

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES

**AGENDA
ITEM NO**

12 JULY 2018

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Report Title	CAPITAL PROJECT MONITORING
Purpose of Report	To inform Committee of progress on capital projects within its remit. <ol style="list-style-type: none"> 1. Littlecombe Business Units 2. Brimscombe Port Development 3. Homes for Rent 4. ICT Investment
Decision(s)	The Committee: 1) RECOMMENDS to Council that the following delegations be provided to the Head of IT: <ol style="list-style-type: none"> i. To invite tenders and accept tenders where provision has been made in the budget subject to both the Contract and Procurement and Financial Procedure Rules. ii. To ensure procedures are in place (and communicated) to protect Council ICT assets from any inappropriate activity, use, loss or removal. This will include adhering to all appropriate legislation and Council rules regarding the acquiring, use, retention and removal/destruction of all Council ICT assets (including information). iii. To procure contracts, additional goods, works and services as appropriate which fall within this area of responsibility subject to such being within approved budget and not contrary to policy. 2) RESOLVES to note the remainder of the report.
Consultation and Feedback	Details are contained within the body of the report.

<p>Financial Implications and Risk Assessment</p>	<p>There are a number of updates included in this report that will impact on the Council's wider capital programme and subsequently the capital financing.</p> <p>It is unclear at this stage what effect these updates will have on the capital expenditure profile and the capital financing available to support it. Any changes will need to be considered alongside a wider review of the Council's capital programme and Medium Term Financial Plan as part of the 2019/20 budget setting process.</p> <p>David Stanley – Accountancy Manager (Section 151 Officer) Tel: 01453 754100 Email: david.stanley@stroud.gov.uk</p>
<p>Legal Implications</p>	<p>There is an additional purpose of this report which is to seek agreement for the Scheme of Officer Delegations to be amended so as to give the Head of IT the delegated authority as set out under number 1 of the Decision(s). Full Council will need to approve the delegating of this authority to the Head of ICT. Those decisions (set out under number 1 of the Decision(s)) currently would be made (when in accordance with SDC policy and procedure) under the appropriate Director's general power at paragraph B1.2 of the Scheme of Officer Delegations, which would remain should Committee decide not to recommend to Council to delegate authority to the Head of IT.</p> <p>The remainder of this report is provided for information purposes only. The Council has a legal requirement to ensure that it monitors and reviews its capital expenditure in line with the approved budgets for the relevant year. Further legal implications will be considered when the particular projects require decisions of the committee. Any planning for investment will need to take account of and allow time for the relevant procurement procedures to take place. Any updates to strategic risks pertinent to the programmes should be included in the Strategic Risk Register as appropriate.</p> <p>Craig Hallett, Solicitor & Deputy Monitoring Officer Tel: 01453 754364 Email: craig.hallett@stroud.gov.uk</p> <p>RD28.06C29.06</p>

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Options	<ul style="list-style-type: none"> • The Committee can decide not to delegate authority to the Head of It • The remainder of the report is for information only
Performance Management Follow Up	Update reports are brought to Committee on a regular basis
Background Papers/ Appendices	Appendix A – Brimscombe Port: Key Milestones Appendix B - Planned IT capital investments 2018/19

1. Littlecombe Business Units – Dursley

- 1.1. Officers are pleased to report that WPD have completed the works relating to the electricity supply, practical completion has been achieved within budget and the business units have been handed over to SDC.
- 1.2. The finished units continue to be actively marketed, with Heads of Terms already agreed for 2 of the medium sized units. Now the business park is completed officers expect that there will be additional interest in the site, particularly from parties who have been awaiting completion.
- 1.3. Details and photographs of the units can be found using the following link to our agent: [https://www.ashproperty.co.uk/Properties/Dursley - Phase II, Littlecombe Business Park, Lister Road.aspx](https://www.ashproperty.co.uk/Properties/Dursley_-_Phase_II,_Littlecombe_Business_Park,_Lister_Road.aspx)

2. Brimscombe Port Redevelopment

- 2.1. At the meeting held on the 12 April 2018, members approved a further £1.6 million of capital funding towards the cost of the infrastructure at Brimscombe Port to support the redevelopment of the site.

- 2.2. All of the highway issues have been resolved and the information is now with Gloucestershire County Council for final approval. The baseline flood model has been agreed with the Environment Agency (EA) and the modelling is progressing to establish whether the design takes the site out of flood risk.
- 2.3. Current development proposals superimposed onto the plans indicate that more work is required to resolve all of the flooding issues and a revision of the master plan may be required to ensure that all of the development area is free from flood risk. This has delayed the programme as the modelling and design options are worked through with the EA to find a definitive design solution (see programme at Appendix A).
- 2.4. However, a positive meeting has recently been held with representatives from the EA who are supportive of finding a solution and have agreed to work towards the submission of a planning application in September. A further meeting is to be held with their biodiversity colleagues to look at possible improvements to the river bank.
- 2.5. CCTV drainage survey and a Ground Penetrating Radar survey have been carried out to help inform the scheme.
- 2.6. Meanwhile a consultant (Gleeds) have been appointed to provide advice and support in assessing the delivery options available to the council and to determine which of these would be the most appropriate means of progressing the scheme.
- 2.7. The first step is a workshop session with Investment and Development Panel to be held on the 9th July. This will be followed by soft market testing with potential partners in early September to establish market appetite and refine the proposal in order to stimulate competition in the OJEU procurement process to follow.
- 2.8. It is proposed that a delivery strategy is then presented to members at the Committee meeting on the 4th October 2018.
- 2.9. Work is progressing on the redrafting of the funding agreement with Homes England and the transfer of the freehold interest in the site from SVCC to the council.

3. Housing Initiatives - Investment Options

- 3.1 The Capital Programme, approved by Council in January 2017, included a capital scheme of £8 million to support the provision of new homes for rent. This was on the basis that at best the investment would make a positive return or, at worst, would cover costs. However, after consideration, given the levels of subsidy required it was clear that even a 'covering the cost' option was not achievable.

Consequently the Capital Programme, as approved by Council in January 2018, reduced the capital scheme to £2 million and titled 'Housing Initiatives' in order to broaden the spectrum of potential schemes. Clearly the same constraints impact on the nature of schemes irrespective of the size of the budget.

- 3.2 A number of potential options are being worked up by officers that cover three sectors: 1) temporary accommodation 2) new affordable homes and 3) older persons' accommodation. A report will be brought to a future meeting setting out options under these sectors. In advance of this further report progress has been made (at no cost to the capital budget) in securing new temporary accommodation in conjunction with a third party management company, as a pilot.
- 3.3 Each option will include consideration of the financial and legal issues. At a future meeting, members will need to consider their appetite for offering financial support to a housing initiative in light of the financial and legal advice. This may include options where there may be no financial return to the authority but there may be some indirect saving or return, or if their wish is to invest in a capital asset where the value is retained within the property, or where the investment reduces the pressure on other council services.

4. ICT Investment

- 4.1. A strategic review of our ICT has been completed by SOCITM (the society of IT managers). Their review encompasses our current systems, infrastructure, service needs and the likely future use and demands on our ICT service by the wider council service areas, including associated risks. A draft report containing key recommendations has been produced for consideration by Corporate Team and a briefing session for members of Strategy and Resources has been delivered.
- 4.2. The review essentially describes a way forward for making improvements to the structure of the ICT service, the management of the service and how the ICT service should be managed by the organisation, where the business establishes a management framework for setting the priorities for the ICT service to ensure it is aligned with the wider business objectives.
- 4.3. The Capital Programme, includes a capital scheme of £1.8m for ICT investment over the next 4 years. However, we anticipated the profiling of the expenditure would change significantly as a result of the SOCITM report and recommendations.
- 4.4. Therefore, it is proposed that the capital scheme is reprofiled over a five year period to meet the already identified need to develop a continuous ICT capital investment programme linked to projected ICT product life cycles.

4.5. There is the need to invest in new systems, services and practices to enable and support business change and deliver improved services to customers. As the ICT strategy is developed these additional capital investment requirements will become clearer.

4.6. We should also note that in order to ensure the implementation of our revised ICT investment strategy that we draw upon the best sector based learning and experience. We have worked with the LGA on a project to share information supporting councils to lever the highest levels of productivity from their use of ICT. Through this we have been awarded funding from the LGA to support the employment of an ICT productivity expert, with previous experience in other Local Authorities, who can support us in planning and implementing the delivery of the right ICT infrastructure and systems, drawing on past lessons and the SOCITM review. These projects will be managed so that one leads straight into the other through quarter 4 of the financial year.

4.7. Planned IT capital investments this financial year are shown in the table at Appendix B along with the current status. The current budget profile allocates £400,000 of the £1.8m in 2018/19.

4.8. In order to ensure the programme progresses without delays, it is recommended to committee that the Head of IT be provided with the following delegations:

- I. To invite tenders and accept tenders where provision has been made in the budget subject to both the Contract and Procurement and Financial Procedure Rules.
- II. To ensure procedures are in place (and communicated) to protect Council ICT assets from any inappropriate activity, use, loss or removal. This will include adhering to all appropriate legislation and Council rules regarding the acquiring, use, retention and removal/destruction of all Council ICT assets (including information).
- III. To procure contracts, additional goods, works and services as appropriate which fall within this area of responsibility subject to such being within approved budget and not contrary to policy.

APPENDIX A

Brimscombe Port – Key Milestones July 2018

	Activity	Date	Status
a)	Interim LA review of engineering options	29 August 2017	Completed
b)	SWDRP Workshop (Peer Review)	8 September 2017	Completed
c)	Submission of HIF bid	21 September 2017	Completed
d)	Information Evening for all Councillors	12 October 2017	Completed
e)	Project Board meeting	25 October 2017	Completed
f)	Submission of LEP bid	10 November 2017	Completed
g)	Project Board meeting	6 December 2017	Completed
h)	Announcement of HIF bid (unsuccessful)	1 February 2018	Completed
i)	Budget costs from Atkins	14 February 2018	Completed
j)	Project Board meeting	19 Feb 2018	Completed
k)	Announcement of LEP bid (unsuccessful)	20 February 2018	Completed
l)	Decision to include infrastructure in main developer agreement	April 2018	Completed
m)	Strategy and Resources Committee	12 April 2018	Completed
n)	Project Board meeting	14 May 2018	Completed
o)	Decision to proceed with consultancy support for procurement of a partner	14 May 2018	Completed
p)	Strategy and Resources Committee	14 June 2018	Completed
q)	Investment and Development Panel Workshop	9 July 2018	
r)	Strategy and Resources Committee	12 July 2018	
s)	Project Board meeting	30 July 2018	
t)	Review of draft delivery strategy by Project Board	30 July 2018	
u)	Soft market testing with potential partners	August 2018	
v)	Project Board meeting	24 September 2018	
w)	Review of final delivery strategy report	24 September 2018	
x)	Sign off to engineering design from EA	Sept 2018	
y)	Public consultation on design of infrastructure	Sept – Mid Oct 2018	
z)	Public consultation on Development Brief	Sept – Mid Oct 2018	
aa)	I&D Panel	1 October 2018	
bb)	Strategy and Resources Committee	4 October 2018	
cc)	Approval from S&R to Delivery Strategy and decision to proceed with procurement of partner/developer	4 October 2018	
dd)	Submit planning application for all infrastructure	October 2018	
ee)	Submit outline planning application for phase 1	October 2018	
ff)	Project Board meeting	19 November 2018	
gg)	I&D Panel	26 November 2018	
hh)	Planning approval for infrastructure across all phases and outline for phase 1	January 2018	
ii)	Strategy and Resources Committee	17 January 2019	
jj)	Strategy and Resources Committee	7 March 2019	
kk)	Selection of partner	Sept 2019	
ll)	Earliest date for vacant possession of buildings	Jan 2020	
mn)	Prep of planning application for development	Sept 2019 – March 2020	
nn)	Planning approval for residential	June 2020	
oo)	Construction mobilisation and completion of development	Aug 2020 to Aug 2022	

NB The dates beyond the black line are subject to change due to reliance on third parties.

APPENDIX B
Planned IT capital investments 2018/2019

Description	Projected Cost	Actual Cost	Status
SAN - tier1 storage	£38,000	£tbc	Seeking quotes
Server upgrades -part 1	£40,000.00	£40,730.64	Order placed, awaiting delivery
Server upgrades -part 2	£40,000.00	£40,730.64	Will place order once server upgrades – part 1 has been completed
backup server disk array	£8,000	£5,389.67	Order placed, awaiting delivery
Install 2 x 24-core single mode fibre optic links, LB1-PABX & LB1-server room	£1,500	£2,880	Order placed, awaiting installation
high level Cat6a cabling of LB0	£4,500	4,462.50	Completed
Additional server licenses	£10,000	£tbc	Seeking quotes
Telephony system upgrade	£14,500	£tbc	Seeking quotes
Lease line upgrades	£16,000	£tbc	Seeking quotes
Network replacement	£160,000	£tbc	Scoping project