connecting the train station to the town.
  - Getting about – providing accessible public transport to the town.
  - Inclusion and participation – involving residents in the design process.
  - Jobs and enterprise – providing jobs, skill and training opportunities for local residents.
  - Sustainability and environment – sustainable building and design to meet climate change and zero carbon ambitions.
- 4.3.** Officers will work with Homes England to explore the opportunity for Teville Gate to be a carbon zero development.

## **5. Current Position**

- 5.1.** Whilst the marketing brochure and assessment criteria for the regeneration of Teville Gate were being finalised, officers entered into an initial dialogue with Homes England to consider a more direct intervention to secure development of Teville Gate. This followed the Council's successful Housing Conference held earlier in the year, attended by Homes England representatives and which included a site visit to Teville Gate.

- 5.2.** Homes England is the Government's housing and regeneration agency which aims to accelerate the delivery of new homes in England and improve the affordability of housing. The agency has recently published its new five year [Strategic Plan](#) (2023-2028). The plan is under-pinned by five main objectives, with these being:
- Supporting the creation of vibrant and successful places that people can be proud of, working with local leaders and other partners to deliver housing-led mixed-use regeneration with a brownfield-first approach.
  - Facilitate the creation of the homes people need, intervening where necessary to ensure places have enough homes of the right type and tenure.
  - Build a housing and regeneration sector that works for everyone, driving diversification, partnership working, and innovation.
  - Promote the creation of high-quality homes in well-designed places that reflect community priorities by taking an inclusive and long-term approach.
  - Enable sustainable homes and places, maximising their positive contribution to the natural environment impact.
- 5.3.** Working directly with Homes England provides a greater opportunity for the Council to secure the delivery of its housing-led regeneration ambitions for the site with lower commercial risks.
- 5.4.** Homes England are keen to work with every organisation across the housing and regeneration sector, including Local Authorities, with the plan committing the agency to working in a way that is more place-based.
- 5.5.** Officers have held a number of positive meetings with Homes England to progress this opportunity and have set out draft terms for partnership and collaboration to bring forward a housing-led regeneration scheme at Teville Gate.
- 5.6.** In support of helping unlock the stalled opportunity at Teville Gate, in June 2023 Homes England has confirmed that it would be prepared to purchase the freehold ownership of Teville Gate from the Council subject to an appropriate sale price being agreed. Any such arrangement to work toward the sale of the site would be formalised in an exchange of letters prior to the development and exchange of

Heads of Terms and contracts, which are subject to due diligence and Homes England's approvals.

- 5.7.** The key benefits of working with Homes England is their access to funding to help build new affordable homes and the potential for a capital receipt in 2023/24 which would negate the need to repay debt and interest on the funds used to purchase the site (see financial implications in section 9). In addition working with Homes England will provide:
- Alignment of regeneration and development objectives with Worthing Borough Council as set out in Homes England's Strategic Plan.
  - Extensive expertise and resource in delivering quality design through development on regeneration sites, both in house, through extensive consultant panels and through joint ventures with development partners.
  - Available funding, subject to the necessary approvals, to support due diligence and acquisition of the site, and post acquisition, works and planning to facilitate subsequent development.
  - Use of, and familiarity with, Homes England's Dynamic Purchasing System framework for disposal to developers providing certainty of delivery to a contracted developer to delivering proposals, to agreed timescales.
  - Ability to defer receipts from developers to support their cash flow.
  - Access to a number of tools to support regeneration, including Home Building Fund, Brownfield Infrastructure and Land Fund, and Affordable Housing Grant.

## **6. Terms of Working with Homes England**

### **6.1. Primary Objectives:**

- a. The Council and Homes England have agreed to collaborate with each other to facilitate the acquisition by Homes England of Teville Gate (Site) to enable the delivery of this key stalled development site for the town;
- b. Homes England and the Council shall work collaboratively and in good faith to perform the following activities, in so far as the activities are relevant to the Site, within an indicative timescale as set out in the below programme for acquisition; and

- c. Where reasonable and practicable to do so, the parties will seek to maximise the benefits that will arise from regeneration of the site, including recycling of receipts to support further regeneration opportunities within Worthing.

**6.2.** Homes England agrees to undertake:

- d. Complete technical and legal due diligence to establish development constraints, their costs and inform solutions;
- e. Work up a scheme in principle through feasibility that works within the constraints and which the development market would be able to take forward, while retaining flexibility to respond positively to changing market interest, whilst ensuring quality of design and placemaking;
- f. Develop robust and comprehensive financial appraisals of the proposed scheme which reflect realistic availability of public and private sector funding;
- g. Recognising the strategic location of the Site, proactively identify opportunities within or adjacent to the Site to enhance its setting and the regeneration benefits of its development to the wider area; and
- h. Agree an exit strategy, ensuring alignment with Homes England's own disposal and delivery policies, and maximising the attractiveness of the development opportunity to the market.

**6.3.** Worthing Borough Council agree to:

- i. Provide resource from their planning department to support and advise the Homes England team in fulfilling the Primary Objectives to ensure their support for the proposed development in line with local policies;
- j. Facilitate discussions with stakeholders and local market interest in end use of the site including retail and commercial occupiers; and
- k. Act as the Local Planning Authority in determining a future planning application in line with the adopted Local Plan.

## **7. Programme**

**7.1.** The key next steps in working with Homes England are set out below:

*August 2023 to October 2023:*

- On-going negotiation dialogues.
- Complete technical and legal due diligence.
- Feasibility and viability studies and scheme design.
- Workshop with Local Planning Authority officers.
- Discussions with stakeholders and local market interest.
- Discussions with HMRC on alternative car parking provision (see para 10.3)

*November 2023:*

- Final negotiations on financial offer and any conditions precedent.

*November 2023 – December 2023:*

- Internal approvals for Homes England.
- Worthing Borough Council JSC report to consider the final Homes England offer based on due diligence and exit strategy.
- Subject to the outcome of due diligence and approvals to contract on acquisition/disposal of the site.

## **8. Alternative Options**

- 8.1.** Teville Gate remains of high interest from the local, regional and national development market and investors with officers receive approaches on a monthly basis.
- 8.2.** Therefore, if at any time during the negotiations with Homes England, should the Council or Homes England fail to reach a satisfactory agreement on the freehold disposal of the site, officers can quickly issue the Marketing Brochure to the development market and seek offers and regeneration proposals, however the indication is that any offers in the current market would be on a deferred payment basis which would mean the current debt would continue to incur interest until repaid.

## **9. Financial Implications**

- 9.1.** Worthing Borough Council previously agreed to release capital funding of £8.12m to fund the acquisition of the Teville Gate report, and within

the same report agreed that £50,000 of reserves could be used to fund any revenue costs associated with meanwhile use of the property.

- 9.2.** The final cost of the acquisition was £7,452,550.
- 9.3.** As approved at the December 2021 JSC meeting ground works costing £300,000 were approved which are funded from the overall budget for Teville Gate acquisition.
- 9.4.** The Council purchased the site with a view to holding the site for a maximum of three years. The Council's Minimum Revenue Provision (MRP) policy allows that for the first three years, no MRP is made on the expectation that the site was purchased for resale to an appropriate partner. The Council is currently only funding interest costs which will be £298,100 in 2023/24 and contained within the Treasury Management budget.
- 9.5.** If the land is not sold within three years, then the Council will also need to provide for the repayment of debt and the annual cost will increase to £346,920. At the point at which the land is sold, the council will be able to reduce the associated borrowing costs or potentially eliminate them depending on the amount received.
- 9.6.** As part of any land deal, the Council will be disposing of the freehold of the land to Homes England. The final consideration for the land is yet to be determined but will be supported by the expert independent valuation. The proposed approach will ensure that aspirations for the site are reflected in design and commercial decisions which will ensure that the Council's investment is recouped within the planned timescale.
- 9.7.** Members should be aware that the final price for the land may be a lesser amount than that paid for it depending on prevailing market conditions, the quantum of housing and commercial space to be delivered, and other community benefits and how the Council's aspirations (as set out in section 4) influence the final use of the land. This may be mitigated to an extent by the pace at which Homes England are able to move to make the acquisition.
- 9.8.** The cost of any marketing exercises can be funded from the associated capital receipt if needed using the capital flexibility regulations as the disposal will enable the Council to reduce borrowing costs.



- 9.9.** The development of the site will have multiple financial benefits for the Council in terms of increased Council Tax, business rates and increased supply of affordable housing which should have a beneficial impact on the future costs associated with homelessness.

Finance Officer: Sarah Gobey

Date: 15th August 2023

## **10. Legal Implications**

- 10.1.** s1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation.
- 10.2.** Section 123 Local Government Act 1972 places an obligation on local authorities to dispose of land for best consideration, which is not limited to the monetary purchase price, but may include other elements in the transaction, provided those have a quantifiable commercial or monetary value.
- 10.3.** The Council lease 50 car parking spaces at the north of the Teville Gate site to HMRC. To enable vacant position of the site to Homes England or any other prospective purchaser, it is incumbent on the Council to find suitable alternative parking arrangements that are no more than 15 minutes' walk from the existing car park. Colleagues in Parking Service are supporting major project colleagues to identify suitable alternative sites.

Legal Officer: Andrew Mathias

Date: 15th August 2023

## **Background Papers**

- [Report to the Worthing Joint Strategic Sub-Committee dated 12<sup>th</sup> January 2023 - Teville Gate Regeneration - Marketing for Development Partner](#)

## **Sustainability & Risk Assessment**

### **1. Economic**

- The project is strategically interlinked with a planned wider investment programme connected with future developments at other key sites in Worthing.
- Redevelopment of the Teville Gate site will contribute to the creation of an enhanced entrance to the town and town centre, providing an economic boost to existing businesses, and encouraging an increase in investment across the town as the most visible regeneration challenge gets addressed.
- Economic and financial risk to the Council if the site remains undeveloped includes further interest payments and further delays in the delivery of economic benefits, new homes and jobs for the Borough's residents.

### **2. Social**

#### **2.1 Social Value**

- The delivery of much needed new homes, including affordable homes, to meet the needs of the Borough.
- The promotion of sustainable travel opportunities and reducing the need for car parking.
- Development on the site would send a positive message to the community, visitors, commuters and business, that change is taking place in Worthing and improvements to the built environment will be realised in the near future.
- The existing cleared site and hoarding does little to enhance this part of Worthing from road or rail, and redevelopment of this important gateway site to enhance the street scene and act as a catalyst for the regeneration of the wider area.

#### **2.2 Equality Issues**

- Matter considered and no issues identified.

#### **2.3 Community Safety Issues (Section 17)**

- Works will be managed under the Construction Design & Management (CDM) Regulations 2015.

## **2.4 Human Rights Issues**

- Matter considered and no issues identified.

## **3. Environmental**

- It is intended that redevelopment will bring forward a high quality development in a sustainable town centre location. Noise, dust and highway obstructions will be kept to a minimum using industry standard techniques, and monitored by the Council throughout the works.
- The project aligned to the council's strategic approach to Climate Emergency.

## **4. Governance**

- Matter considered and no issues identified.

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ADUR DISTRICT  
C O U N C I L

Adur Joint Strategic Sub Committee  
14 September 2023

Key Decision [Yes/No]

Ward(s) Affected:  
Cabinet Portfolio:

## **Delivering a Business Support Package for Adur and Worthing (2024 - 2025)**

### **Report by the Director for Place**

### **Officer Contact Details**

Angela Crane  
Economy & Skills Project Manager  
Email: [angela.crane@adur-worthing.gov.uk](mailto:angela.crane@adur-worthing.gov.uk)

### **Executive Summary**

#### **1. Purpose**

- 1.1. The purpose of this report is to seek authorisation to procure services to deliver a bespoke business support package (BSP) across Adur and Worthing. To note, this is a joint programme of support with Worthing Borough Council.
- 1.2. To signal the rationale for the support package and outline how a number of funded regional business support programmes are coming to an end, leaving a gap in provision for businesses seeking information, advice and guidance relating to business issues including how to achieve business growth.
- 1.3. To provide assurance that the business support package is being developed as part of measures to help local businesses grow and contribute to the growth of the local economy. Specific areas to

support businesses include innovation, sustainability, leadership and management and start up / micro business advice.

- 1.4. To indicate the preferred method of pooling external funding sources to deliver the business support package, including the utilisation of UK Shared Prosperity Funding (UKSPF) and S106 contributions, specifically referencing economic development or business support.

## **2. Recommendations**

Members are requested to:

- 2.1. To note the business support landscape and the current limitations regarding resources currently available for start ups, micro, small, medium and large businesses.
- 2.2. To approve the release and pooling of external funding pots to deliver the Business Support Package, including UK Shared Prosperity Funding, Pooled Business Rates and Section 106 monies.
- 2.3. To approve the creation of a budget of £470,500 across Adur District Council and Worthing Borough Council for the specific purposes as outlined in this report.
- 2.4. To delegate authority to the Director for Place, in consultation with the Executive Member for Resources (Worthing) and Executive Member for Regeneration & Strategic Planning (Adur), the authority to approve and award contracts for the staff / consultancy work required to deliver the Business Support Package, subject to the development of a procurement strategy and the outcome of a compliant procurement process; and ensuring that the overall programme is within the authorised budget.

## **3. Context**

- 3.1. Following two once-in-a-generation shocks (the pandemic, followed by the Ukraine War), the global economy, including that of the UK, continues to adjust. Whilst the Bank of England no longer expects the

UK to enter a recession in 2023, the UK economy remains vulnerable. Stubbornly high inflation rates and labour market shortages continue to hold back growth.

3.2. To date business support across the area has been provided by a mixture of membership organisations (e.g. Worthing & Adur Chamber of Commerce, Federation of Small Business etc), independent projects funded by European Social Funding, as well as general business advice via third parties (e.g. Barclays Eagle Labs, provided by Barclays Bank).

3.3. The most comprehensive and specialist of the support packages were three regionally funded projects, via European funding. These were;

1.) **Business Hothouse:** This was delivered by the University of Chichester Business School and its free support was available to any sole trader, business owner, freelancer or pre-start entrepreneur in the coast-to-capital area. The Business Hothouse programme was launched with the aim of creating:

- Increased entrepreneurship
- An increased growth capacity in SMEs

The programme was highly successful and achievements included support to 625 enterprises, support to 496 pre-start entrepreneurs, 64 enterprises introducing new-to-firm products and 97 businesses supported through brokerage

2.) **RISE:** The RISE project was established to provide an open door for Sussex-based small and medium enterprises (SMEs) to access support from two of their main local research and innovation-led universities: University of Brighton and University of Sussex.

RISE – Research and Innovation in Sussex Excellence – is a completely free-of-charge innovation service for eligible businesses due to funding from the European Regional Development Fund (ERDF), with support from West Sussex County Council and the West Sussex District and Borough Councils.

3.) **LoCASE:** The Low Carbon Across the South and East (LoCASE) programme was supported by the European Regional Development Fund to provide a free business support programme in the South and East. The aim was for businesses to become more competitive and profitable while protecting the environment and encouraging low carbon solutions.

To do this, LoCASE provided grants for businesses as well as training workshops and fully funded events. Targeted business support was on offer for companies who offered “green” or low carbon goods and services.

These programmes have either now come to an end, or are due to cease in the coming months, therefore leaving a gap in how and where local businesses seek support.

- 3.4. In addition to the above, the Councils are aware of the work of the Coast to Capital Growth Hub, however due to the government’s Local Enterprise Partnership (LEP) Review, and the redaction of core funding from LEP’s from 2024, this also poses a risk as to whether the Growth Hub will exist beyond April 2024.
- 3.5. It should be noted that there are other forms of business support available, including a number of strands from West Sussex County Council (via their Business Hub) however those coordinated and centralised programmes of work are now coming to end, mostly due to the removal of European funding, as a result of Brexit. There is also no direct support for Adur and Worthing businesses only, beyond the work of Worthing and Adur Chamber of Commerce and the Adur & Worthing Business Partnership.
- 3.6. In relation to 3.5, the government has supported the funding transition by providing Councils with UK Shared Prosperity funding (UKSPF). This has provided Councils with the opportunity to assess their local areas and determine local interventions across a number of Levelling Up policy areas, business support being one. UKSPF is the most significant funding contribution towards the package and as such the Council needs to be mindful of targets associated with this funding. This funding will be available from April 2024.
- 3.7. However, given the challenging economic conditions and the reduction in fully funded business support (as outlined in 3.3), it’s important Adur



and Worthing businesses continue to have access to effective information, advice and guidance. This will ensure our local business owners can access sound advice, helping them to make better decisions about their organisations and the staff they employ.

- 3.8. It should also be noted that both Adur District Council and Worthing Borough Council have committed to continuing to support local businesses and have included such support in their Priorities for 23/24 and beyond. It is recommended that this is a joint programme of work between the Local Authorities, although local nuances will be taken into consideration.

#### **4. Design thinking and evidence gathering**

- 4.1. Due to the emerging landscape, Officers have undertaken a design process over the last 6 months to determine what a 'good' support package would look like, based on the funding available for this purpose. Whilst the level of funding is good, Officers took into consideration the need to ensure as many businesses as possible from across Adur and Worthing have the opportunity to engage with the support.
- 4.2. Early design thinking was generated by the fact that the Councils hold a number of business-related funding and that UKSPF funding, directly for business support, would come into effect from April 2024. Taking lessons learned from previous business schemes, the design started to look at what a comprehensive package of support might look like rather than piecemeal projects, which in the past have provided low impacts and limited outcomes.
- 4.3. To understand the local landscape and risks to our local economy, the Councils launched a business cost of living survey early in 2023 to gain greater insight into how local businesses were fairing with the challenging economic conditions. Whilst the return was low, in comparison to the overall business base, this insight has informed the development of the package.
- 4.4. In addition to the survey, and to ensure the design of the package is participative, Officers have also engaged directly with businesses, as well as partner organisations through the design phase including:

- Lancing Business Park BID
- Worthing and Adur Chamber of Commerce
- Adur & Worthing Business Partnership
- Local Traders Associations (Southwick, Shoreham and Lancing)
- Worthing Town Centre BID
- Federation of Small Businesses
- Local District and Borough Economic Development Teams
- West Sussex County Council

This engagement has brought about a number of changes as Officers felt strongly that the final package needed to provide added value and not seek to duplicate any other support being provided, either by these organisations or others.

- 4.5. Akin to 3.3, following the end of the [Business Hothouse Programme](#) (BHH), the Councils also met with the BHH Programme Manager to review the programmes' final summative assessment report including learnings and outputs from the project. The Councils also reviewed the [Impact Report](#) following the conclusion of the Rise Innovation scheme. Together, the learnings provided a basis to generate discussion on how best to help the businesses of Adur and Worthing.
- 4.6. Key findings from the above, as well as liaison with the local business community, identified key actions and drivers that are likely to facilitate and work towards a healthy economy. The key drivers for the programme are;
- Provide sound information, advice, guidance and intervention to help businesses grow and thrive
  - Support and advise on innovation practices
  - Develop the skills of staff, especially in leadership and management
  - Help businesses with carbon reduction/sustainability measures
  - Ensure businesses are more grounded in community
- 4.7. The research findings, coupled with lessons learnt from delivering in-house schemes, including the successful Small Business Growth Grants and the Covid-19 Business Grants, led to the design of a comprehensive package, however split into two areas:
- Mentoring / consultancy support (linked to the key drivers in 4.6)
  - Match-funding grants

- 4.8. The funding available has meant the Councils have had to streamline their approach to business support, weighing up the different outcomes. Pure grant funding continues to be a top request from businesses, however the impact of small funds is unlikely to create the wider community wealth building outputs required for the area.
- 4.9. Engagement with local traders associations, businesses and business representative organisations has not provided any viable alternatives to the model proposed. Furthermore, discussion with BHH has provided up to date, real time information on current business engagement levels and their topics of interest. This leads the Councils to believe the Business Support Package proposed is the best fit for the current economic landscape and business enquiry levels.

## **5. Recommended Business Support Package**

- 5.1. The Business Support Package, which is intended to run from January 2024 - December 2025 (timings are subject to change), will include both direct consultancy / mentoring / staffing and provide direct grants. The detailed financial breakdown is outlined in 5.8, however broadly, and across both Councils, the split on resource is recommended to be:
- Consultancy / Staffing - £280,500 (60% of total pot)
  - Grants - £190,000 (40% of total pot)

It should be noted that there might be some variance in the final programme, depending on timings and market conditions.

- 5.2. The consultancy / mentoring element will include 1-2-1 support (ideally onsite), as well as one-to-many workshops. Based on the evidence signalled in Section 4, it's recommended that the package will provide targeted support against the following strands:
- Pre start/Start UpInnovation
  - Sustainability/Decarbonisation
  - 
  - Leadership & Management
- 5.3. The intention is to procure either a headline consultant or organisation or, due to the speciality of the subject areas, a team of consultant /

mentors to deliver the programme. This will be through a detailed and specific tender brief and process. It's anticipated this will take place between October - December.

- 5.4. The amount provided to consultancy has been carefully considered and designed to align with the grant element but also giving as many businesses the opportunity to engage with this support. The current intention is businesses will be able to choose from a workshop experience, 3.5 hour session or a 7 hour session depending on their requirements. The time-bound sessions are expected to be split however the business wishes - for example, the 7 hours could be split over 7 weeks with 1 hour sessions. Currently, all businesses will have the opportunity to engage rather than targeting specific business sectors.
- 5.5. In addition, it's recommended that the package of support will also provide grants of up to £1,000 aligned to the targeted interventions as set out in 5.1. Whilst the grant value may seem low, this is being seen as an enabler to engage with businesses, allowing them to come into the wider support package and beyond. This level of funding will see 190 businesses from across Adur and Worthing having access to this support.
- 5.6. The current intention is the grants system and criteria will be built in-house as the Councils already have significant experience distributing grant funding, for example the Small Business Growth funding from the last few years. Aligned to the procurement process for the consultant/s this software and criteria will be built between October and December, in readiness for the launch of the programme in January 2024.
- 5.7. As outlined in 5.1, the intention is for the package to be provided over a 2 year period, January 2024 - December 2025. Given the nature of the engagement strands, the package will have in-built flexibility in its delivery as it's important that the Councils and subsequent consultants / mentors align with ongoing local economic changes and needs. If further funding is sought then this programme could be extended beyond December 2025.
- 5.8. The proposed programme is to be funded by the following pots of funding, which are either currently already held in accounts or have been committed by external providers:

<b>Fund</b>	<b>Total Amount</b>	<b>Adur Share</b>	<b>Worthing Share</b>
UKSPF	£300,000	£150,000	£150,000
Section 106	£76,000	£0	£76,000
Pooled Business Rates	£73,000	£34,000	£39,000
Other	£21,500	£15,750	£5,750
<b>TOTALS</b>	<b>£470,500</b>	<b>£199,750</b>	<b>£270,750</b>

\*As outlined previously in the report, the figures above have been specifically assigned to business support and economic development work only.

- 5.9. Due to the different funding levels, it's important to note that the consultancy support and grant distribution will be proportionate to the amount funding each authority will be putting into the programme. In broad terms, the split is approximately 60% in Worthing and 40% in Adur, akin to the current resourcing ratios based on geography and population density. The consultancy and grant split is outlined under 5.1 but each authority can expect the following:

<b>Type</b>	<b>Adur District Council</b>	<b>Worthing Borough Council</b>
Consultancy / Staffing (60%)	£119,850	£162,450
Grants (40%)	£79,900	£108,300
<b>TOTALS</b>	<b>£199,750</b>	<b>£270,750</b>

It's recommended that the Business Support Package is a joint programme due to the economies of scale that can be achieved.

- 5.10. To support both the consultancy and grant elements, the Councils' has been building a Customer Relationship Management Tool for the business community to improve interactions and communications. Whilst this is in its infancy, the plan is to utilise this platform and will be the first point of contact for any businesses who are interested in the support above. This will allow Officers the ability to work with and triage the initial enquiries, meaning the Councils builds rapport, identifies any

social value and listens to the business community ahead of recommendation to the programme.

5.11. In terms of marketing of the programme, it's anticipated the Council will work with local stakeholders to publicise the offer. Whilst any branding is yet to be determined (this will be reviewed in October to December) Officers are aware of the importance of publicising to the whole business community, ideally ensuring those that haven't engaged before are targeted. It will also be the responsibility of the consultant/s to also assist with both the publicity but also developing those community and local connections.

5.12. In reference to expected outcomes and outputs, due to a large part of the financing coming from central government, via UKSPF, the Councils have a series of targets to deliver against and, again, these were in mind as part of the design of the programme. The table below provides the top level targets and the minimum level of intervention associated with these targets, however it's anticipated a number of these will be exceeded as a result of the programme:

	<b>Intervention</b>	<b>Target</b>
1	Number of businesses receiving non-financial support	75
2	Number of businesses receiving grants	30
3	Number of decarbonisation plans developed	50
4	Number of businesses engaged	100
5	Increased number of businesses supported	10%

*\*targets set across Adur and Worthing*

5.13. As outlined in Section 4, the scoping of the Business Support Package consisted of multiple engagement opportunities and feedback with those stakeholders outlined. The feedback provided was considered extremely relevant and amendments have been incorporated into the final proposed support package as outlined above. The Council feels the evidence based approach, coupled with recent experience, has led to a comprehensive support package that will support and assist a large number of businesses across Adur and Worthing for the 2-year period.

## **6. Financial Implications**

- 6.1. As set out in section 5.8 of the report the proposals set out above are to be met through external funding streams. There are no other financial implications to Adur District Council and Worthing Borough Council.

Finance Officer: Emma Thomas

Date: 1st September 2023

## **7. Legal Implications**

- 7.1. Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 7.2. Section 1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation
- 7.3. Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 7.4. Section 1 Local Government (Contracts) Act 1997 confers power on the Council to enter into a contract for the provision of making available assets or services for the purposes of, or in connection with, the discharge of the function by the Council.
- 7.5. When entering into a public contract, the authority is required to comply with the Councils' Contract Standing Orders found at Part 4 of the Councils' constitution.
- 7.6. In allocating grant funding to third parties, the Council is to ensure that consideration is given to the rules relating to Subsidies and that the award of the grant does not create public works or service contracts for which a procurement process ought reasonably to have been carried out under the Council's Contract Standing Orders.

Legal Officer: Eruoma Sakpere

Date: 22/08/2023

## **Background Papers**

- Adur Priorities 2023 - 2024 (JSC Paper September 2023)



## **Sustainability & Risk Assessment**

### **1. Economic**

- The Business Support Package will directly support the local economy and, more specifically, those businesses therein. The health of our businesses is vitally important as not only do they supply goods and services locally, they are also integral in providing jobs and financial security.

### **2. Social**

#### **2.1 Social Value**

- Matter considered and no issues identified.

#### **2.2 Equality Issues**

- Matter considered and no issues identified.

#### **2.3 Community Safety Issues (Section 17)**

- Matter considered and no issues identified.

#### **2.4 Human Rights Issues**

- Matter considered and no issues identified.

### **3. Environmental**

- A fundamental part of the programme is to support businesses wishing to decarbonise or become more environmentally friendly. One of the key outputs is a number of businesses establishing Decarbonisation Plans, therefore providing a showcase and, hopefully, a ripple effect through the Adur and Worthing business community.

### **4. Governance**

- The Council will undertake a thorough procurement exercise to select appropriate consultants and mentors to deliver the consultancy element of the programme. It's important that these companies and individuals are of good quality and ensure they are impactful in the business community.

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Worthing Joint Strategic Sub-Committee  
12 September 2023

WORTHING BOROUGH  
COUNCIL

Key Decision: [Yes/No]

Ward(s) Affected: All Worthing

## Referral of Motion on Notice from Worthing Borough Council

### Report by the Director for Sustainability and Resources

#### 1. Purpose

- 1.1. This report sets out a motion (attached as Appendix 1) referred from the meeting of Worthing Borough Council on the 18 July 2023.
- 1.2. Members of the Worthing Joint Strategic Sub Committee are asked to consider and determine the Motion.
- 1.3. Members can either support the motion and ask for further work to be carried out in this regard, or, members can reject the motion.

#### 2. Recommendations

- 2.1. That the Worthing Joint Strategic Sub Committee support the motion and determine how further work is carried out; or,
- 2.2. That the Worthing Joint Strategic Sub Committee reject the motion.

#### 3. Context

- 3.1. At its meeting on 18 July 2023, Worthing Borough Council received a motion from Councillor Heather Mercer, seconded by Councillor Kevin Jenkins, details of which can be found at Appendix 1.

3.2 The motion submitted to Council contained subject matter that requires a decision of the Worthing Joint Strategic Sub Committee, as defined in para 14.5 of the Council's Procedure Rules. Therefore, it was debated at full council and referred to the Worthing Joint Strategic Sub Committee for further consideration and determination.

3.3 Where a motion has been referred by Full Council to the Worthing Joint Strategic Sub Committee, the mover, or the seconder in the absence of the mover, shall be entitled to attend the relevant meeting of the Executive to further explain the motion (which has already been debated with a right of reply to the mover prior to the referral at Full Council). Councillor Heather Mercer has been made aware that the motion has been referred to this Committee.

#### **4. Issues for consideration**

4.1 The Worthing Joint Strategic Sub Committee can either support or reject the motion.

4.2 Should the Worthing Joint Strategic Sub Committee support the motion, then the Committee should ask Officers to prepare a further report on the substantive issues to be presented at a future meeting of the WJSSC.

#### **5. Financial Implications**

5.1 There may be direct financial implications in future depending on the course of action the Worthing Joint Strategic Sub Committee wishes to take.

#### **6. Legal Implications**

6.1 Rules concerning motions are set out in the Council's Constitution under paragraph 14 of the Council's Procedure Rules.

### **Background Papers**

Motion to Worthing Borough Council on 18 July 2023

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

Chris Cadman-Dando

Senior Democratic Services Officer

## **Sustainability and Risk Assessment**

### **1. Economic**

There may be direct financial implications in future depending on the course of action the Worthing Joint Strategic Sub Committee wishes to take.

### **2. Social**

#### 2.1 Social Value

There may be Social Value implications depending on the decision of the Worthing Joint Strategic Sub-Committee- these would be investigated in a further if the motion is accepted

#### 2.2 Equality Issues

There may be Equality issues depending on the decision of the Worthing Joint Strategic Sub-Committee- these would be investigated in a further if the motion is accepted

#### 2.3 Community Safety Issues (Section 17)

There may be Community Safety implications depending on the decision of the Worthing Joint Strategic Sub-Committee- these would be investigated in a further if the motion is accepted

#### 2.4 Human Rights Issues

There may be Human Rights depending on the decision of the Worthing Joint Strategic Sub-Committee- these would be investigated in a further if the motion is accepted

### **3. Environmental**

There may be Environmental considerations depending on the decision of the Worthing Joint Strategic Sub-Committee- these would be investigated in a further if the motion is accepted

#### **4. Governance**

The proposals in this report are in line with the Council Procedure Rules concerning Motions on Notice

## Motion on Notice to Worthing Borough Council

### Article 4 direction - Houses in Multiple Occupation (HMO's)

In 2023 there is persistent and growing pressure for more housing in our town and this has seen many older and larger properties redesigned under permitted development rights or through a direct planning application, into Houses of Multiple Occupation (HMOs) .

In Worthing our town has grown over a long period of time and the built housing stock, in terms of size and quantum reflects its period of construction. This means in many parts of East and Central parts of Worthing the Edwardian and Victorina era large houses are looked on favourably by developers as being ripe for conversion to Houses of Multiple Occupation.

It is recognised that HMOs can make a valuable contribution to the private rented housing stock. They provide an affordable type of accommodation and contribute to the mix of housing types and tenures available in Worthing. They are often suited as homes to young people and single people and those on low incomes or as a source of emergency or temporary accommodation to statutory authorities.

However, HMOs of all sizes can have a detrimental impact on residential character and community cohesion and high concentrations within neighbourhoods can result in imbalanced and unsustainable communities creating harmful impacts including:

- Divisions between social groups;
- Lack of interaction;
- Turnover of occupants;
- Poor upkeep of houses and gardens;
- Adverse impact on the affordability of rents;
- Noise and disturbance;
- Issues with parking provision and traffic congestion;
- Difficulties for the owners of remaining C3 dwellings selling their properties.

There is little sign of this demand abating and with that it brings pressures into our local communities when faced with the creation of significant numbers of HMOs in a close proximity to each other.

In the adopted Worthing Local Plan (2023) development management policies it states that :

#### DM1 Housing Mix (part extract)

f) When considering proposals for the conversion of dwellings into smaller units of self-contained accommodation, the proposal must provide a high standard of accommodation that complies with internal space standards and requirements for private outdoor space. In addition, the Council will

consider:

- i) the impact on the mix of dwellings locally*
- ii) the impact on the character of the area*

DM2 - Density (part extract)

c) The optimum density of a development should result from a design led approach to determine the capacity of the site. Particular consideration must be given to:

- i) the site context and character of the surrounding area in which it is located, and including consideration of any nearby heritage assets or important landscapes;*
- iv) the need to minimise environmental impacts, including detrimental impacts on the amenities of adjoining occupiers*

In 2016 when the first stage consultation work was commenced that delivered the Local Plan 2023, the pressures on Council were not as acute and today's situation was not foreseen.

It is absolutely recognised that there is a need for accommodation of this type in our town, that is not in question. But often the question that is asked by residents is simply, is it the right place or has consideration been given to the impact of a concentration of HMOs in a road or neighbourhood.

Therefore with a demand landscape that has changed so dramatically this Council is called on to:

- Map the location and density of HMO's in our town
- Determine acceptable density or proximity issues
- Look at best practice across England to authorities who have introduced an Article 4 Direction in a preemptive manner to protect communities, so that development can be managed rather than responded to
- To consider the introduction of an evidence led article 4 direction under the 1995 Town and Country Planning (General Permitted Development) Order.

Recognising that the purpose of any Article 4 Direction is to continue to provide HMO accommodation to meet Worthing's housing needs, but in doing so manages the supply of new HMOs to avoid high concentrations in a particular area.

That this work should be prioritised and completed within 6 months.

**Proposer - Cllr Heather Mercer**

**Secunder - Cllr Kevin Jenkins**