

CAPITAL AND PROJECTS OUTTURN FOR JOINT, ADUR AND WORTHING 2015/16

REPORT BY SARAH GOBEY, CHIEF FINANCIAL OFFICER

1.0 SUMMARY

- 1.1 This report outlines the financial monitoring position for the end of the 2015/16 financial year for capital schemes included in the Joint Strategic Committee, Adur and Worthing Councils. At the time of writing, the Statement of Accounts were still being finalised. Any changes that emerge as work proceeds on the Statement of Accounts will be reported to members later in the year.
- 1.2 Information is also provided in respect of capital receipts for the 2 constituent authorities.
- 1.3 The Joint Strategic Committee is asked to agree and recommend to Adur and Worthing Councils:-
- the carrying forward of certain capital budgets to allow projects to be completed in 2016/17.
 - the financing of the 2015/16 Capital Investment Programmes.
 - the utilisation of capital receipts to finance the 2015/16 Capital Investment Programmes.

2.0 BACKGROUND

- 2.1 The monitoring of capital budgets has been reported to the Joint Strategic Committee three times during the year.
- 2.2 In accordance with the Councils' Capital Strategy, the Joint Capital Working Group oversees the implementation and progress of both Councils' Capital Investment Programmes.
- 2.3 Full summaries of the outturn of all the schemes in the 2015/16 Capital Investment Programmes are available from the Councils' Joint Intranet and highlight:

2.0 BACKGROUND

| | |
|--|--------------|
| Schemes not progressing satisfactorily | Red |
| Schemes where progress is being closely monitored | Amber |
| Schemes progressing well | Green |
| Schemes where progress is beyond officers' control | ▣ |
| Schemes with financial issues | £ |
| Schemes where progress has improved | ▲ |
| Schemes where progress has deteriorated | ▼ |

3.0 PROJECTS UPDATE AND OUTTURN 2015/16

3.1 Good progress is being made with digital programme since its inception with spend only marginally above the approved budgets.

| Total 2 year programme | Approved budgets | Spend in 2014/15 | Spend in 2015/16 | Total spend | Over (-) / under spend |
|------------------------------------|------------------|------------------|------------------|----------------|------------------------|
| | £ | £ | £ | £ | £ |
| Main Programme | 660,000 | 275,002 | 444,110 | 719,112 | -59,112 |
| Small Ad Hoc projects | 23780 | 14,337 | 40,000 | 54,337 | -30,557 |
| Microsoft Licences | 137,990 | 0 | 109,383 | 109,383 | 28,607 |
| Google Licences and implementation | 138,010 | 45,177 | 44,440 | 86,617 | 48,513 |
| | 959,900 | 334,516 | 637,933 | 972,449 | -12,549 |

3.2 The citizen platform is now established and a number of products are live, including AWCS waste management products. The AWCS services took longer to build than expected, but it has been possible to build additional services alongside, including apps to support complaints handling, freedom of information requests, and HR self-service.

3.3 At the heart of our digital strategy is the ability of the in-house digital team to build applications cost effectively using our “low code” platform. We now have strong capabilities internally to design and build applications rapidly, with ten members of staff trained to build on the platform.

Live products built by the internal team include:

- Complaints, compliments and feedback handling
- Freedom of Information requests management

3.0 PROJECTS UPDATE AND OUTTURN 2014/15

3.3 By August 2016, the following products will also be live:

- HR starters and leavers
- Business continuity
- Audit recommendations tracker
- Manager's self-service console

3.4 We have started support the Housing directorate by designing and building a range of products, including:

- A case management system for use across the Housing service, currently live with client assessment and will shortly be rolled out for Adur Homes services as well
- Development of a system to help deliver a stock condition survey for all Adur Homes properties, which will feed into a wider project around asset management across the Councils
- Replacement of a commercially supplied database for asbestos management with one developed internally, creating a small saving of £5,000 per year. A large project is currently in the 'discovery' phase looking at improving the repairs service for Adur Homes tenants.

3.5 Further projects planned in 2016/17 include:

- Asset management system for use corporately and in Adur Homes
- Support for digital transformation with Land Charges and Building Control
- Digital transformation of the Planning service

Each of the above projects will be considered by the Digital Programme Board for inclusion in the work programme, taking into consideration workload on the Digital team and other involved services, potential savings and potential increase in customer satisfaction.

We were also recently successful in winning £40,000 funding from the Local Government Association to build a "social prescribing" app with NHS partners, which is testament to the work we have achieved, and points to a future where we will build more applications with partner agencies to help further improve the experience of local citizens accessing services.

Further work is planned to significantly improve our customer self-service offer, both in terms of carrying out transactions with the Councils and in terms of the advice offered via content on the Councils website, moving towards a position where citizens are able to help themselves and one another, reducing demand on the Councils.

3.0 PROJECTS UPDATE AND OUTTURN 2014/15

- 3.6 As a result of introducing the new citizen platform, the Lagan CRM product which currently costs £20,000 per year is being de-commissioned, along with the Covalent Performance Management System, at £5,000 per year. As we consolidate more and more activity onto the citizen platform, further efficiencies are expected.
- 3.7 We are working with a local telecoms provider, Overline, to install the new Avaya telephone system and good progress is being made, with work to rationalise the numbering system, and integrate the phone system with the citizen platform in the Contact Centre. The new telephone system will go live across the Councils on 25 July and in the Contact Centre on 1 August.
- 3.8 Smartphones have been rolled out to hundreds of members of staff enabling mobile and flexible working to become a reality for the majority of staff, especially when combined with the Google productivity suite.
- 3.9 Work is also well progressed to develop the business case for hosting our other IT applications and data off-site with a secure cloud provider. This is expected to deliver greater resilience and far better capability for home working. Funding for this transition has already been approved, but a full business case will be presented to Committee in July.
- 3.10 The digital team will also be heavily involved in the in-housing of Revenues and Benefits for Adur. The ICT element of this project are significant, and work is already underway to facilitate the transfer of data and systems to the shared Adur and Worthing infrastructure.
- 3.11 This has all been achieved whilst maintaining an operational IT infrastructure in terms of networks, hardware and software in partnership with Census ICT, and achieving significant improvements in disaster recovery, reliability, and swift resolution of issues raised on the helpdesk.

4.0 ADUR CAPITAL OUTTURN - ALL PORTFOLIOS

- 4.1 The capital investment programme for all Adur Portfolios was originally estimated at £9,411,170. Subsequent approvals and reprofiling of budgets to 2015/16 produced a total current budget of £9,165,150.
- 4.2 Actual expenditure in the year totalled £9,615,618, an increase of £450,468 on the current estimate, comprising of a net budget b/f from 2016/17 of £516,020 and a net underspend of £65,552. Individual Portfolio expenditure was as follows:

4.0 ADUR CAPITAL OUTTURN - ALL PORTFOLIOS

| Adur District Council PORTFOLIOS | Current Estimate £ | Actual Outturn £ |
|---|-----------------------|---------------------|
| General Fund Other Services: | | |
| C.M. for Environment | 569,140 | 372,727 |
| C.M. for Health and Well-Being | 38,310 | 18,172 |
| C.M. for Customer Services | | |
| - General Fund | 551,520 | 555,530 |
| - Adur Homes Capital Investment Prog'me | 3,915,360 | 4,650,797 |
| C.M. for Regeneration | 1,536,660 | 1,389,162 |
| C.M. for Resources | 2,554,160 | 2,629,230 |
| TOTAL | 9,165,150 | 9,615,618 |

4.3 The Major scheme variations are listed in **Appendix 1** of this report.

4.4 Adur capital expenditure in 2015/16 was financed as follows:-

| Adur District Council PORTFOLIOS | £ | £ |
|---|-----------|------------------|
| General Fund Schemes Financing: | | |
| Prudential Borrowing | 3,272,865 | |
| Government Grants | 1,510,278 | |
| Revenue Contributions / Reserves | 93,604 | |
| S106 Contributions | 70,000 | |
| Other Contributions | 10,236 | |
| Capital Receipts | 7,838 | |
| TOTAL GENERAL FUND CAPITAL FINANCED | | 4,964,821 |
| Adur Homes Capital Investment Programme Financing: | | |
| Major Repairs Reserve | 4,031,732 | |
| Acquisition and Development Reserve | 244,492 | |
| Capital Receipts | 364,439 | |
| Revenue Contributions | 10,134 | |
| TOTAL ADUR HOMES CAPITAL FINANCED | | 4,650,797 |
| TOTAL OVERALL CAPITAL FINANCED | | 9,615,618 |

4.0 ADUR CAPITAL OUTTURN - ALL PORTFOLIOS

4.5 The Joint Strategic Committee is asked to recommend that the Council approve the overall financing of the capital programme of the 2015/16 capital programme, and the utilisation of £372,277 usable capital receipts in the funding of the 2015/16 capital programme.

4.6 The remaining usable capital receipts held at 31st March, 2016 totalled £3,617,352. To be utilised as follows:

| | |
|--|------------|
| • Shoreham Renaissance | £628,917 |
| • Affordable Housing (LASHG) | £140,476 |
| • Housing Revenue Account – Capital Investment | £2,840,424 |
| • Housing Renewal Grants | £4,070 |
| • Empty Property Grants | £3,465 |

4.7 Proceeds from sale of assets in 2015/16 are analysed in **Appendix 3**.

4.8 Approval is requested to carry over to 2016/17 and bring forward from 2016/17 certain budgeted expenditure where spending patterns have changed since the 3rd Quarter Monitoring, as detailed in **Appendix 1**.

| | Carried Forward To 2016/17 £ |
|--|---|
| Executive Member Environment | 116,880 |
| Executive Member for Customer Services - General Fund | 45,670 |
| Executive Member for Health & Wellbeing | 12,100 |
| Executive Member for Regeneration | 65,340 |
| Executive Member for Resources | 9,620 |
| TOTAL CARRIED FORWARD TO 2016/17 | 249,610 |

| | Brought Forward to 2015/16 £ |
|---|---|
| Executive Member for Environment | 14,000 |
| Executive Member for Customer Services - General Fund - Adur Homes Capital Investment Programme | 14,170 737,460 |
| TOTAL BROUGHT FORWARD TO 2015/16 | 765,630 |
| NET BROUGHT FORWARD TO 2015/16 | 516,020 |

4.0 ADUR CAPITAL OUTTURN - ALL PORTFOLIOS

4.9 The reasons for the slippage in the capital investment programme have been analysed in **Appendix 1**.

4.10 In addition to the carry forward of existing budgets to finish approved projects in 2016/17, permission is also sought to carry forward funding from the 2015/16 Capital Investment Programme overall underspend for the following:

4.11 Fishersgate Recreation Ground Play Area Improvements

The project was initially delayed by consultations with the Fishersgate Community Association to remove the temporary fencing on the south and eastern sides of the Community Centre, which resulted in the Council 'taking back' the Community Centre to enable the scheme to progress.

Funding of £30,000 was allocated from the Buildings Maintenance Reserve to fund the new fencing, landscaping and safety measures to secure the community centre. In addition to these works it was agreed to re-turf the area at a cost of £2,200 and Parks agreed to fund this from their revenue budgets. As well as these costs the Council has incurred site security expenditure estimated at £43,262 due to 'taking back' the Community Centre. This could increase by a further £8,000 per month until the site security is ceased. The total estimated overspend on the Fishersgate Play Area improvements to date is £60,790, which has been incurred on the fencing, security and landscaping elements of the scheme.

The fencing, safety measures and the main play area works completed 11th May 2016 and just a few ancillary works, signage, benches, etc. are still outstanding. Consequently the overspend will be incurred in 2016/17 and it is recommended that the overall underspend in the 2015/16 Capital Investment Programme of £47,920 is carried forward to 2016/17 to part fund the overspend, and £12,870 from the 2016/17 Capital Investment Programme contingency is allocated to fund the remainder of the overspend.

4.12 The following schemes have been identified as having financial issues at 31st March 2016:

4.13 ICT CenSus Partnership Schemes

Purchases of the 2015/16 CenSus Partnership ICT software and hardware have completed, but the replacement of essential server replacements resulted in an overspend of £37,535. However, this can be accommodated within the underspend on Adur District Council's share of the ICT Corporate Hardware budget.

4.14 Shoreham Community Centre – Extension for civic presence in Adur

The main works have completed and the final account has still to be agreed. The scheme is expected to overspend by £150,000, which can be funded from the overall underspend in the 2015/16 Capital Investment Programme.

4.0 ADUR CAPITAL OUTTURN - ALL PORTFOLIOS

4.14 Shoreham Community Centre – Extension for civic presence in Adur

The main cause of the overspend was the discovery of asbestos which cost £309,000 and additional funding was allocated to the project. In addition the following items were requested to be added to the project after the works had commenced:

- Timber sub frame works to dormers - £9,000.
- The rearrangement of the foyer offices - £24,000.
- Installation of the soak-away to meet building control requirements - £25,000.
- Installation of the security shutters to the CAB and Mezz floor - £7,000.
- Main Kitchen Floor - £3,500.
- Early replacement of Existing Calorifier - £10,000.
- Car park entrance improvements - £6,000.
- Design fee adjustments for alterations throughout the project - £15,000.
- Extension of Time covering alterations throughout the project - £39,000.

4.15 In addition to the above schemes with financial issues the following schemes have been identified as not progressing satisfactorily:

4.16 Enhancements to Lower Beach Road (Riverside) Car Park and Ferry Road Environmental Improvements

This project was initially delayed by West Sussex County Council (WSSCC) Traffic Regulation Orders (TROs), which have now been agreed and also scheme agreements with WSSCC. As a result of the delays the scheme had to be re-tendered as the previous tenders exceeded the 90 day deadline. This resulted in additional funding of £47,000 being allocated to the Lower Beach Road Car Park scheme. WSSCC have been asked to fund this additional funding.

The works are currently still on hold awaiting:

- i) Resolution of issues relating to a relinquishment of access rights.
- ii) The Environment Agency Tidal Walls Coast Protection Scheme Delivery Programme.
- iii) Possible slipway design alterations.

5.0 HRA RIGHT TO BUY CAPITAL RECEIPTS

2012/13 was the first year of the significant increase in discount for tenants introduced by the government as part of re-invigorating 'Right To Buy' (RTB). In 2015/16, 10 properties were sold. The financial impact is detailed below:-

| BREAKDOWN OF RTB RECEIPTS ALLOCATION | £ |
|--|----------------|
| Capital receipts passed to DCLG as part of pooling arrangement | 598,846 |
| Retained by the HRA | 321,464 |
| TOTAL CAPITAL RECEIPTS | 920,310 |


* Adur Homes share of capital receipts from pooling under arrangements prior to 1st April, 2012 and which can be used for any capital expenditure is £686,247.

** Adur Homes allowable retention of capital receipts under new RTB regulations for new build is £836,226. This is subject to 30% contribution to new build that has been committed to within a 3 year time frame otherwise the receipts have to be repaid to DCLG.

6.0 WORTHING CAPITAL OUTTURN - ALL PORTFOLIOS

6.1 The Worthing capital investment programme for all Portfolios was originally estimated at £6,257,040. Subsequent approvals and reprofiling of budgets to 2016/17 produced a total current budget of £3,045,280.

6.2 Actual expenditure in the year totalled £2,372,814 a reduction of £672,466 on the revised estimate, comprising of a net slippage of £376,540 and a net underspend of £295,926. Individual Portfolio expenditure was as follows:

|  PORTFOLIOS | Revised Estimate £ | Actual Outturn £ |
|---|-----------------------|---------------------|
| General Fund Other Services: | | |
| E.M. for Environment | 1,409,450 | 1,070,050 |
| E.M. for Health and Well-Being | 41,000 | 25,430 |
| E.M. for Customer Services | | |
| - Housing | 900,000 | 686,070 |
| - Other Schemes | 43,650 | 16,534 |
| E.M. for Regeneration | 369,510 | 330,768 |
| E.M. for Resources | 281,670 | 243,962 |
| TOTAL AS PER CURRENT BUDGET | 3,045,280 | 2,372,814 |

6.3 Major scheme variations are listed in **Appendix 2**.

6.0 WORTHING CAPITAL OUTTURN - ALL PORTFOLIOS

6.4 Worthing capital expenditure in 2015/16 was financed as follows:-

| | | |
|-------------------------------|---------|------------------|
| Usable Capital Receipts | £ | £ |
| - Housing | 16,483 | |
| - Other General Fund | 573,605 | |
| | | 590,088 |
| Prudential Borrowing | 705,968 | |
| S106 Contributions | 134,145 | |
| Government Grants | 669,962 | |
| Other Contributions | 60,312 | |
| Revenue Contributions | 212,339 | 1,782,726 |
| TOTAL CAPITAL FINANCED | | 2,372,814 |

6.5 The Joint Strategic Committee is asked to recommend that the Council approve the overall financing of the capital programme and the utilisation of £590,088 usable capital receipts in the funding of the 2015/16 capital programme.

6.6 Approval is requested to carry over to 2016/17 and bring forward from 2016/17 certain budgeted expenditure where spending patterns have changed since the 3rd Quarter Monitoring, as detailed in **Appendix 2**.

| | Carried Forward To 2016/17 £ |
|---|------------------------------------|
| Executive Member Environment | 251,270 |
| Executive Member for Customer Services | 104,410 |
| Executive Member for Health and Wellbeing | 14,570 |
| Executive Member for Regeneration | 65,690 |
| Executive Member for Resources | 14,720 |
| TOTAL CARRIED FORWARD TO 2016/17 | 450,660 |

| | Brought Forward to 2015/16 £ |
|---|------------------------------------|
| Executive Member for Customer Services | 2,150 |
| Executive Member for Environment | 67,650 |
| Executive Member for Resources | 4,320 |
| TOTAL BROUGHT FORWARD TO 2015/16 | 74,120 |
| NET CARRY OVER TO 2016/17 | 376,540 |

6.0 WORTHING CAPITAL OUTTURN - ALL PORTFOLIOS

6.7 The reasons for the slippage in the capital investment programme have been analysed in **Appendix 2**.

6.8 In addition to the carry forward of existing budgets to finish approved projects in 2016/17, permission is also sought to carry forward funding from the overall 2015/16 Capital Investment Programme underspend for the following:

6.9 **Creation of an unallocated budget for future schemes and contingency for overspends**

Every year there are a number of occasions when high priority capital expenditure is identified which cannot wait for the approval of the Capital Investment Programme for the following year. In addition the following schemes are currently being assessed to ascertain the scope of the works required and further funding may be required.

- i) **Crematorium Driveway works.** The current budget is for the upgrade of the ICT link, resurfacing of the ICT duct and resurfacing of the worst areas of the driveway. The original budget included a provision for the replacement of the gas main but it was subsequently decided that this work be postponed until the feasibility into the construction of a pet crematorium was completed. However, the actual size of the gas main is currently being investigated to ascertain if this is sufficient for current service requirements. If the gas main does need to be replaced additional funding will be required.
- ii) **Worthing Pier fire prevention works** - The West Sussex Fire and Safety Services have served a notice on the Authority to undertake fire and safety works on Worthing Pier. Failure to comply with this order could result in the Pier being closed and the Council being prosecuted. The current 2016/17 Capital Investment includes a budget provision of £100,000 and the Council has commissioned an assessment on the Pier's super and sub structures to identify the works required. However, the actual costs of the works are unknown and the funding required could exceed the budget.
- iii) **Durrington Cemetery provision of additional burial space** - The Environment Agency is consulting with Southern Water regarding the acceptability of the additional burial spaces. If the proposal is acceptable it is likely to require continuous ground water monitoring, which will require an agreement between the EA and Worthing Borough Council and the possibility of additional drainage. In addition the Council will need to employ a consultant to design the scheme due to capacity issues, and the final scheme costs are unknown at this stage.

As the Council has a large underspend in 2015/2016, it is recommended that a provision £250,000 is carried forward to 2016/17 for the funding of urgent capital schemes or for additional works required to capital schemes already in the 2016/17 Capital Investment Programme. These projects/additional works would still be subject to the approval of the Joint Strategic Committee.

6.0 WORTHING CAPITAL OUTTURN - ALL PORTFOLIOS

6.10 The following schemes have been identified as having financial issues at 31st March 2016:

6.11 ICT CenSus Partnership Schemes

Purchases of the 2015/16 CenSus Partnership ICT software and hardware have completed, but the replacement of essential server replacements resulted in an overspend of £37,535. However, this can be accommodated within the underspend on Worthing Borough Council's share of the ICT Corporate Hardware budget.

6.12 Public Conveniences Dome Site – DDA works and refurbishment

The scheme completed in September 2015 but was beset with site issues and delays to the works caused by the discovery of asbestos and used hypodermic needles hidden in the fabric. These delays had an additional knock on effect as the works extended into the summer holidays causing availability problems / material delivery delays.

The initial specification of works was fairly basic in quality and appearance. The site downtime caused by the above issues provided time to further consider some of the materials / fittings chosen, and their upgrade to provide better compliance to regulations, to be more aesthetically pleasing, and to be more vandal resistant. The specification also had to be varied where lead times on materials would have caused further delays or ultimately stopped the works.

Improvements included installing a larger door to the changing places room and a pivot door to the ladies disabled WC to cause less of an obstruction to other users when it opens. A shower and water heater was added to the changing places room to better assist carers with cleaning.

The initial plan was to have the changing places accessible on a radar key, but following a meeting with scope it became clear this was not the best solution and a magnetic lock and intercom was added for the beach office to control access to the facility.

Further works added were to upgrade both the internal electrics with full emergency lighting throughout and the external electrics to improve the health and safety of those using the external power supplies such as the travelling fairs. The previous power supplies were located on the roof of the dome requiring users to access this unsupervised to plug into the power. The new vandal resistant supplies are located on the external wall removing a significant fall risk.

The original budget was increased by £24,000 for the removal of asbestos but did not include a contingency sum and therefore every other additional item was an overspend.

6.0 WORTHING CAPITAL OUTTURN - ALL PORTFOLIOS

6.12 Public Conveniences Dome Site – DDA works and refurbishment

| | |
|-----------------------|-----------------|
| Original Budget | £130,540 |
| Asbestos Removal | £24,000 |
| Current Budget | £154,540 |

Actual Costs:

| | |
|--|-----------------|
| Construction | £143,186 |
| Contractors Preliminaries/Set Up Costs | £20,397 |
| Contractors Overheads | £12,457 |
| Scape Fees | £1,554 |
| Surveyors Fees | £5,000 |
| Sundries | £6,737 |
| | £189,332 |

OVERSPEND: £34,792

6.13 The following schemes have been identified as not progressing satisfactorily at 31st March 2016:

6.14 Car Parks – Grafton MSCP structural repairs

Findings from the structural and condition report have been assessed and a report will be submitted to the Joint Strategic Committee to advise members about the works to be undertaken in 2016/17.

6.15 Solar Renewable Energy Projects

Three schemes were originally approved by the Joint Strategic Committee for inclusion in the Capital Investment Programme:

- i) Portland House solar PV array.
- ii) Assembly Hall solar PV array.
- iii) Worthing Leisure Centre PVT array and water source heat pump and thermal store.

The Joint Strategic Committee recommended committing all council properties to a solar deployment programme through “Your Energy Sussex” delivery partner Carillion. The partnership contract with “Your Energy Sussex” was signed allowing solar PV schemes to begin to be developed through Carillion.

However, following a significant reduction in feed in tariff incentive rates announced by the government in autumn 2015 and enacted in January 2016, the project has been deferred pending further consideration of the new tariffs and the cost of solar panels.

6.0 WORTHING CAPITAL OUTTURN - ALL PORTFOLIOS

6.16 The remaining usable capital receipts held at 31st March, 2016 totalled £4,372,707. To be utilised as follows:

| | |
|--|------------|
| • Ring-fenced for Coast Protection | £88,800 |
| • Ring-fenced for Affordable Housing (RTB Clawback Receipts) | £4,138,705 |
| • Ring-fenced for Empty Property grants and loans. | £3,696 |
| • Ring-fenced for Discretionary Housing Renovation Assistance. | £1,159 |
| • Ring-fenced for the replacement of the Par 3 Club House in Brooklands Park | £140,347 |

6.17 The balance on the General Fund Capital Expenditure Reserve at 31st March, 2015 is £73,158.

6.18 Proceeds from the sale of assets in 2015/16 are analysed in **Appendix 4**.

7.0 CONCLUSION

7.1 **Adur District Council** – There was an overall underspend on the 2015/16 Capital Investment Programme of £47,920. However, an overspend in 2016/17 from the Fishersgate Recreation Ground provision of a junior play area project has been identified and it is recommended that all underspends are carried forward to 2016/17 to fund this overspend as detailed in paragraph 4.11.

7.2 **Worthing Borough Council** - There was an overall underspend on the 2015/16 Capital Investment Programme. However, available underspend of £250,000 is recommended to be carried forward to 2016/17 as a contingency for schemes currently being assessed for the scope of works likely to be required in 2016/17, as detailed in paragraph 6.9.

7.3 Both Councils have incurred considerable in year reprofiling of 2015/16 capital budgets to 2016/17 and unexpected year end slippage has also been requested. This reflects the inherent difficulty in accurately budgeting for capital schemes where, due to the complex nature of capital acquisitions and enhancements, a number of factors can affect the timing and outturn of those schemes.

7.4 In recent years there has been one significant issue that has influenced the delivery of the overall capital programme which is the impact on available engineering and surveying technical resources of significant externally funded new schemes being added into the programme at short notice. This then impacts on the delivery of the rest of the programme. This year the Councils have again been successful at bidding for significant additional resources to fund flood defence schemes. These significant schemes have to be delivered within tight timescales to lever in the external funding and so take a high priority which has inevitable consequences for the remainder of the programme. Looking ahead, the engineering and surveying team are currently identifying better approaches to dealing with peaks within the capital programme.

8.0 RECOMMENDATIONS

8.1 The Joint Strategic Committee is asked to:

- (a) note the report and outturn position for the Adur and Worthing Capital Budgets.**

8.2 The Joint Strategic Committee is asked to recommend that Adur District Council, at its Council meeting on 21st July, 2016 and Worthing Borough Council at its Council meeting on 19th July 2016:-

- (a) NOTE the overall capital final outturn for 2015/16;**
- (b) AGREE the net carry over of General Fund Capital underspends, as detailed in paragraphs 4.8, 4.10, 4.11, 6.6, 6.8, 6.9.**
- (c) APPROVE the financing of the Capital Investment Programmes, including the use of capital receipts as set out in paragraphs 4.4 and 4.5, 6.4, 6.5.**
- (d) Note the use of S106 receipts to fund the 2015/16 Capital Investment Programme, as previously approved, set out in paragraph 4.4 and 6.4.**

Local Government Act 1972

Background Papers:

Reports to the Joint Overview and Scrutiny and Joint Strategic Committee

Capital Budget 2015/16 Joint, Adur and Worthing

3rd Monitoring Capital Report Joint Strategic Committee, Adur District Councils and Worthing Borough Council

Accounts and Audit Regulations 2015

Contact Officer:

Sarah Gobey – Chief Finance Officer

Direct Dialling No: (01903) 221232

Email: sarah.gobe@adur-worthing.gov.uk

SCHEDULE OF OTHER MATTERS

1.0 COUNCIL PRIORITY

This report deals with the whole of the Joint Committees revenue expenditure and as such contributes to the Councils' objectives

2.0 SPECIFIC ACTION PLANS

2.1 The Medium Term Financial Plan

3.0 SUSTAINABILITY ISSUES

3.1 Matter considered and no issues identified

4.0 EQUALITY ISSUES

4.1 Matter considered and no issues identified

5.0 COMMUNITY SAFETY ISSUES (SECTION 17)

5.1 Matter considered and no issues identified

6.0 HUMAN RIGHTS ISSUES

6.1 Matter considered and no issues identified

7.0 REPUTATION

7.1 Matter considered and no issues identified

8.0 CONSULTATIONS

8.1 Matter considered and no issues identified

9.0 RISK ASSESSMENT

9.1 Matter considered and no issues identified

10.0 HEALTH and SAFETY ISSUES

10.1 Matter considered and no issues identified

11.0 PROCUREMENT STRATEGY

11.1 Matter considered and no issues identified

12.0 PARTNERSHIP WORKING

12.1 This report contains details of the outturn for the Adur and Worthing Partnership.

12.2 Contained within accounts of both Councils is the relevant share of the Adur and Worthing Partnership arrangements.