



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
9 July 2019
Agenda Item 9

Key Decision [~~Yes~~/No]

Ward(s) Affected: All

Becoming financially sustainable - Capital Strategy 2020/21

Report by the Director for Digital & Resources

Executive Summary

1. Purpose

- 1.1 This report seeks the approval of the Council's Capital Strategy for 2020/23. The Strategy outlines the Council's approach to capital investment and how the Council ensures that capital investment is directed to the Council's Priorities. It also sets out the basis for prioritisation of capital bids included in the 3 Year Capital Investment Programme and the monitoring of the programme.

2. Recommendations

- 2.1 The Joint Strategic Committee is asked to recommend to the Councils that the Capital Strategy 2020/23 be approved.

3. Context

- 3.1 The Councils have fixed assets (land, buildings, equipment and software) worth £385m which are used directly in the delivery of services and council priorities or to generate income to support the activities of the Councils. The Councils' capital strategy details how the Councils approach investment in these assets and it is reviewed annually to reflect changes in the Council's priorities and resources.

3.2 It is a requirement of the Prudential Code that the Councils' have an annually approved capital strategy. The capital strategy brings together not only the capital expenditure policy and plans, but includes financing considerations in one comprehensive document. The requirements include:

- **The impact of the capital programme on debt and borrowing including:**

- A projection of external debt and use of internal borrowing to support capital expenditure
- Provision for the repayment of debt over the life of the underlying debt.
- Authorised limit and operational boundary for the following year.
- The authority's approach to treasury management including processes, due diligence and defining the authority's risk appetite.

- **Commercial activity**

The Council's approach to commercial investment activities including processes ensuring effective due diligence and defining the authority's risk appetite in respect of these, including proportionality in respect of overall resources. Requirements for independent and expert advice and scrutiny arrangements.

For Adur and Worthing Councils, this specifically refers to the Strategic Property Investment Fund.

- **Other long-term liabilities**

An overview of the governance process for approval, monitoring and ongoing risk management of any other financial guarantees and other long-term liabilities.

However, Adur and Worthing Councils do not have any significant exposure to this type of liability and so this is not addressed within the capital strategy.

- **Knowledge and skills**

A summary of the knowledge and skills available to the authority and confirmation that these are commensurate with the authority's risk appetite.

3.3 In 2018/19 the Strategy was revised to reflect the ICT investment strategy and partnership working and confirmed the following direct resource allocations for 2019/20 and 2020/21:

	Adur District Council £'000	Worthing Borough Council £'000	Total £'000
Annual ring fence from available resources to fund essential capitalised planned maintenance schemes.	75	150	225
Annual Set aside from available capital resources for any capital investment needs arising from the partnership strategy – to fund planned vehicle replacements	260	390	650
Recommended set-aside to facilitate the delivery of the digital strategy.	106	119	225
Essential replacement of ICT desktop equipment, minor software upgrades, and local network equipment in both Councils.	70	80	150
Total resources earmarked for specific purposes	511	739	1,250

3.3 The budget strategy considered elsewhere on this agenda will confirm that the resources to be made available to fund general schemes will be:

- £2.5m for Worthing Borough Council which reflects the increasing need to invest in the Council's assets in light of emerging maintenance issues such as the requirement to deal with asbestos in the Council's buildings, the need to invest in public facilities such as toilets, and the pressing need to replace aging plant and equipment in our main buildings with more sustainable options; and
- £1m for Adur District Council General Fund for the next 3 - 5 years and £5.5m for the HRA Housing Investment Programme in 2020/21 rising to £5.6m in 2021/22 (excluding new developments which are considered separately)

The allocations will be reviewed next year in the light of the corporate building condition survey which is currently being undertaken. These relatively low levels of investment have been recommended in light of the financial position of both councils over the next 5 years.

4. Issues for consideration

4.1 The changes proposed to the Capital Programme process and the Capital Strategy this year are detailed below:

4.1.1 Strategic Property Investment Fund:

It was agreed earlier in the year, following a review of the portfolio by independent property experts, to increase the maximum invested by each Council to £125m. The strategy has been updated to reflect this new higher amount. The Councils have limited the amount invested in any one year to £50m.

The intention behind the fund is to identify opportunities to procure or develop commercial property which will generate a sustainable income stream for the Councils for the future and potentially provide social and economic benefits. This is an important element of the budget strategy which will contribute to around 20% of the combined savings target in each financial year.

Each proposal will be the subject of a detailed appraisal and the net income must exceed the cost of borrowing by at least 2% over the life of the investment (1% if the property is of strategic importance or offers a particularly secure investment). The actual spend in each year will depend upon identifying suitable investment opportunities.

Members are reminded that in choosing to invest in Commercial Property, that the Council does not fully comply with the Prudential Code. This is allowable provided that the Council has an Investment Strategy that explains:

- Why the local authority has decided not to have regard to this Guidance or to the Prudential Code in this instance; and
- The local authority's policies in investing the money borrowed, including management of the risks, for example, of not achieving the desired profit or borrowing costs increasing.

The requirement is met through the publication of a Commercial Property Investment Strategy which sets out the Councils' approach to developing and managing the commercial property portfolio including how the associated risks will be managed.

4.1.2 Increased allocation for the annual HRA programme:

A condition survey on Adur Homes housing stock was undertaken in 2016/17. In light of the outcome of this survey, which revealed that there is a need to increase the level of investment in the stock to address high

priority repairs, the size of the programme was increased to £5.2m for 2019/20 and £5.5m for 2020/21. It is recommended within the report that the programme is increased again for 2021/22 to £5.6m. It is intended to progressively increase the capital programme over the next 5 years to build financial capacity to address the outcome of the condition survey.

4.2 Resource allocations for 2021/22:

The following resource allocations to key corporate strategies are recommended for 2021/22:

- The continuation of the set-aside for building maintenance which is used to address the backlog maintenance identified within the planned maintenance programme and asset management plan.
- Resources are proposed to be set aside to fund the 'digital strategy' and key investments required into replacement IT infrastructure and equipment.
- Sufficient resources need to be set-aside for the Adur and Worthing partnership to fund the replacement of essential vehicles planned in 2021/22.

If approved, the overall the allocations will be:

	Adur District Council £'000	Worthing Borough Council £'000	Total £'000
Annual ring fence from available resources to fund essential capitalised planned maintenance schemes.	75	150	225
Annual Set aside from available capital resources for any capital investment needs arising from the partnership strategy – to fund planned equipment and vehicle replacements	221	394	615
Recommended set-aside to facilitate the delivery of the digital strategy.	59	66	125
Essential replacement of ICT desktop equipment, minor software upgrades, and local network equipment in both Councils.	47	53	100
	402	663	1,065

- 4.3 The top slicing of the General Fund programme in each year to ensure funding for key strategic issues such as the planned building maintenance programme, ICT and the partnership programmes will mean that, of the overall resources of available in 2021/22, the following resources will remain for other schemes:

Adur District Council:	£598,000
Worthing Borough Council:	£1,837,000

- 4.4 The proposed capital strategy is attached at Appendix 1. Appendix 2 gives details of the prioritisation model to be used in 2019/20 which has been updated to reflect the priorities outlined in 'Platforms for our Places'.

5. Engagement and Communication

- 5.1 The purpose of this report is to communicate with stakeholders on the approach to be taken to developing the Capital Investment Programmes of both Councils. The overall process for developing the new programme has been considered by the Capital Working Group

6. Financial Implications

- 6.1 The Strategy sets out recommendations for financing the future Capital Investment Programme.

Legal Implications

- 7.1 Part 1 of the Local Government Act, 2003 (as amended) sets out the framework for capital finance and expenditure and section 16 sets out the definition of capital expenditure.
- 7.2 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2012 (SI 2012/265) provide more detailed requirements.
- 7.3 Section 111 of the Local Government Act, 1972 allows the Council to do anything which is intended to facilitate or is conducive to or ancillary to any of its functions.
- 7.4 The statutory guidance on the flexible use of capital receipts is issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003.
- 7.5 The Government has published a statutory guidance on local government investments. The new edition applies in England only and for accounting periods starting on or after 1st April 2018. This is statutory guidance issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003.

Background Papers

Report to the Joint Strategic Committee on 10th July 2018: Capital Strategy 2019/22

Report to the Joint Strategic Committee on 10th July 2018: Towards financial sustainability - Budget Strategy 2019/20

The Prudential Code for Capital Finance in Local Authorities (2017 edition) – Publication by the Chartered Institute of Public Finance and Accountancy

Report to the Joint Strategic Committee on 31st January 2019: Joint Treasury Management Strategy Statement and Annual Investment Strategy 2019/20 to 2021/22 for Adur District Council and Worthing Borough Council

Report to the Joint Strategic Committee on 5th March 2019: Strategic Property Investment Fund 2019 (SPIF) and the Commercial Property Investment Strategy (CPIS) 2019/20

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Sustainability & Risk Assessment

1. ECONOMIC

- The capital programme prioritisation model awards points for capital project proposals that impact positively on the economic development of our places or the economic participation of our communities.

2. SOCIAL

2.1 Social Value

- The capital programme prioritisation model awards points for capital project proposals that impact positively on our communities.

2.2 Equality Issues

- The capital programme prioritisation model awards points for capital project proposals that address DDA requirements and reduce inequalities.

3. Environmental

- The management, custodianship and protection of our natural resources are considered when capital schemes are assessed for inclusion in the Councils' Capital Investment Programme.

4. Governance

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



ADUR & WORTHING
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**INVESTING IN ADUR AND
WORTHING:
CAPITAL STRATEGY
2020-2023**

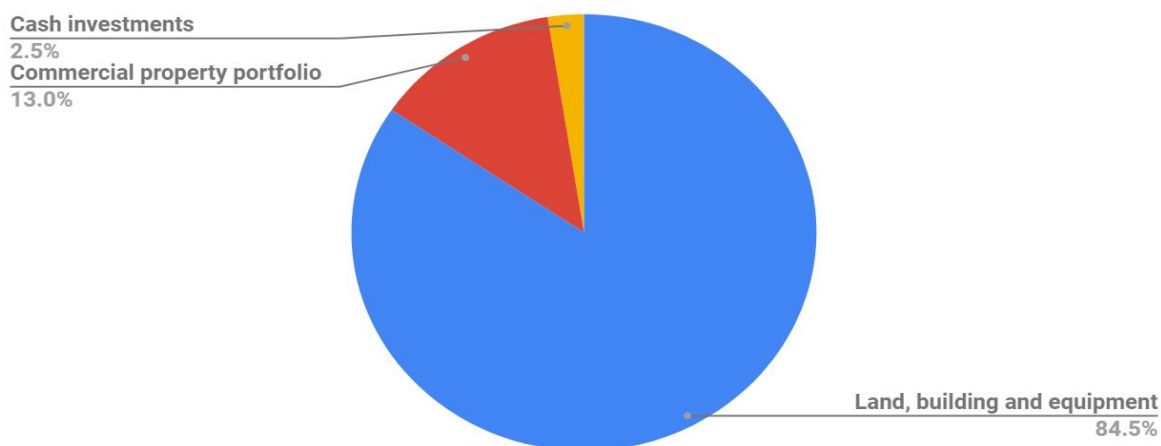
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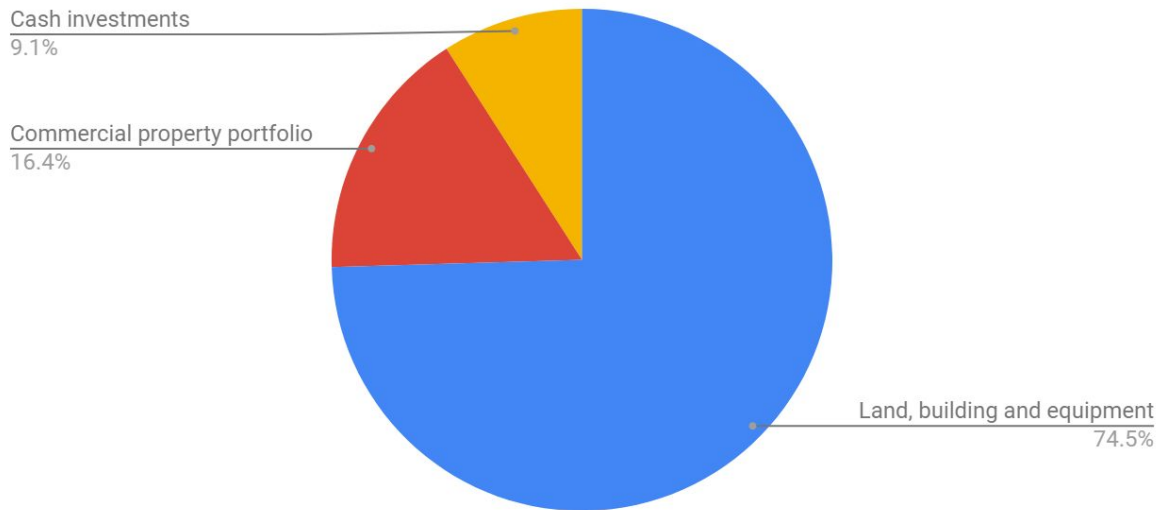
1.0 INTRODUCTION

- 1.1 Overall the Councils holds several different types of investment to support service delivery:

Adur District Council - Total investments of £284.7m



Worthing Borough Council - Total Investments of £195.6m



There are three interlinked strategies governing how the Council manages these investments and the associated risks:

- Capital strategy which outlines the Councils approach to investing in fixed assets such as land, buildings and equipment together with detailing how the proposed programme will be financed;
- Treasury Management Strategy Statement (TMSS) and Annual Investment Strategy which details how the Council will manage the risks and opportunities associated with cash investments and borrowings. This was approved by both Councils in March 2019;
- Commercial Property Investment Strategy which deals with how the Council will manage the risks associated with the investment in and management of the Investment Property Portfolio. This strategy was approved by both Councils in March 2019.

1.2 This document sets out the Councils' Capital Strategy, which outlines the approach to capital investment, how the Councils ensure that capital investment is directed to the Corporate Priorities and the implications of the financing strategy. It also shows how we work with partners to deliver schemes. The strategy outlines the basis for the prioritisation of all capital bids put forward for inclusion in the three-year programme, including Housing, and the monitoring and evaluation of the programme. The Capital Strategy is intrinsically linked to our Asset Management Plan as a substantial amount of capital expenditure is invested in the property assets held by the Councils.

1.3 **The Council's Vision and Corporate Plan**

In 2010 'Adur in Partnership' and 'Worthing Together', the Local Strategic Partnerships adopted an updated Sustainable Community Strategy 'Waves ahead'. This is a sixteen year plan, which will operate through to 2036 and help to deliver the vision for where the two areas want to be in twenty years' time and how some of this vision will be delivered.

1.4 The Corporate Plan focuses upon the areas of the Community Strategy to which the Council can and will contribute. The Councils current Corporate Priorities are detailed in 'Platforms for our Places' which captured the Councils vision for the next 3 years.

1.5 In order to help deliver the Vision, the following five 'Platforms' were agreed in 2017. Each Platform has a series of commitments for the next three years. Those which may have a direct impact on the capital strategy are summarised as follows:-

Platform 1: Our Financial Economies

- Support our business sectors in providing growth
- Use the Councils' Strategic Property Investment Fund to deliver new revenue streams and support investment projects.
- Investment in and delivery of Major Projects and key infrastructure.
- Developing our learning and skills ecosystem.

Platform 2: Our Social Economies

- Providing and enabling the delivery of new homes across Adur and Worthing
- Promoting the good physical and mental health of our communities

Platform 3: Stewarding our Natural Resources

- Improve environmental resilience in Adur and Worthing
- Provide infrastructure for environmental resilience.

Platform 4: Services and Solutions for our places

- Using customer insight to develop more customer-centred services.
- Utilising the expertise in our communities.

- Responding to regulatory change and competition.

Platform 5 – Leadership of our Places

- Developing strong partnerships and the capacity of our place leaders.
- Working with partners to maintain and manage platforms.
- Utilising place data and intelligence.
- Promoting Adur and Worthing.

Further details of all of the priorities and how these will be achieved are included in a programme of work called ‘Platforms for our Places’ which can be found on the internet.

1.5 Three Year Capital Investment Programme

The main purpose of the Councils’ Capital Investment Programme is to provide assets for the provision of services, fund capital investment to generate income streams for the future, and to deliver the Councils’ Priorities. It is prepared by considering resources available and then prioritising capital schemes in line with Corporate Objectives and other criteria. A summary of the current Capital Investment Programmes 2019/20 – 2021/22, including funding, is shown in Appendices 3, 4 and 5. Full details can be found on the Intranet and in the budget book.

Examples of where capital expenditure will help to deliver the Council’s strategic aims over the next three years are:

i) **Delivery of the Digital and IT strategy (Total: £1,856,810 split as follows Adur: £872,690 Worthing: £984,120)**

The Councils are committed to improving how services are delivered to the public. The Councils believe that good robust strategy and systems that are easily accessible by the public ensure that the Councils provide efficient services.

ii) **Affordable housing (Adur: £6,378,870, Worthing: £8,991,900 Total: £15,370,770)**

The Councils are committed to enabling affordable housing development for the residents of Adur and Worthing. The new Housing Strategy agreed earlier this year outlined the challenges clearly for the Council. The Council is committed to working with social sector landlords to support the development of homes for rent that are safe, decent, and meet the needs of residents in Adur and Worthing.

iii) **Adur and Worthing Services (Total: £2,264,100 split as follows: Adur share: £884,560 Worthing share: £1,379,540)**

The two Councils provide shared services with a view to improving service standards and reducing the cost of services to residents. Recent investments include a new vehicle fleet for street cleaning and refuse collection services at a cost of £4.2m. The Councils regularly invest in vehicles and equipment for the joint services.

iv) **Maintaining Council Homes for residents of Adur Homes**

Adur District Council has committed to maintaining Council homes with planned investments ranging from fire safety improvements to new kitchens and bathrooms. Overall the Council plans to invest £9,162,800 in the Council housing stock in 2019/20.

v) **Building a new office block in Adur District Council**

The council is currently building a new office block on the old car park site in Ham Road. This will provide 25,000 m² of modern office space.

vi) **Investing in the Town Centre in Worthing**

Worthing Borough Council has started a refurbishment programme of its main car parks to ensure that they are safe and pleasant to use for visitors to the Town Centre.

2.0 RESOURCE ALLOCATION

2.1 Prudential Capital System

2.1.1 The Government introduced the current system for the management of capital finance in 2004/05 contained in The Local Authorities (Capital Finance and Accounting) Regulations (2003), which became operative from 1st April 2004. The act sets out the financial power for local authorities to use unsupported prudential borrowing for capital investment provided that the Council can afford the revenue consequences of any proposed borrowing.

2.1.2 The key objectives of the prudential system are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. Under the regulations local authorities have been given the freedom to determine the amount of external borrowing they are prepared to undertake when considering their own capital spending and financing decisions.

2.1.3 The most significant change under the prudential system has been the initial determination of the limits of affordability for providing capital investment, taking into account the opportunity costs of alternative financing decisions.

2.1.4 The Prudential Code has recently been refreshed. The capital strategy has been expanded to include consideration not only of capital expenditure; but also capital investments and liabilities; and the link to treasury management. The intention is to bring together not only the capital expenditure policy and plans, but to include financing considerations in one comprehensive document. Additional requirements include:

- **The impact of the capital programme on debt and borrowing including:**

- A projection of external debt and use of internal borrowing to support capital expenditure
- Provision for the repayment of debt over the life of the underlying debt.
- Authorised limit and operational boundary for the following year.
- The authority's approach to treasury management including processes, due diligence and defining the authority's risk appetite.

- **Commercial activity**

The Council's approach to commercial investment activities including processes ensuring effective due diligence and defining the authority's risk appetite in respect of these, including proportionality in respect of overall resources. Requirements for independent and expert advice and scrutiny arrangements.

For Adur and Worthing councils, the key commercial investment activity is the Strategic Property Investment Fund which funds the acquisition of commercial property. The Property Investment Strategy details the Councils approach to risk management which will be added to this strategy as an appendix to the strategy once approved.

- **Other long-term liabilities**

An overview of the governance process for approval, monitoring and ongoing risk management of any other financial guarantees and other long-term liabilities.

- **Knowledge and skills**

A summary of the knowledge and skills available to the authority and confirmation that these are commensurate with the authority's risk appetite.

2.1.5 The Councils comply with all of the requirements of the Prudential Code (the Code) with one exception. The Councils have chosen to invest in Commercial Property with the long term strategic intention of generating a sustainable income for the Councils to replace that lost through the reductions to Government Funding to support service delivery. Under the Statutory Guidance on Investment, the Councils are allowed to diverge from the Code provided that the Councils have an investment strategy for Commercial Property which details:

- Why the local authority has decided not to have regard to this Guidance or to the Prudential Code in this instance; and
- The local authority's policies in investing the money borrowed, including management of the risks, for example, of not achieving the desired profit or borrowing costs increasing.

This requirement is fulfilled by the Commercial Property Investment Strategy which is approved annually by the Councils.

2.2 Resources

2.2.1 At the outset of each Capital Investment Programme planning cycle, the level of resources available to fund the programme is reassessed in light of the most recent information. The current programme is then reviewed to establish the level of resources needed to fund the committed programme. This information is then used to establish the resources available to fund new schemes.

2.2.2 The current capital financing strategy is based on a mix of funding including capital receipts, capital grants, revenue contributions, use of reserves, specific one-off external contributions and Prudential Borrowing. The Council will always opt to use capital receipts and grants ahead of any borrowing if possible. The Capital Investment Programme Strategy assumes:

For Adur District Council:

- A net overall addition to the general fund programme each year of £1.0m funded from a mix of Prudential Borrowing and capital receipts supplemented by S106 receipts and other grants and contributions.
- An annual HRA programme of £5.5m for 2020/21 and £5.6m for 2021/22 for capital maintenance. This is expected to be funded from the Major Repairs Reserve, capital receipts, prudential borrowing, revenue contributions, and any grants.

In addition, the Council will progress a new build programme funded by a mixture of grants, borrowing, retained capital receipts which have

been set-aside for replacement affordable housing and other capital receipts. Each new development is to be the subject of a financial appraisal.

- The Strategic Property Investment Fund is to be continued. This is to be used to procure or develop commercial property which will generate an income stream for the Councils for the future. Each proposal will be the subject of a detailed appraisal and the net income must exceed the cost of borrowing by at least 2% over the life of the investment. The approach to managing risk, the governance arrangements and appraising individual acquisitions is set out in the Property Investment Strategy.

Furthermore, if an investment is of particular strategic merit and/or of high quality and offering a long term secure tenancy; it was agreed that a lower yield would be accepted, with the proviso that the return should always exceed the cost of borrowing by at least 1%. It is proposed that each Council invests up to £50m per year gradually building up to a portfolio of £125m each. Funding can only be released with the approval of the Leader and the Executive Member for Resources. The proposed programme is detailed below:

	Actual 2016/17 £'000	Actual 2017/18 £'000	Actual 2018/19 £'000	Estimate 2019/20 £'000	Estimate 2020/21 £'000	Total £'000
Adur	0	11,579	26,366	50,000	37,055	125,000

For Worthing Borough Council:

- A net overall addition to the general fund programme each year of £2.5m funded from a mix of Prudential Borrowing and capital receipts supplemented by S106 receipts and other grants and contributions.
- The Strategic Property Investment Fund is to be continued. This is to be used to procure or develop commercial property which will generate an income stream for the Councils for the future. Each proposal will be the subject of a detailed appraisal and the net income must exceed the cost of borrowing by at least 2% over the life of the investment. The approach to managing risk, the governance arrangements and appraising individual acquisitions is set out in the Property Investment Strategy.

Furthermore, if an investment is of particular strategic merit and/or of high quality and offering a long term secure tenancy; it was agreed that a lower yield would be accepted, with the proviso that the return should always exceed the cost of borrowing by at least 1%. It is proposed that each Council invests up to £50m per year gradually

building up to a portfolio of £125m each. Funding can only be released with the approval of the Leader and the Executive Member for Resources. The proposed programme is detailed below:

	Actual 2016/17 £'000	Actual 2017/18 £'000	Actual 2018/19 £'000	Estimate 2019/20 £'000	Estimate 2020/21 £'000	Total £'000
Worthing	3,472	9,464	26,972	50,000	35,092	125,000

2.2.3 Capital flexibilities

The Councils have the ability to use capital receipts to fund revenue expenditure provided that :

- The proposed expenditure will generate on-going savings
- The Council produces a strategy detailing the projects to be funded by the capital flexibilities and the level of saving generated by the initiative. This can be updated at any time.

To take advantage of this flexibility, one third of new capital receipts generated in 2019/20 - 2021/22 will be set-aside to fund initiatives which will result in a reduction in the cost of delivering services. Such receipts can only be used to deliver savings proposals identified as part of the budget setting process. The Joint Strategic Committee or the Executive Member of Resources can approve the in-year use of the receipts which will be reported to Council together with an updated strategy.

The use of the capital flexibilities will enable the Councils to protect it's earmarked reserves and build capacity to take forward initiatives which generate budget savings.

2.2.4 The remaining capital receipts are used to fund the prioritised capital programme unless ring-fenced for a specific purpose such as the delivery of affordable housing and Shoreham Renaissance in Adur.

2.3 Of the total resources available, the following will be earmarked to fund specific council objectives:

	Adur District Council £'000	Worthing Borough Council £'000	Total £'000
Annual ring fence from available resources to fund essential capitalised planned maintenance schemes.	75	150	225
Annual Set aside from available capital resources for any capital investment needs arising from the partnership strategy – to fund planned vehicle replacements	221	394	615
Recommended set-aside to facilitate the delivery of the digital strategy.	59	66	125
Essential replacement of ICT desktop equipment, minor software upgrades, and local network equipment in both Councils.	47	53	100
	402	663	1,065

- 2.4 It is the both Councils' policy to maximise capital receipts through a review of existing property use. A rigorous approach has been adopted to the identification and disposal of surplus assets that are no longer required to meet the Corporate Priorities of the Councils and cannot be redeveloped to generate the Councils long term income streams. The Strategic Asset Management Board regularly considers the property portfolio and identifies property for sale. The Council views this as the most cost effective way to finance the capital programme. However, both Councils have a diminishing asset base and the sites remaining are some of the most difficult to sell.
- 2.5 Although the Councils have been able to fund some of its capital programme from capital receipts in recent years, asset sales are unlikely to be sufficient to fund the capital programme in the future. Therefore the Council will need to explore new sources of funding, particularly for major capital schemes. These could include extending the use of prudential borrowing, external funding from the various grant agencies including the national lottery distributors, S106 Agreements, Community Infrastructure Levy, Area Investment Framework funding and Private Finance Initiatives and Partnerships, including Public Private Partnerships Schemes. Examples of partnership funding are shown in 6.4.

2.6 External Funding

External funding is now an important source of finance for the Councils. With this in mind, the Councils will research new funding streams to ensure that the Councils are aware of upcoming opportunities.

Overall, the aim of external funding is to ensure that the Councils can continue to improve or renew community facilities whilst alleviating the cost to the public purse.

2.7 Invest to Save

Both Councils have introduced an 'invest to save' scheme. This provides capacity within the Councils to approve capital schemes which generate efficiency savings. The Councils will consider capital proposals which produce revenue savings that exceed the cost of borrowing by at least 10% over the life of the investment. The cost of these schemes can be funded from prudential borrowing as the revenue costs of borrowing will be funded by the on-going revenue savings. These schemes can be approved at any time by the Joint Strategic Committee. Examples of projects include:

- energy efficiency schemes whereby the reduction in energy costs may be sufficient to repay the borrowing costs.
- the provision of Empty Homes grants to assist people to bring properties back into use, increasing council tax revenue and also attracting additional New Homes Bonus Funding. It may also reduce homelessness costs indirectly if we are able to ensure the property is let to ADC/WBC housing applicants.
- Investment in new temporary accommodation to reduce the cost of accommodating affected residents.

Any such scheme is to be subject of a full option appraisal over the life of the asset, which should consider the whole life cost implications of the proposed investment and be considered by the Joint Strategic Committee as part of the approval to spend.

2.8 Value for Money

Getting value for money is a key priority for the Councils and the Capital Investment Programme should provide high quality, value for money public services. The Councils recognise that best value is based on whole life costs and therefore the on-going revenue implications of capital spend are identified when bids for capital resources are assessed and when schemes are approved; when a new capital project is proposed any impact on revenue expenditure is anticipated and costed. These revenue costs are used to inform the revenue budget planning process and are considered alongside other priorities in the revenue budget when the overall budget is

set. Costs to be assessed include the opportunity cost of using the resources, the interest earnings foregone by utilising reserves and capital receipts, and any additional revenue costs or savings arising from the investment.

2.9 Overall funding of the programme:

Details of the overall capital expenditure budgets and planned financing as approved by Council are attached as Appendices 3 and 4. These will be the subject of revision throughout the year as updated information regarding the likely profile of the spend becomes known.

The latest forecasts of the overall borrowing required to fund the capital programmes are as follows:

Adur District Council - General Fund	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000
Capital Financing Requirement as at 1st April	63,147	119,049	155,326	152,409
Current estimate of new borrowing:				
General Fund Programme	7,243	2,060	1,000	1,000
For new Commercial Activities	50,000	37,055	0	
Less: Minimum Revenue Provision				
General Fund	-797	-1,044	-1,197	-1,290
New Commercial Activities	-544	-1,794	-2,720	-2,720
CFR as at 31st March	119,049	155,326	152,409	149,398
Actual General Fund Debt at start of year	57,999	113,901	150,178	147,261
Estimated Borrowing to be undertaken in year	55,902	36,277	-2,917	-3,010
Estimated borrowing as at 31st March	113,901	150,178	147,261	144,250
Estimated under borrowing (funded from internal resources)	5,148	5,148	5,148	5,148

	2019/20	2020/21	2021/22	2022/23
<u>Adur District Council - HRA</u>	£'000	£'000	£'000	£'000
Capital Financing Requirement as at 1st April	60,103	66,768	70,265	71,865
Current estimate of new borrowing:	6,665	3,497	1,600	1,700
CFR as at 31st March	66,768	70,265	71,865	73,565
Actual HRA Debt at start of year	58,168	64,833	68,330	69,930
Estimated Borrowing to be undertaken in year	6,665	3,497	1,600	1,700
Estimated borrowing as at 31st March	64,833	68,330	69,930	71,630
Estimated under borrowing (funded from internal resources)	1,935	1,935	1,935	1,935
<u>Adur District Council - Summary at 31st March</u>				
Total CFR	185,817	225,591	224,274	222,963
Total debt	178,734	218,508	217,191	215,880
Under / (over) borrowing	7,083	7,083	7,083	7,083

<u>Worthing Borough Council - General Fund</u>	£'000	£'000	£'000	£'000
Capital Financing Requirement as at 1st April	70,674	128,392	163,056	161,736
Current estimate of new borrowing:				
General Fund Programme	8,925	2,420	2,500	2,500
For new Commercial Activities	50,000	35,092	0	
Less: Minimum Revenue Provision				
General Fund	-704	-1,095	-1,190	-1,159
New Commercial Activities	-503	-1,753	-2,630	-2,630
CFR as at 31st March	128,392	163,056	161,736	160,446
Actual General Fund Debt at start of year	67,599	125,317	159,981	158,661
Estimated Borrowing to be undertaken in year	57,718	34,664	-1,320	-1,289
Estimated borrowing as at 31st March	125,317	159,981	158,661	157,371
Estimated under borrowing (funded from internal resources)	3,075	3,075	3,075	3,075

The planned borrowing is within the borrowing limits approved by the Councils in February 2019. These limits are refreshed annually in the light of the new approved capital programme and progress against this programme.

Operational boundary	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Adur District Council	£m	£m	£m	£m
Debt	143.0	191.0	191.0	191.0
Other long term liabilities	1.0	1.0	1.0	1.0
Total	144.0	192.0	192.0	192.0
Worthing Borough Council				
Debt re Worthing Homes	10.0	10.0	10.0	10.0
Other Debt	95.0	140.0	140.0	140.0
Other long term liabilities	1.0	1.0	1.0	1.0
Total	106.0	151.0	151.0	151.0

The revenue consequences of the planned borrowing are allowed for within the current General Fund revenue budget and the outline forecast. The costs of borrowing are expected to increase over the next four years, however the borrowing either associated with the Strategic Property Investment Fund or any invest to save initiatives will be funded by increased income or reduced costs. This is illustrated in the table below:

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Adur District Council*				
Total debt charges	3,357	4,195	4,709	5,264
Less:				
Income from Strategic Property Investment Fund	-2,523	-3,726	-4,326	-4,926
Net additional cost of capital programme	834	469	383	338

* This excludes the HRA borrowing which is factored into the 30-year business plan

Worthing Borough Council	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000
Total debt charges	3,188	4,008	4,787	5,342
Less:				
Income from Strategic Property Investment Fund	-2,462	-3,647	-4,512	-5,112
Net additional cost of capital programme	726	361	275	230

Full details of the Councils' borrowing strategy and associated prudential indicators can be found in the Councils' Treasury Management Strategy Statement which can be found on the Councils website.

3.0 PRIORITISATION

3.1 In order to ensure that resources available for capital investment are used efficiently and effectively, all capital projects are prioritised in line with corporate objectives, priorities and other criteria using a prioritisation model, which is outlined in Appendix 2.

3.2 This is achieved by a 2 stage capital bidding process:

- Stage 1 will involve an outline business case for each scheme proposed. This will be the subject of an initial review to ensure that schemes have a realistic prospect of being included within the final programme and that proposals meet the strategic objectives of the Council. The initial bid list will be shared with the Corporate Leadership Team, Executives members and the Informal Cabinets for review.
- Stage 2 will include a full scored business case which will then be used to produce the draft programme for member consideration in December 2019. This is then subject to the Council's consideration and approval.

3.3 Bids for additional resources will only be considered where they accord with the Capital Strategy, and where the authority has taken into account ongoing commitments and conformity with Strategic Objectives, Service Plans and other criteria in relation to its capital needs and other resources. Schemes which are considered for inclusion in the capital programme outside the annual bidding process are also "priority scored" to ensure that they meet the priority score which would include them in the capital programme for the relevant year.

3.4 Each year after the 3 year capital investment programme has been agreed by the Councils, the Capital Working Group reviews the prioritisation process. If necessary, the capital bidding documents and process are amended to ensure that corporate objectives and priorities, and the benefits and impact of schemes are adequately reflected in the prioritisation procedure.

3.5 **Option Appraisal**

Option Appraisal is an essential part of the prioritisation process and enables the Councils to make informed, transparent and consistent decisions about the capital projects to be taken forward.

The Council's current policy on Option Appraisals is as follows:

- (i) Individual projects costing under £250,000 – Officers are asked to consider other options (including capital and revenue implications) as part of the Capital Bid Submission.
- (ii) Individual projects costing between £250,000 and £500,000 – Option Appraisals are completed in house by the project team. These should consider the whole life cost implications of the proposed investment and must be considered by the Joint Strategic Committee or Executive Member as part of the approval to spend process.
- (iii) Individual projects costing in excess of £500,000 – Option Appraisals are completed either using the in-house team or by using external consultants where appropriate. These should include the whole life cost of the proposals and will need to be ratified by the Joint Strategic Committee or Executive before giving approval to spend.

Grant programmes such as affordable housing and disabled facilities grant are excluded from the requirement to undertake detailed option appraisals.

3.6 **Scheme Approval**

Every year a draft 3 Year Capital Investment Programme is submitted to the Joint Strategic Committee in November/December and recommended to the Councils in December. The report identifies schemes where expenditure has been committed costing in excess of £250,000 necessitating approval as a Key Decision; schemes costing £250,000 or less where expenditure has been committed; and the future schemes for the three years under consideration. It also compares the revised outturn for the current year with the original estimate. Final amendments are made to reflect changes in timescales and cashflows, and to ensure the production of a balanced programme in accordance with the overall resources available for funding, prior to submission to the Budget Council Meeting in February each year.

- 3.7 Schemes costing £250,000 or more require a report to be prepared for the Joint Strategic Committee or Executive Member outlining details of the scheme, the method of procurement and the capital and revenue implications. The Chief Financial Officer in consultation with the relevant Executive Member has delegated approval for schemes costing under £250,000. This is achieved by Officers responsible for capital projects completing a Project Initiation Document (P.I.D.), comprising of a Capital Bid Sheet, Project Plan and Project Estimate Form. The P.I.D. is sent to the Executive Member(s) for comment with 3 days and is then approved electronically by the Chief Financial Officer and the Head of Service/Director who is responsible for the scheme. No scheme can proceed without either an approved P.I.D. or an Approval Report.
- 3.8 The programme is updated each year in July as a result of the financial outturns following the closure of the previous year's accounts, which are reported to Members in the early summer. Any slippage or works completed ahead of schedule are quantified in budget terms, and approval is sought to make the necessary financial adjustments to the approved budget.

4.0 FRAMEWORK FOR MANAGING, MONITORING AND EVALUATING THE CAPITAL PROGRAMME

- 4.1 Detailed management, monitoring and review in terms of both the delivery of Service outcomes and Corporate Objectives and financial performance is the responsibility of the Capital Working Group, working in conjunction with Heads of Service.
- 4.2 Quarterly progress reports incorporating any recommended variations to the Programme, financial monitoring reports and completed project evaluations are submitted to the Council's Leadership Team, and the Joint Strategic Committee. Any 'learning' arising from the monitoring/review process is used to inform the strategy on an ongoing basis. The Financial Regulations stipulate how the financial aspects of the capital programme and each capital scheme should be managed and the Capital Working Group ensures compliance with these requirements.

5.0 CONSULTATION

- 5.1 Both Councils are committed to consulting with the community, its partners and service users on the key issues affecting the quality of life within the area. It has always been important to ensure that resources and services are designed, delivered and improved to meet the changing needs and expectations of our community, our partners and our service users. To achieve this commitment the Council consults and involves the community on any major or controversial capital schemes and will make its policies, decisions and services more accessible to comment from residents,

businesses, agencies and major partners. Examples of areas where recent consultation exercises have been completed include:

- Development of new or improved playgrounds
- Shoreham Harbour regeneration
- Worthing Seafront Strategy regeneration schemes

6.0 PARTNERSHIP WORKING

6.1 Both Councils recognise the importance of partnership working in delivering their own corporate priorities as well as those of many organisations, public and private and is actively developing partnership working, especially when it is considering capital expenditure to “add value” to all that it does. The Councils are aware that they do not work in isolation and that it must ensure that it looks outward to working with the community, its residents and partners, in order to identify and act on local priorities to improve the wellbeing of local communities. Tackling cross cutting issues, in particular, regeneration, community safety, social exclusion and sustainable development require a joined up approach across local authority service teams, other authorities and agencies, the private sector and also our voluntary sector partners.

6.2. The Councils have a history of working successfully together with other neighbouring Authorities on a range of activities including housing, coast protection and regeneration. The Councils continue to work closely with the Health bodies, Police and other organisations that can contribute to meeting its strategic objectives. In this regard, there has been a much closer working relationship forged with Health and Social Services to provide a more integrated service, especially in Housing.

6.3 Therefore, by working together in partnership with others the Councils seek to influence work to ensure that all opportunities are maximised to the full benefit of the residents of both areas, so that the Councils can be satisfied that they are maximising all funding opportunities and achieving efficiencies wherever possible.

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6.4 The Councils have many partners with whom they currently work and the potential for many more. The following are some examples of the areas where work is currently being undertaken with other Councils and partners:

Registered Providers (Housing Associations) and Homes and Communities Agency (and developers)	Affordable Housing Programme and the provision of temporary accommodation
West Sussex County Council	Community Strategy, Family Intervention Project, Help Points, Highway matters, Youth Homelessness Prevention
West Sussex County Council and Brighton and Hove City Council	Shoreham Harbour Regeneration Project and the City Deal bid.
West Sussex County Council, Sussex Police Authority, Probation and Health Authorities	Safer Communities Partnership
Worthing Primary Care Group	Local Health Improvement Programme, Wellbeing Hub
Various maritime authorities from Selsey Bill to Beachy Head	Coast Protection – Coastal Monitoring Project for the South Downs Coastal Group
Various maritime authorities from New Forest to Thames Estuary (in conjunction with New Forest and Canterbury)	Coast Protection – Strategic Coastal Monitoring Project for the South East Region
Shoreham Port Authority	Coast Protection – Brighton Marina to River Adur Flood and Coastal Erosion risk Management Strategy
West Sussex County Council	Better Care Fund – Provision of Disabled Facilities Grants
West Sussex Local Authorities	Provision and Management Agreement of a gypsy and traveller transit site

7.0 Links to other Strategies and Plans

7.1 The overall capital strategy stands above the more operational strategies that are needed for key services, such as Housing, Leisure, Environment, and other locally determined blocks of spending. The capital strategy does not sit in isolation but is informed by and informs other strategies. It provides a basis upon which other strategies can be developed and devised. The links between these strategies are extremely important.

7.2 The Councils have identified the following major Strategies and Plans which have been approved or developed; 'Platforms for our Places', Asset Management Plan, Accommodation Strategy, Waves Ahead (Joint Community Strategy), Community Safety Strategy, Cultural Strategy, Economic Development Strategy, Housing Strategy, Information and Communications Technology (I.C.T.) Strategy, Leisure Strategy, Local Plan, Local Transport Plan, Local Waste Management Strategy, Procurement Strategy, Emergency Plan, Shoreline Management Plan, Surface Water Management Plan, Coast Defence Strategy, Public Realm and Seafront Strategy and Civic and Cultural Hub Strategy.

7.3 Link to the Housing Strategy

The joint Adur Worthing Housing Strategy was approved by the Joint Strategic Committee in March 2017. This detailed a new three year programme of action and was developed in the light of emerging housing policy. Work is about to commence on a refresh of the strategy which is due to be considered in 2020.

7.4 Link to the Asset Management Plan

The capital strategy provides the policy framework for the operational work of asset management. Corporate asset management planning covers all the Councils' assets and should result in a realistic, costed 3 - 5 year programme linked to outputs. The current Asset Management Plan is due for a complete refresh. The Asset Management Plan forms an important part of the Councils' Capital Strategy as it informs the investment requirement over the next 10 years.

7.5 Link to the ICT Strategy and Digital strategy

The developing ICT and Digital Strategies are critical links between the Council's Corporate Plans, Central Government Initiatives and Information Technology and are therefore an integral part of the Council's business planning process. However, future capital investment must take account of resources available for future funding and be seen to offer value for money, and is informed by the Capital Strategy.

7.6 Link to the Commercial Property Investment Strategy

The Property Investment Strategy outlines the approach that the Council takes to investing in Commercial Property. It details how the investment is governed, how council will manage risk, how the fund will be structured in the future.

8.0 PERFORMANCE MANAGEMENT AND MEASUREMENT

8.1 In addition to adopting the Property Performance Indicators as set out in the requirements for Asset Management Planning, the Council has developed a range of local performance measures to inform various aspects of the Councils' Capital Programme. The overall performance of the capital programme, including post-scheme evaluation of projects, is overseen by the Capital Working Group as detailed in Section 4.

9.0 REVISING THE CAPITAL STRATEGY

9.1 The Capital Strategy is reviewed annually; adapting to the review of the Councils' strategic objectives. It does not need to be overhauled annually so long as the existing documentation remains valid. However, the Councils review the allocation of its Capital Resources on an annual basis to ensure that its programme of investment is in line with the actual resources available to support its spending needs and priorities.

10.0 SKILLS AND KNOWLEDGE OF STAFF

10.1 All staff involved in treasury management and property investment activities are professionally qualified. Staff have access to regular professional training to ensure skills are regularly updated. In addition, external advice is commissioned from advisors as appropriate. The council's current advisors are:

- For investment and borrowing advice - Link Asset consulting
- For property investments - CitiCentric

11.0 SUMMARY

11.1 The Councils will continue to prioritise its capital spending in line with their corporate priorities and other criteria, recognising that a commitment to partnership working remains a significant part in the Councils' overall approach. The Councils will annually review their approach to capital expenditure having regard to outcomes of asset management reviews and any changes to the Corporate Plan.



ADUR & WORTHING COUNCILS

CAPITAL PRIORITISATION MODEL

Criteria for scoring points

Category	Criteria
A	<p>Revenue Implications</p> <p>Add Points – 1 point per £2,000</p> <ul style="list-style-type: none"> • Additional revenue income as measured over asset life, after payment of running costs OR • Projects result in a reduction in the revenue budget from date of completion. • Any project whose annual saving exceeds the costs of borrowing over the life of the acquisition by 10% or more will gain automatic approval under invest to save principles, subject to approval by the Chief Financial Officer and ratification by JSC.
B	<p>Deduct Points – 1 point per £2,000</p> <ul style="list-style-type: none"> • Additional annual operation costs OR • The project results in increased net revenue costs.
C	<p>Building Condition Survey</p> <ol style="list-style-type: none"> 1) Good – Performing as intended and operating effectively (0 points). 2) Satisfactory – Performing as intended, but exhibiting minor deterioration (0 points). 3) Poor – Exhibiting major defects and/or not operating as intended (1 point). 4) Bad – Life expired and/or serious risk of imminent failure (5 points) <p>(The Condition must be agreed with Derek Magee, Technical Services, before adding points). Finance will seek validation of any points awarded here.</p>

Category	Criteria
D	<p>Equipment/Vehicle Condition Survey</p> <ol style="list-style-type: none"> 1) Good – Performing as intended and operating effectively (0 points). 2) Satisfactory – Performing as intended, but exhibiting minor deterioration (0 points). 3) Poor – Exhibiting major defects and/or not operating as intended (1 point). 4) Bad – Life expired and/or serious risk of imminent failure and non-replacement will have serious operational consequences (5 points).
E	<p>Equalities Impact Assessment - Add 5 points or 1 point</p> <p>Score 5 points where the objective of the scheme is to improve equalities e.g. DDA schemes, or score 1 point for schemes which contribute to equalities, e.g. access improvements.</p> <ol style="list-style-type: none"> 1) How will the proposed project improve Equality and Diversity in the area? 2) Who will benefit from this project? Is there likely to be a positive impact on specific equality groups (whether or not they are intended beneficiaries), and if so, how? Or is it clear at this stage that it will be equality “neutral”? i.e. will have no particular effect on any group. 3) Is there likely to be an adverse impact on one or more equality groups as a result of this scheme? If so, who may be affected and why? Or is it clear at this stage that it will be equality “neutral”? 4) Is the impact of the scheme – whether positive or negative – significant enough to warrant a more detailed assessment (Stage 2 – see guidance)? If not will there be monitoring and review to assess the impact over a period of time? Give reasons for your answer and any steps you are taking to address particular issues, including any consultation with staff or external groups/agencies.
F	<p>Improvement/Betterment - Add 1 point</p> <p>Improvement beyond essential requirement to existing services, work to improve the level of service where there is a proven need and demonstrable benefit. This includes results of Business Transformation or Service Reviews.</p>
G	<p>Health & Safety (non statutory) – Points 0 - 5</p> <p>The project is considered necessary for the health and safety of the Council’s employees or the general public and has been agreed with the Corporate Health & Safety Officer:</p> <ul style="list-style-type: none"> No Risk - 0 points Low Risk - 1 point Medium Risk - 3 points High Risk - 5 points


Category	Criteria																
H	<p>Risk Register If the scheme's risks are on the Corporate Risk Register the points to be awarded are High Risk 5 points, Medium Risk 3 points, and Low Risk 1 Point. Finance will seek validation of any points awarded here.</p>																
I	<p>Partnership working – Add 5 points Projects that involve partnership working where the partner contributes to the completion of the scheme, rather than just benefits from the outcome. This could be funding, in-kind work or involvement in the design process which has a direct affect on the final project.</p> <p>Examples would be community involvement, WSCC schemes, "Better Together" (Coastal West Sussex Partnership) and the police. Full details of all partners involved and their contribution to the scheme must be provided.</p>																
J	<p>Match Funding / External Funding Utilisation of Council resources. The higher the percentage of funding expected from the Local authority, the less points can be awarded: This has an individual ranking Matrix – please see below:</p>																
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="759 1207 1086 1263">External Funding % received</th> <th data-bbox="1086 1207 1445 1263">Points to be added</th> </tr> </thead> <tbody> <tr> <td data-bbox="759 1263 1086 1308">0.1% - 24%</td> <td data-bbox="1086 1263 1445 1308">1</td> </tr> <tr> <td data-bbox="759 1308 1086 1352">25% - 49%</td> <td data-bbox="1086 1308 1445 1352">2</td> </tr> <tr> <td data-bbox="759 1352 1086 1397">50% - 65%</td> <td data-bbox="1086 1352 1445 1397">3</td> </tr> <tr> <td data-bbox="759 1397 1086 1442">66% - 75%</td> <td data-bbox="1086 1397 1445 1442">5</td> </tr> <tr> <td data-bbox="759 1442 1086 1487">76% - 89%</td> <td data-bbox="1086 1442 1445 1487">7</td> </tr> <tr> <td data-bbox="759 1487 1086 1532">90% - 99%</td> <td data-bbox="1086 1487 1445 1532">10</td> </tr> <tr> <td data-bbox="759 1532 1086 1621">100%</td> <td data-bbox="1086 1532 1445 1621">10 or Automatic Approval **</td> </tr> </tbody> </table>	External Funding % received	Points to be added	0.1% - 24%	1	25% - 49%	2	50% - 65%	3	66% - 75%	5	76% - 89%	7	90% - 99%	10	100%	10 or Automatic Approval **
External Funding % received	Points to be added																
0.1% - 24%	1																
25% - 49%	2																
50% - 65%	3																
66% - 75%	5																
76% - 89%	7																
90% - 99%	10																
100%	10 or Automatic Approval **																
**	<p>Automatic approval is subject to the scheme contributing to the Council's aims, and future financial revenue implications being accommodated with the Council's overall revenue budget. All external funding must be confirmed by source before scheme is included in the Adur or Worthing Capital Investment Programme.</p>																
K	<p>Consultation – points to be determined by Members (up to 5 points in total) Projects that are important for community/political reasons following consultation.</p>																

COUNCIL PRIORITIES


Category	Criteria	Points
L	Minimum works required to prevent the Council failing in its statutory duty (e.g. DDA)	20
	Or There is a mandatory legal requirement to provide the service, the proposed scheme enables the service to be provided and that obligation cannot be met in any other way	20
M	Essential works are required to avoid serious long-term financial, operational or service consequences	15
	Or There is a demonstrable, priority need to replace the asset/ service on an essentially like for like basis (save for improvements in technology) as the existing asset is at the end of its useful life	15
N	Other schemes, which meet the Councils priorities as laid out in the Platforms for our Places, Service Plans, Local Area Agreements, Community Strategy Priority Action Plans or the Councils' plans	10
O	There is an expectation by the Government that the Council should undertake a particular course although it may not be currently statutory and there is a likelihood of some form of sanction being applied against the Council if that expectation is not met.	5
P	Council Priorities (Platforms): 1 point for each point achieved from each platform (max. 18)	
P1	Platform 1 - Our Financial Economies 1.1) Projects to regenerate and activate places. 1.2) Creating and leveraging opportunities for investment. 1.3) Developing partnership with business sector and identify supports. 1.4) Developing our learning and skills ecosystem.	

Category	Criteria
<p>P2</p>	<p>Platform 2 – Our Social Economies</p> <p>2.1) Responding to communities’ needs in particular housing.</p> <p>2.2) Encouraging social financing and social innovation.</p> <p>2.3) Promoting the health and safety of our places.</p> <p>2.4) Exploring place-based health solutions.</p>
<p>P3</p>	<p>Platform 3 – Stewarding our Natural Resources</p> <p>3.1) Developing the environmental resilience of communities, business and infrastructure.</p> <p>3.2) Engaging the community and business in stewarding our environment.</p> <p>3.3) Developing the environment’s role in health and wellbeing.</p>
<p>P4</p>	<p>Platform 4 – Services and Solutions for our Places</p> <p>4.1) Using customer insight to develop more customer-centred services.</p> <p>4.2) Utilising the expertise in our communities.</p> <p>4.3) Responding to regulatory change and competition.</p>
<p>P5</p>	<p>Platform 5 – Leadership of our Places</p> <p>5.1) Developing strong partnerships and the capacity of our place leaders.</p> <p>5.2) Working with partners to maintain and manage platforms.</p> <p>5.3) Utilising place data and intelligence.</p> <p>5.4) Promoting Adur and Worthing.</p>


**SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL	Total Estimate £			
		2019/2020 Estimate £	2020/2021 Estimate £	2021/2022 Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)
<u>BUDGETS</u>				
Executive Member for Customer Services	35,712,770	17,750,740	10,331,900	7,630,130
Executive Member for Environment	2,553,960	1,692,240	621,650	240,070
Executive Member for Health and Wellbeing	308,050	274,450	33,600	-
Executive Member for Regeneration	1,606,600	1,286,800	134,630	185,170
Executive Member for Resources	152,795,030	52,157,040	50,308,670	50,329,320
	192,976,410	73,161,270	61,430,450	58,384,690
<u>FINANCING</u>				
<i>Capital Grants and Contributions</i>				
Communities and Local Government		410,000	425,000	500,270
Environment Agency		1,140,500	12,500	12,500
S106 Contributions from Planning Agreements		400,000	409,200	-
Other Contributions		227,000	-	-
<i>Prudential Borrowing</i>		63,796,870	55,556,580	53,326,450
<i>Revenue Contributions and Reserves</i>				
Revenue Contributions		81,920	81,920	81,920
Revenue Reserves		3,800,000	3,900,000	4,000,000
<i>Usable Capital Receipts</i>		3,304,980	1,045,250	463,550
		73,161,270	61,430,450	58,384,690

**SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL	Total Estimate £	2019/2020 Estimate £	2020/2021 Estimate £	2021/2022 Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)
<u>BUDGETS</u>				
Executive Member for Customer Services	12,820,770	4,248,770	4,178,600	4,393,400
Executive Member for Digital and Environmental Services	7,319,410	4,853,180	1,325,950	1,140,280
Executive Member for Health and Wellbeing	569,110	468,310	50,400	50,400
Executive Member for Regeneration	9,170,240	5,088,440	3,935,900	145,900
Executive Member for Resources	151,910,930	50,825,700	50,576,130	50,509,100
	181,790,460	65,484,400	60,066,980	56,239,080
<u>FINANCING</u>				
<i>Capital Grants and Contributions</i>				
Communities and Local Government		750,000	750,000	750,000
Environment Agency		17,500	17,500	17,500
S106 Contributions from Planning Agreements		538,800	20,000	-
Other Contributions		1,901,800	-	250,000
<i>Prudential Borrowing</i>		60,924,730	57,920,000	54,012,500
<i>Revenue Contributions and Reserves</i>				
Revenue Contributions		149,080	289,080	149,080
Revenue Reserves		210,590	70,400	60,000
<i>Usable Capital Receipts</i>		991,900	1,000,000	1,000,000
		65,484,400	60,066,980	56,239,080

**ADUR DISTRICT COUNCIL AND WORTHING BOROUGH COUNCIL PARTNERSHIP SCHEMES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR & WORTHING COUNCILS	Total Estimate £			
		2019/2020 Estimate £	2020/2021 Estimate £	2021/2022 Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)
<u>PARTNERSHIP SCHEMES</u>				
<i>Cemeteries</i>				
Replacement of one vehicle	28,000	-	28,000	-
<i>Dog Warden Service</i>				
Replacement of one vehicle	25,000	25,000	-	-
<i>Grounds Maintenance</i>				
Rolling programme of equipment and vehicle replacements	105,000	35,000	35,000	35,000
Vehicle replacements	284,000	151,000	-	133,000
<i>Information and Communications Technology</i>				
Corporate ICT hardware and infrastructure replacement programme	635,320	470,320	65,000	100,000
Digital Strategy General Provision to facilitate delivery of the digital strategy	993,490	543,490	225,000	225,000
Financial Management System - Replacement including Total Licence extension	53,000	53,000	-	-
Payroll System - Replacement	175,000	175,000	-	-
<i>Parks and Open Spaces</i>				
Street litter and dog bins replacement programme	40,000	-	20,000	20,000
<i>Refuse / Recycling</i>				
Provision of wheeled bins	150,000	50,000	50,000	50,000
<i>Refuse / Recycling / Street Cleansing</i>				
Vehicle Replacements	1,632,100	824,100	431,500	376,500
	4,120,910	2,326,910	854,500	939,500