

# **2018/19 Capital Investment Programme**

## **Capital Proposal Forms**

This appendix contains the detailed scheme information in support of the Capital Investment Programme items for decision contained in Appendix A of the Capital Investment.

**2018/19**  
**Capital Investment Programme**

**FP/17/09/17**

**St Augustine / Hazelbrook**

Link to Report

<http://democracy.somerset.gov.uk/documents/s5913/Selworthy%20School%20Taunton%20Appointment%20of%20Contractor%20to%20Deliver%20the%20Proposed%20Secondary%20Phase%20Hazel.pdf>

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**2018/19 Capital Investment Programme  
Proposal Form**

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**Schools Basic Need, Schools Condition, Schools Access Initiative & Safeguarding and Security – 2018/19**

Cabinet Member(s): Cllr Frances Nicholson – Cabinet Member for Children and Families

Division and Local Member(s): All

Lead Officer: Dave Farrow, Strategic Manager - Outcomes and Sufficiency

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<b>Summary of Proposed Investment:</b>	<p>This Proposal Form contains details of the capital requirements relating to:</p> <ul style="list-style-type: none"> <li>• Schools Basic Need</li> <li>• Schools Condition</li> <li>• Schools Access Initiative (SAI)</li> <li>• School Safeguarding &amp; Security</li> </ul> <p><b>Schools Basic Need</b> Somerset continues to respond to the increasing demand for school places, both mainstream and specialist provision, as the school age population in the county continues to rise. To ensure there are a sufficient number of school places, for all of Somerset’s children over the next 4 years, £191,913,900 for Basic Need is requested.</p> <p><b>Schools Condition</b> In addition to new places, schools must be maintained in an appropriate condition.</p> <p>In order to ensure an effective condition programme can be delivered on a priority basis, £17,600,000 of capital funding is requested over the next 4 years.</p> <p><b>Schools Access Initiative</b> The third key area is the Schools Access Initiative (SAI). The Local Authority has a duty make reasonable adjustments to schools to ensure children with disabilities and physical and sensory impairments are able to access their local school.</p> <p>To address the delivery of capital works and facilitate the purchase of assistive technology £2,800,000 of capital funding over 4 years is requested.</p> <p><b>School Safeguarding &amp; Security</b> Over the last year, Ofsted inspections have identified a number of safeguarding and security issues at school sites,</p>
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	<p>which can in part, be resolved through capital investment in fences and gates.</p> <p>This one-off bid will resolve the physical issues identified at local authority maintained schools and voluntary controlled schools.</p> <p>The works, at up to 81 schools, will cost around £2,500,000.</p>
<b>Reasons for Investment:</b>	<p>To deliver sufficient, fit for purpose school places for all children in Somerset and meet the Local Authority's statutory duty.</p> <p>To ensure schools building are safe and functional and that their condition does not detract from teaching and learning.</p> <p>To ensure that children with disabilities and physical and sensory impairments are not at a significant disadvantage when compared to their peers.</p>
<b>Links to Priorities and Impact on Service Plans:</b>	<p>The recommendations link to this <b>Headline Vision</b> in the <b>County Plan</b>:  <i>"Our vision for Somerset is simple: More jobs; more homes; more powers from government; more local co-operation; better health; better education and prospects; better roads, rail, broadband and mobile signal."</i></p> <p>The recommendations link to the following <b>Target</b> in the <b>County Plan</b>:  <i>"We will aim to have better school results for all children across all key stages and in particular at GCSE and A-Level with a particular focus on disadvantaged children."</i></p>
<b>Consultations undertaken:</b>	<p>Members have been consulted on the School Place Planning Infrastructure Growth Plan for Somerset which identifies our school place requirements for the next 14 years.</p> <p>Scrutiny Committee endorsed the need for an annual School Place Planning Infrastructure Growth Plan on 13<sup>th</sup> May 2016</p> <p>Cabinet endorsed this approach to school place planning on 8<sup>th</sup> June 2016. The 2017 School Place Planning Infrastructure Growth Plan was published on the 30 June 2017  <a href="http://www.somerset.gov.uk/EducationIGP">www.somerset.gov.uk/EducationIGP</a></p> <p>District Council housing data (planning portal, SHLAA papers (Strategic Housing Land Availability Assessment) and housing trajectories) provide the basis for housing included in the Infrastructure Growth Plan.</p>
<b>Financial Implications:</b>	<p>Where capital investment is required, officers will ensure funding is used as efficiently as possible, with a focus on making best use of existing infrastructure.</p> <p>The actual costs of each project will depend on their complexity, although this will be highlighted in Options Appraisals and Feasibility Studies.</p>

Revised benchmarking and procurement processes are also supporting the Local Authority to drive down the cost of new schools and school extensions.

Site acquisition costs have not been included within this paper.

The total Capital Investment requirement within this Proposal Form is **£214,813,900**

### Headline Requirements

Recommendation	Capital Request	Year Required
1 Schools Basic Need	£96,847,500	2018/19
	£40,060,200	2019/20
	£23,218,100	2020/21
	£31,788,100	2021/22
2 Schools Condition	£4,400,000	2018/19
	£4,400,000	2019/20
	£4,400,000	2020/21
	£4,400,000	2021/22
3 SAI	700,000	2018/19
	700,000	2019/20
	700,000	2020/21
	700,000	2021/22
4 Schools Safeguarding & Security	2,500,000	2018/19

In addition to the Capital Investment required from the Local Authority, officers will utilise (when received) an additional **£10,103,600** of Section 106 contributions which has been secured against specific housing developments.

### Free Schools – DfE Bids

Where possible, officers will attempt to deliver new schools through the Free School route by working with sponsors to submit supported bids to the DfE.

If successful, these bids will save the Local Authority significant capital in the short-term, albeit, this is likely to be recovered, at least in part, from basic need grant funding in the future.

As the future of this programme and qualifying criteria is uncertain (there has not been a bidding round for almost 12 months), officers will still submit bids to the Capital Investment Programme on the basis that the Local Authority will have to

	<p>meet the cost of all new schools if no alternative funding route is available or successful.</p>
<b>Legal Implications:</b>	<p>Recommendations and related Business Cases have been submitted in order to secure the capital investment required to ensure the Local Authority can fulfil its statutory duties.</p> <p>All bids are submitted after careful analysis of data available to the local authority.</p> <p>Delivery of individual projects will need to comply with relevant regulations, including those relating to planning and procurement.</p> <p>It is noted that developers may request to renegotiate their section 106 contributions at any time.</p>
<b>HR Implications:</b>	<p>The number of individual projects that are required to be delivered in order to keep pace with demand for school places will test the operational capacity of some service areas.</p> <p>Those service areas affected will include:</p> <ul style="list-style-type: none"> <li>• Schools Commissioners</li> <li>• Corporate Property</li> <li>• Corporate Finance</li> <li>• Schools Finance</li> <li>• Legal Services</li> <li>• Planning</li> <li>• Highways</li> </ul>
<b>Risk Implications:</b>	<p>Analysis of projection data identifies that demand on school places will significantly outstrip supply in some areas of Somerset, unless the recommended capital investment is approved.</p> <p>Where sufficiency of school places cannot be delivered locally, there is a risk that the Local Authority will be required to provide school transport to an increasing number of school children at a significant cost.</p> <p>There is also a risk that the Local Authority will suffer reputational damage if children cannot access a local school due to a lack of places.</p> <p>There are also risks relating to the assessment of capital requirement identified in individual business cases:</p> <ul style="list-style-type: none"> <li>• Costings are estimates and are typically not substantiated by up-to-date condition surveys.</li> <li>• General inflation will increase the cost of projects by the time they are delivered in 3, 4 or 5 years.</li> <li>• Contract costs, for services such as architecture and site surveys, will increase at an unknown rate.</li> <li>• Industry specific inflation will see price of certain materials increase well beyond the rate of inflation.</li> <li>• The costs of the programme may exceed the funding</li> </ul>

	<p>available</p> <ul style="list-style-type: none"> <li>• Developers can renegotiate their section 106 contributions.</li> <li>• Community infrastructure levy contributions have yet to be agreed between the County Council and the District Council.</li> </ul> <p>Where Section 106 contributions are due, their payment will be dependent on triggers within the agreement. Where triggers are not met (e.g. a developer stops building) contributions will not be received and the Local Authority will have to meet the shortfall from capital reserves.</p>
<p><b>Other Implications (including due regard implications):</b></p>	<p><b>Access</b> Where new schools are built or existing schools extended, architects will be tasked to ensure that they are accessible and fully meet the needs of a wide-ranging client group.</p> <p><b>Equality &amp; Diversity</b> The bids for capital investment have been targeted to ensure that <b>all</b> children across Somerset are able to access a suitable school place in their local area.</p> <p><b>Human Rights</b> The provision of good quality additional school places will support children to access education and develop and reach their potential.</p> <p><b>Community Safety</b> Adequate local provision of school places may see an increase in the number of children walking and cycling to school. These children will typically live less than 2-3 miles from the school and will have been assessed as being on a safe route.</p> <p>There may be others who are attending a preferred or denominational school, whose parents may decide to make them walk or cycle over to 3 miles to school. In these instances, the authority will not have assessed their route.</p> <p>Where schools are expanded, this may lead to an increase in children travelling to school in cars. This in turn may have an impact on the communities living in close proximity to school at the start and end of the school day.</p> <p>This situation has the potential to create more hazards for pupils and parents who are walking or cycling to school.</p> <p>Typically, access to school sites is well supported by the provision of suitable footpaths and footways, many of which are well lit.</p> <p>As the Highways Authority, SCC has a general duty to assess individual roads, apply speed limits appropriately and install traffic calming measures if necessary.</p>

	<p><b>Sustainability</b> Individual business cases will detail the level of capital investment required and any revenue savings that might be realised as a result of reduced school transport costs or energy efficient building design.</p> <p><b>Freedom of Information / Data Protection</b> All information relating to school finance and projected pupil numbers, which has been used to inform business cases is, or will be, available to the public.</p> <p>Details relating to the future procurement of architects and contractors may be commercially sensitive and requests relating to that information will have to be assessed on an individual basis.</p> <p><b>Health &amp; Safety</b> Build projects resulting from successful bids for capital investment, will be planned and delivered with the health &amp; safety of school children, staff and the local community a priority.</p> <p><b>Health &amp; Wellbeing</b> Additional local school places within statutory walking distance of their homes may see an increase in the number of children walking or cycling to school. This will have a positive impact on the physical fitness of those children and those parents who accompany their children to school.</p> <p>Build projects will be designed in a way that ensures that outdoor play space at schools is protected and in some cases enhanced, in order to promote physical activity.</p> <p><b>Performance Issues</b> Where businesses cases recommend that an existing school is to be expanded, officers will seek assurance that the leadership team of that school or setting has the capability to manage an enlarged provision.</p> <p>Where new schools are to be built, The Secretary of State will determine a suitable Sponsor.</p> <p><b>Partnership Issues</b> The delivery of the build projects identified in business cases, are heavily dependent on effective partnerships and stakeholder engagement.</p> <p>The Education Learning Infrastructure Board will monitor the performance of internal partners involved in delivering education buildings.</p>
<b>Scrutiny comments / recommendation (if any):</b>	The School Place Planning Infrastructure Growth Plan for Somerset (IGP) was endorsed by Scrutiny on the 13 <sup>th</sup> May 2016.



## **1. Background**

### **1.1. Statutory Duty**

The Local Authority has a statutory duty to ensure that there are a sufficient number of good quality school places for children in its area.

The Local Authority also has a statutory duty to provide free school transport to those children who have been allocated a school place which is not within statutory walking distance.

### **1.2. Local Pressures**

The recommendations (and associated business cases) listed at the start of this document are the result of robust interrogation and analysis of projected population data, combined with officer knowledge of Somerset's school estate and financial reports relating to school transport.

It is recognised that in some parts of Somerset, there is a very real pressure on both primary and secondary school places over the next 5 years.

It must be recognised that funding is needed in advance of need to ensure that the places are available when the children require them.

In order to address these numerous pressures, significant amounts of capital investment are required to expand existing schools or build new ones.

### **1.3. Basic Need**

#### **Primary School Places**

Somerset has seen a significant increase in the number of primary school places required over the last 5 years.

At first the increase was accommodated through using surplus places, and internal remodelling of schools. More recently additional accommodation and new schools have been built, and this will continue as there are fewer surplus places across the county.

School places need to be offered within 2 miles of a child's home (if under 8) to avoid Somerset County Council funding a school transport obligation. No infant class is legally allowed to take more than 30 children in a class.

#### **Secondary School Places**

The bulge in numbers that hit the primary sector is working its way towards the secondary sector. Significant increases in secondary pupil numbers are forecast from 2019 for the Bridgwater and Taunton area and for Yeovil from 2022, with continued growth in all three areas forecast through to 2030.

At first the increase in pupil numbers can be absorbed with surplus places; however from 2019 in Bridgwater and 2020 in Taunton additional places will be required in secondary schools.

Ideally places will be offered within 3 miles of a child's home to reduce the cost of

school transport to Somerset County Council.

#### **1.4. Condition**

The LA is responsible for the condition of Community, Voluntary Controlled (VC) and Foundation schools. VA Schools and Academies are responsible for their own maintenance requirements.

Voluntary Aided (VA) schools receive LCVAP (Locally Controlled Voluntary Aided Projects) monies paid as grants to the Diocese.

Academies receive their maintenance funding from the Education Funding Agency and the Academy Trust is responsible for the maintenance and health and safety of their premises.

#### **1.5. School Access Initiative**

The LA has a duty make reasonable adjustments to mainstream schools to ensure children with disabilities and physical and sensory impairments are able to access their local school.

The Local Authority has recently become responsible for making reasonable adjustments at Academies and VA schools. This has increased costs significantly.

#### **1.6. Schools Safeguarding & Security**

The LA is responsible for the safety and wellbeing of all children in its schools and for the physical safety of Community and VC schools.

### **2. Options considered and reasons for rejecting them**

#### **2.1. Alternative options and reasons for rejecting them have been detailed in the individual business cases for each recommendation.**

It is recognised that as project briefs are developed and feasibility studies undertaken the preferred option may change.

## Capital Investment Programme 2018/19 Financial Information Schools Basic Need

### Annual Scheme Request

	2018/19 £
<b>Total Cost of Scheme (a)</b>	<b>99,315,700</b>
<b>Revenue Contribution (b)</b>	0.000
<b>Third Party Funding (c)</b>	2,468,200
<b>Required SCC Resources (a-b-c)</b>	<b>96,847,500</b>

Enter the **full cost** of the proposed scheme in the year it is expected to start, along with details of any potential revenue or third party contributions.  
**Do not** include any capital receipts in the funding options.

### Breakdown of Third Party Funding

	2018/19 £
<b>S106</b>	2,468,200
<b>LEP</b>	0
<b>Others (e.g. District Councils)</b>	0

### Estimated profile of Scheme (when the spend will be incurred)

#### **Total Capital Outlay (a)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	9,900,900	64,122,400	19,850,200	2,974,000

#### **Total Revenue Contributions (b)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

#### **Total Third Party Contributions (c)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	2,468,200

## Capital Investment Programme 2018/19 Financial Information Schools Condition

### Annual Scheme Request

	2018/19 £
<b>Total Cost of Scheme (a)</b>	4,400,000
<b>Revenue Contribution (b)</b>	0
<b>Third Party Funding (c)</b>	0
<b>Required SCC Resources (a-b-c)</b>	<b>4,400,000</b>

Enter the **full cost** of the proposed scheme in the year it is expected to start, along with details of any potential revenue or third party contributions.

**Do not** include any capital receipts in the funding options.

### Breakdown of Third Party Funding

	2018/19 £
<b>S106</b>	0
<b>LEP</b>	0
<b>Others (e.g. District Councils)</b>	0

### Estimated profile of Scheme (when the spend will be incurred)

#### Total Capital Outlay (a)

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	990,000	3,190,000	220,000	0

#### Total Revenue Contributions (b)

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

#### Total Third Party Contributions (c)

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

## Capital Investment Programme 2018/19 Financial Information Schools Access Initiative

### Annual Scheme Request

	2018/19 £
<b>Total Cost of Scheme (a)</b>	700,000
<b>Revenue Contribution (b)</b>	0
<b>Third Party Funding (c)</b>	0
<b>Required SCC Resources (a-b-c)</b>	<b>700,000</b>

Enter the **full cost** of the proposed scheme in the year it is expected to start, along with details of any potential revenue or third party contributions.

**Do not** include any capital receipts in the funding options.

### Breakdown of Third Party Funding

	2018/19 £
<b>S106</b>	0
<b>LEP</b>	0
<b>Others (e.g. District Councils)</b>	0

### Estimated profile of Scheme (when the spend will be incurred)

#### **Total Capital Outlay (a)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	385,000	245,000	70,000	0

#### **Total Revenue Contributions (b)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

#### **Total Third Party Contributions (c)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

## Capital Investment Programme 2018/19 Financial Information Schools Safeguarding and Security

### Annual Scheme Request

	<b>2018/19 £</b>
<b>Total Cost of Scheme (a)</b>	2,500,000
<b>Revenue Contribution (b)</b>	0
<b>Third Party Funding (c)</b>	0
<b>Required SCC Resources (a-b-c)</b>	<b>2,500,000</b>

Enter the **full cost** of the proposed scheme in the year it is expected to start, along with details of any potential revenue or third party contributions.

**Do not** include any capital receipts in the funding options.

### Breakdown of Third Party Funding

	<b>2018/19 £</b>
<b>S106</b>	0
<b>LEP</b>	0
<b>Others (e.g. District Councils)</b>	0

### Estimated profile of Scheme (when the spend will be incurred)

#### **Total Capital Outlay (a)**

	<b>2018/19 £</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>
<b>2018/19</b>	1,700,000	800,000	0	0

#### **Total Revenue Contributions (b)**

	<b>2018/19 £</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>
<b>2018/19</b>	0	0	0	0

#### **Total Third Party Contributions (c)**

	<b>2018/19 £</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>
<b>2018/19</b>	0	0	0	0

## 2018/19 Capital Investment Programme Proposal Form

### Capital Investment Programme: Early Years Basic Need

Cabinet Member(s): Cllr Frances Nicholson – Cabinet Member for Children and Families

Division and Local Member(s): All

Lead Officer: Dave Farrow Strategic Head of Outcomes and Sufficiency

Author: Charlotte Wilson, Service Manager Early Years Commissioning

Contact Details: 01823 357386

<b>Summary of Proposed Investment:</b>	<p>This Paper contains details of the capital requirements relating to the asset management plan of sufficiency of early year's places for 2018-19 and beyond.</p> <p>A separate bid is being placed for early years buildings conditions.</p> <p>Somerset is responding to the national requirement to increase early year's education provision along with the rise in the birth rate and the new housing within some of our towns. Furthermore, changes in legislation in 2016 place more need for increased spaces in early years.</p> <p>As numbers continue to increase there is less spare capacity in the system and new build is required to meet statutory duties.</p> <p>The proposals consist of new builds and expansions of provision to the sum of £9,450,000 between 2018/19 to 2022.</p>
<b>Reasons for Investment:</b>	<p>The latest county sufficiency assessment 'Childcare in Somerset 2017' has been drafted and will be published into the public domain from the 1<sup>st</sup> September 2017. This states our position against the duties detailed below, and in some areas shows insufficiency; therefore investment is needed to remedy this.</p> <p>The Childcare Act 2006 (<i>see: <a href="http://www.legislation.gov.uk">www.legislation.gov.uk</a></i>) requires Local Authorities to:</p> <ul style="list-style-type: none"> <li>• secure sufficient childcare, as far as is reasonably practicable, for the needs of working parents in their area (Section 6)</li> <li>• secure early years provision of a prescribed description is available free of charge to each young child that is eligible (Section 7) (Amended by section 1 of the Education Act 2011 and section 87 of the Children &amp;</li> </ul>

Families Act 2014)

- Make information, advice and guidance on childcare and any other useful services, facilities or publications available to parents and prospective parents in their area (Section 12)
- Provide information, advice and training to any persons who intend to provide care and to existing childcare providers in their area (Section 13) (amended under section 74 of the Small Business, Enterprise and Employment Act 2015)

Childcare is defined in Section 18 of the Childcare Act 2006 as “any form of care for a child”, including “(a) education for a child and (b) any other supervised activity for a child”.

The introduction of the **Childcare Act 2016** (see [legislation.gov.uk](http://legislation.gov.uk)) has placed increased pressure on capacity as a new delivery model is in place from 1<sup>st</sup> of September 2017 to allow 3 and 4 year old children of working parents to claim 1140 hours of funded early years education instead of the current 570 hours from the term after they are 3, or after they receive an eligible code from the HMRC. The hours of operation have also changed to 6am-8pm instead of 7am - 7pm.

From previous investment, the conditions of most early year’s buildings on both schools and third party sites are good or very good (A and B graded condition). A separate conditions bid is being placed in addition to this paper due to specific issues identified with 4 buildings in the estate.

The change in legislation and increased house building in the county places a continued need for capital investment to meet the statutory duties.

The latest county sufficiency assessment ‘Childcare in Somerset 2017’ has identified areas of insufficiency that would need to be addressed if the private sector did not bridge the gap independently of the Local Authority. The areas of focus are:

<b>Area</b>	<b>Supply needed in:</b>
Sedgemoor	Bridgwater, Burham, Cheddar, Highbridge
South Somerset	Wincanton, Crewkerne
Mendip	Frome, Shepton Mallet
Taunton Deane	Taunton, Wellington
West Somerset	Watchet, Minehead

**Links to Priorities and Impact on Service Plans:**

The recommendation links to the following Vision in the County Plan:



	<p>“Somerset is a place where people from all backgrounds have an equal opportunity to learn, work and enjoy themselves and to achieve their ambitions and full potential.”</p> <p>The recommendation links to the following Priorities in the County Plan:</p> <p>“Somerset is a safer and healthier place where our children feel protected and safe.”</p> <p>“Somerset is a place where everyone has an equal opportunity to learn, work and enjoy where they live. We strive to improve our schools and drive up results for our children at all ages.”</p> <p>The recommendation links to the following Target in the County Plan:</p> <p>“Better schools producing better results for our children of all ages.”</p> <p>The recommendation links to the Education Vision 2015 priorities for early years and schools.</p> <p>The recommendation links to the CYPP 2016-2019</p>
<p><b>Consultations undertaken:</b></p>	<p>Substantial consultation has been undertaken with the District Councils to understand future housing projects</p> <p>The Infrastructure Growth Plan for 2017 has also been published which contains schools forecast data and housing impacts.</p> <p>The early year’s sufficiency assessment for the county- ‘Childcare in Somerset 2017’ has been drafted and will be published into the public domain as of the 1<sup>st</sup> of September 2017. This gives an estimate at district level of the sufficiency of 0-5 early years care. The bid proposals contained in this paper and the attached business case are based on these findings.</p> <p>The early years commissioning team have also conducted area sufficiency meetings in the 4 getset areas to gain more information about basic need.</p> <p>Members have been consulted on our strategy for ensuring the sufficiency of early years and school places in July 2014.</p> <p>The DFE have also provided weekly updates on the number of successful applications for 30 hours codes in the county.</p>
<p><b>Financial Implications:</b></p>	<p>There are a number of ways of creating new early years and school places, all of which cost different amounts. Our strategy is to create spaces within current accommodation, or restructure to avoid the need for significant capital investment in the first instance.</p> <p>Where capital investment is required, we look at maximising</p>

	<p>use of current infrastructure to minimise the cost of additional places, and new places with new construction only considered when there are no other options.</p> <p>Many early years and school projects require partnership working with District Councils through Section 106 or the Community infrastructure levy, the Education Funding Agency, the private and voluntary sector and other agencies.</p> <p>It is noted that developers may ask to renegotiate their section 106 contributions and there are no agreements yet with District Councils for contributions to education infrastructure from the Community Infrastructure Levy (CIL). If this did occur, this would most likely to occur before a project is finalised. This would result in the early years capital budget having to meet the shortfall, and this would mean that other future projects are delayed or do not go ahead.</p> <p>The formula for S106 and CIL contributions for early years has been adjusted this year to include 30 hours- it is now 5 places per 100 houses (see background paper) .</p> <p>The actual costs of each project will depend on the feasibilities and option appraisals along with the procurement methods used to deliver the places.</p> <p>Each new capital project can also access early year's revenue grants for developing and extending provision. This comes from the LA revenue budget for early years. The revenue grant awards for each capital project are based on the following limits:</p> <ul style="list-style-type: none"> <li>• Resources- new provisions maximum of £2400, existing provisions maximum of £1200.</li> <li>• Marketing- £500 maximum</li> <li>• Staffing set up costs- £1000 maximum</li> <li>• Ofsted registration-cost of new registration</li> <li>• Insurance- cost of additional premium (first year only)</li> </ul> <p>Estimated annual revenue implications for 2018/19: £4250 x 9= £38,250 required from LA revenue budget. There is current provision in the early year's revenue budget for this, but this is dependent on the budget being maintained at its current level. If the grants were not available, the provider who was setting up in the capital project would have to self-fund for the above elements.</p>
<p><b>Legal Implications:</b></p>	<p>All bids are submitted after careful analysis of data available to the local authority. Moving forwards, delivery of individual projects will need to comply with relevant regulations, including those relating to planning and procurement.</p> <p>It is noted that developers may request reconsideration of their section 106/CIL contributions.</p>

	<p>Failure to provide sufficient spaces may result in legal challenge from parents for both the existing universal offer and the new 30 hours offer.</p>
<p><b>HR Implications:</b></p>	<p>The scale of the work will have capacity implications for property services and for early year's project officers in commissioning and operations.</p> <p>The commissioning of projects must therefore balance the sufficiency needs with the limitations of resources in the local authority.</p>
<p><b>Risk Implications:</b></p>	<p>Analysis of projected data identifies that demand on school and early years places will significantly outstrip supply in some areas of Somerset, unless the recommended capital investment is approved.</p> <p>There is a risk that the Local Authority will suffer reputational damage if children cannot use their Early Years Entitlement and 30 hours extended entitlement in their preferred area.</p> <p>There are also risks relating to the assessment of capital requirement identified in individual business cases:</p> <ul style="list-style-type: none"> <li>• Costing's are estimates and are typically not substantiated by up-to-date condition surveys. This risk will be mitigated by asking for a survey as part of the feasibility before the project reaches final commission.</li> <li>• General inflation (CPI / RPI) could increase the cost of projects by the time they are delivered</li> <li>• Contract costs, for services such as architecture and site surveys, could increase Industry specific inflation may see price of certain materials increase well beyond the rate of inflation.</li> <li>• The final costs of the programme may exceed the funding available</li> <li>• Developers can renegotiate their section 106 contributions.</li> <li>• CIL contributions have yet to be agreed between the County Council and the District Councils.</li> </ul> <p>Where Section 106 contributions are due, their payment will be dependent on triggers within the agreement. Where triggers are not met (e.g. a developer stops building) contributions will not be received and the County Council will have to meet the shortfall from its resources.</p>
<p><b>Other Implications (including due regard implications):</b></p>	<p><b><u>Equalities Implications</u></b></p> <p>Access</p> <p>Where new provisions are built or extended, architects will be tasked to ensure that they are accessible and fully meet the needs of a wide-ranging client group. It is important that both wheel chair and pram access is included in plans for settings.</p> <p>Equality &amp; Diversity</p> <p>The bids for capital investment have been targeted to ensure</p>

that all children across Somerset are able to access early year's provision in the county.

#### Human Rights

The provision of good quality additional early year's places will support children to access education and develop and reach their potential. The United Nations Convention on the Rights of the Child (UNCRC) (1989) covers rights for children including the right to play (Article 31)

#### **Community Safety Implications**

If parents cannot access childcare, it may create a barrier for that family to access work, particularly in rural areas and over-subscribed urban areas.

The impact of a loss of quality, reliable childcare may be felt in industries not directly related through increases in staff lateness and absenteeism.

The impact on children of high quality childcare, particularly the most vulnerable children eligible for 2-year old funding, cannot be understated.

High quality early years provision has been demonstrated to have a significant effect on improving children's attainment throughout their education. Failing to deliver places will impact on the life chances of the most vulnerable.

The inability to access sufficient and suitable early year's spaces for the 30 hours scheme may prevent parents from increasing hours and finding ways back into work.

#### **Sustainability Implications**

Individual business cases will detail the level of capital investment required and any revenue savings that might be realised as a result of reducing the need to travel to settings by car or other transport, and building material costs or energy efficient building design.

#### **Health and Safety Implications**

Build projects resulting from successful bids for capital investment, will be planned and delivered with the health & safety of children, staff and the local community a priority.

Planning for capital build will also consider impact on environmental noise and if needed, include planting to screen noise from outdoor play areas.

#### **Privacy Implications**

All information relating to finance and early years numbers, which has been used to inform business cases is, or will be, available to the public.

Details relating to the future procurement of architects and

	<p>contractors may be commercially sensitive and requests relating to that information will have to be assessed on an individual basis.</p> <p><b><u>Health and Wellbeing Implications</u></b>  Additional local early year's places within walking distance of their homes may see an increase in the number of families walking to settings. This will have a positive impact on the physical fitness of those children and those parents who accompany their children.</p> <p>Build projects will be designed in a way that ensures that outdoor play space is protected and in some cases enhanced, in order to promote physical activity.</p> <p>Providing additional spaces to meet the need for 30 hours may impact positively on health and wellbeing. Families that are able to return to work may improve their socioeconomic status and wellbeing.</p>
<b>Scrutiny comments / recommendation (if any):</b>	Not applicable.

## 1. Background

- 1.1. Our objective is to ensure all eligible children are able to take up high quality early education regardless of their parents' ability to pay – benefiting their social, physical and mental development and helping to prepare them for school.

The Effective Provision of Pre-school Education (EPPE) and other research projects have demonstrated that lasting improvement in social, communication and language skills occurs in children that attend high quality early years settings on a part time basis from the age of 2 years old. This is particularly effective for children from disadvantaged backgrounds.

All children need to learn in a safe, healthy, and age appropriate environment. As well as a statutory duty, it is in the interest of the Local Authority to invest in appropriate capital projects to ensure this is provided for the children of Somerset where it is needed.

There is a legal duty for Local Authorities to provide sufficient spaces for all 3 and 4 year old children, as well as eligible 2 year old children for 570 hours per year. For working parents of 3 and 4 year old children, this will increase in September 2017 to 1140 hours per year, if their application through the HMRC is successful.

### 1.2. Early Years need:

There has been a statutory requirement to provide 15 hours for all 3 and 4 year olds since September 2010 (it was 12.5 hours from 2000 for 4-year olds and 2005 for 3-year olds).

In 2009 there were 9,098 three and four- year olds eligible for early education in the county; this increased by over 3102 (34%) to 12,200 in November 2015.

In 2015 the government required Somerset County Council to provide 15 hours of free education for the 40% most disadvantaged 2-year olds; another 2,032 places. (20%)

Overall in the last five years an increase of 30% as well as the free provision the Local Authority has to ensure sufficiency of child care places for parents who want to pay for additional childcare. In Somerset, as at 04 July 2017, there were 332 child-minders and 316 group childcare settings, a total of 648 settings offering 11023 (0-4YO) places (a slight reduction from the spring 17 figures used in the calculations below).

The number of child-minders has been decreasing since 2011, reflecting the national trend. A significant number of schools and academies have either opened nurseries or taken over the management of a previously private or voluntary group.

All group childcare providers, and around half of child-minders, offer funded childcare places. The majority of providers (84% as of 2<sup>nd</sup> August 2017) have indicated they will be offering the extended (30 hours) entitlement.

The increase in birth rate along with new houses and the extension of the statutory provision has significantly increased the required provision. Initially provision was developed in surplus school places and community buildings however these are now saturated and further progression requires new provision.

The government is encouraging providers to set up new provision with the offer of schools to reduce their age range to two years. However, admitting pre-school age children may reduce a school's capacity to accept school age pupils.

The Government has promised to fund 30 hours of child care for 3 & 4 year olds for parents who work at least 16 hours a week from September 2017. This was enacted into legislation in March 2016 with the introduction of the Childcare Act 2016.

The number of eligible children in Somerset for the 30 hours is estimated at 4120 by the DFE. Whilst some children are already in existing provision, it is predicted that there will be high demand for the additional hour's places with 94% of parents completing the 30 hours survey commissioned by Somerset County Council in 2016 stating that they would take up the extra 15 hours per week.

### **1.3. 'Childcare in Somerset 2017' the county sufficiency report**

The DFE require the Local Authority to publish annual updates to the public about the sufficiency of early years and childcare provision in the county. The county sufficiency assessment 'Childcare in Somerset 2017' will be published from the 1<sup>st</sup> of September 2017, and the draft findings are used to calculate the number of projects required in each area for this bid.

## **2. Options considered and reasons for rejecting them**

- 2.1.** Alternative options and reasons for rejecting them have been detailed in the individual business cases (Appendix A). It is recognised that as project briefs are developed and feasibility studies undertaken the preferred option may change.

The option proposed is Option 2- Capital investment and is the rationale for submission of this bid paper.

### **3. Background Papers**

- 3.1.** Childcare Act 2006 Summary; <http://www.4children.org.uk/Files/b0a1ee58-042b-4c84-8fd6-9f4b00f5f7d5/PolicyPractice4.pdf>
- 3.2.** Childcare Act (2016) accessed at:  
<http://www.legislation.gov.uk/ukpga/2016/5/enacted>
- 3.3.** Somerset Children and Young People's Plan 2016-2019:  
<http://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0ahUKEwid4eKBhZPNAhVBsxQKHf5oBjsQFgggMAA&url=http%3A%2F%2Fwww.somerset.gov.uk%2FEasySiteWeb%2FGatewayLink.aspx%3FallId%3D42521&usq=AFQjCNFKGuUdLBIb4jb7hDoK3omz49CouQ>
- 3.4.** Key Decision: Revision of Section 106 contributions formula for Early Years Provision August 2017  
<http://democracy.somerset.gov.uk/ieDecisionDetails.aspx?ID=425>
- 3.5.** School Place Planning Infrastructure Growth Plan 2017  
<http://www.somerset.gov.uk/policies-and-plans/plans/early-years-and-school-place-planning-infrastructure-growth-plan/>
- 3.6.** 'Childcare in Somerset 2017' – please contact Julia Balmford for draft copy before 1<sup>st</sup> September 2017.

## Capital Investment Programme 2018/19 Financial Information

### Annual Scheme Request

	<b>2018/19 £</b>
<b>Total Cost of Scheme (a)</b>	2,800,000
<b>Revenue Contribution (b)</b>	0
<b>Third Party Funding (c)</b>	0
<b>Required SCC Resources (a-b-c)</b>	2,800,000

Enter the **full cost** of the proposed scheme in the year it is expected to start, along with details of any potential revenue or third party contributions. The table above shows 5 individual bids i.e. 5 annual programmes.

**Do not** include any capital receipts in the funding options.

### Breakdown of Third Party Funding

	<b>2018.19 £</b>
<b>ERDF</b>	0
<b>LEP/Others (e.g. District Councils)</b>	0

### Estimated profile of Scheme (when the spend will be incurred)

#### **Total Capital Outlay (a)**

	<b>2018/19 £</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>
<b>2018/19</b>	1,400,000	1,400,000	0	0

#### **Total Revenue Contributions (b)**

	<b>2018/19 £</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>
<b>2018/19</b>	0	0	0	0

#### **Total Third Party Contributions (c)**

	<b>2018/19 £</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>
<b>2018/19</b>	0	0	0	0

### Revenue Implications

	<b>2018.19 £</b>
<b>On Going Savings</b>	0
<b>One off Savings</b>	0
<b>On Going Pressure</b>	£4250 x 9= £38,250 for start-up grants
<b>One off Pressure</b>	0



## 2018/19 Capital Investment Programme Proposal Form

### Early Years Sufficiency - Condition

Cabinet Member(s): Cllr Frances Nicholson – Cabinet Member for Children and Families

Division and Local Member(s): All

Lead Officer: Dave Farrow Head of Outcomes and Sufficiency

Author: Charlotte Wilson, Service Manager Early Years Commissioning

Contact Details: 01823 357386 [cwilson@somerset.gov.uk](mailto:cwilson@somerset.gov.uk)

<b>Summary of Proposed Investment:</b>	<p>This Paper contains details of the capital investment required for addressing building condition to maintain sufficiency of early year's places in Somerset.</p> <p>In addition to the basic need requirements (see separate bid proposal) the local authority property services team have identified issues with two early years buildings after surveys were conducted. There is also a possibility that there could be issues with two further buildings of a similar construction, and therefore these have been included in the longer term bid proposal in case their replacement or repair is required.</p> <p>The bid proposal requests the amount of capital required for scheduled replacement of two buildings in 2018/19 at £2.124m, and the possible replacement of another two buildings in 2020-2021/22 at another £2.124m.</p>
<b>Reasons for Investment:</b>	<p>The <b>Childcare Act 2006</b> (see: <a href="http://www.legislation.gov.uk">www.legislation.gov.uk</a>) requires Local Authorities to:</p> <ul style="list-style-type: none"> <li>• Secure sufficient childcare, as far as is reasonably practicable, for the needs of working parents in their area (Section 6).</li> <li>• Secure early years provision of a prescribed description is available free of charge to each young child that is eligible (Section 7) (Amended by section 1 of the Education Act 2011 and section 87 of the Children &amp; Families Act 2014).</li> <li>• Make information, advice and guidance on childcare and any other useful services, facilities or publications available to parents and prospective parents in their area (Section 12).</li> <li>• Provide information, advice and training to any persons who intend to provide care and to existing childcare providers in their area (Section 13) (amended under section 74 of the Small Business, Enterprise and</li> </ul>

	<p>Employment Act 2015).</p> <p>Childcare is defined in Section 18 of the Childcare Act 2006 as “any form of care for a child”, including “(a) education for a child and (b) any other supervised activity for a child”.</p> <p>The introduction of the <b>Childcare Act 2016</b> (see <a href="http://legislation.gov.uk">legislation.gov.uk</a>) will place increased pressure on capacity as a new delivery model is proposed to allow 3 and 4 year old children of working parents to claim 1140 hours of funded early years education instead of the current 570 hours. The hours of operation are also proposed to be 6am-8pm.</p> <p>From previous investment, the condition of most early years buildings on both schools and third party sites are good over very good (A and B grade condition) However, after the need to replace the Brock House building (see below) further investigations in similarly constructed buildings have identified issues that need addressing through repair or eventual replacement.</p>
<p><b>Links to Priorities and Impact on Service Plans:</b></p>	<p>The recommendation links to the following Vision in the County Plan:</p> <p>“Somerset is a place where people from all backgrounds have an equal opportunity to learn, work and enjoy themselves and to achieve their ambitions and full potential.”</p> <p>The recommendation links to the following Priorities in the County Plan:</p> <p>“Somerset is a safer and healthier place where our children feel protected and safe.”</p> <p>“Somerset is a place where everyone has an equal opportunity to learn, work and enjoy where they live. We strive to improve our schools and drive up results for our children at all ages.”</p> <p>The recommendation links to the following Target in the County Plan:</p> <p>“Better schools producing better results for our children of all ages.”</p> <p>The recommendation links to the Education Vision 2015-2020.</p> <p>The recommendation links to the CYPP 2016-2019.</p>
<p><b>Consultations undertaken:</b></p>	<p>The County sufficiency report ‘Childcare in Somerset 2017’ has been drafted and will be published by the 1<sup>st</sup> of September 2017. This document assesses the current predicted sufficiency of each area in the county, the impact of housing developments, and the predicted sufficiency for the extended entitlement for 3 and 4 year olds.</p> <p>The Infrastructure Growth Plan 2017 has also been published</p>

	<p>and used to inform the decision making process.</p> <p>Property services have conducted surveys and investigations on the two buildings in 2017, and will be carrying out more investigations on the other two buildings to inform the decision making process and to prioritise the building conditions projects.</p> <p>The Cabinet Member for Children and Families has been briefed on the issues by the property services team and by the early years commissioning team.</p>
<p><b>Financial Implications:</b></p>	<p>There would be considerable financial implications on Local authority revenue and capital budgets if this bid was not approved. The early years revenue budget does not have capacity to fund relocation costs, loss of earnings, and sustainability grant support for the provisions affected if services had to stop whilst work is carried out. The work must be carried out in order to preserve the services operating from them and most importantly the long term safety of the children who use them.</p> <p>Note the previous buildings condition allocation was used to replace Tatworth Pre School building in 2017. There is no avenue for third party funding in these cases.</p> <p>The costings for building conditions are detailed in confidential appendix A. The building conditions bid proposal is for:</p> <p><b>Capital implication</b></p> <p><b>18-19/19-20:</b> £2.124m - 2 replacement building projects. Further investigation will identify the sequencing of the projects based risk.</p> <p><b>20-21/21/22:</b> A provisional bid of £2.124m for a further two buildings. Included on the basis that future surveys also reveal issues with the buildings.</p> <p><b>Revenue implication</b></p> <p><b>18-19/19-20:</b> £0.650m – relocation of decant building and making good of site.</p> <p><b>20-21/21-22:</b> £650.m – relocation of decant building and making good of site.</p>
<p><b>Legal Implications:</b></p>	<p>Failure to provide sufficient spaces may result in legal challenge from parents for both the existing universal offer and the new 30 hours offer.</p> <p>The Local Authority has a statutory duty to secure sufficient places for children and families as detailed above.</p> <p>Failure to replace these buildings may result in legal challenges from the providers that are running their</p>

	<p>businesses from the SCC owned premises. Any consequences such as loss of earnings may result in both reputational damage and costs to the Local Authority.</p> <p>Further enquiries will be made into any legal recourse relating to the cause of the deterioration and if there is any liability.</p>
<b>HR Implications:</b>	<p>The scale of the work will have capacity implications for property services and for early year's project officers in commissioning and subsequent operations.</p>
	<p>There is a risk that the Local Authority will suffer reputational damage if children cannot use their Early Years Entitlement and 30 hours extended entitlement in their preferred area.</p> <p><i>JCAD REF: EDO0002</i></p> <p>There are also risks associated with estimating the costs of buildings conditions projects which include:</p> <ul style="list-style-type: none"> <li>• Further complications with buildings may occur after the condition surveys.</li> <li>• General inflation (CPI / RPI) could increase the cost of projects by the time they are delivered in 3, 4 or 5 years.</li> <li>• Contract costs, for services such as architecture and site surveys, could increase at an unknown rate.</li> <li>• Industry specific inflation could see price of certain materials increase well beyond the rate of inflation.</li> <li>• The costs of the programme may exceed the funding available</li> <li>• The likelihood of securing alternative /decant accommodation for the service affected.</li> </ul> <p>Failure to secure funding from this bid process will considerably impact on the ability to provide any basic need provision for early years as the budget would have to be moved over to the identified buildings conditions projects.</p> <p>Failure to replace these buildings may result in legal challenge from the providers that are running their businesses from the premises. Any consequences such as loss of earnings may result in both reputational damage and revenue costs to the Local Authority.</p>
<b>Other Implications (including due regard implications):</b>	<p><b><u>Equalities Implications</u></b></p> <p><b>Access</b> Where new provisions are built or extended, architects will be tasked to ensure that they are accessible and fully meet the needs of a wide-ranging client group. It is important that both wheel chair and pram access is included in plans for settings.</p> <p><b>Equality &amp; Diversity</b> The bids for capital investment have been targeted to ensure that all children across Somerset are able to access early year's provision in the county.</p>

## Human Rights

The provision of good quality additional early year's places will support children to access education and develop and reach their potential. The UNCRC (1989) covers rights for children including the right to play (Article 31)

## **Community Safety Implications**

If parents cannot access childcare, it may create a barrier for that family to access work, particularly in rural areas and over-subscribed urban areas.

The impact of a loss of quality, reliable childcare may be felt in industries not directly related, through increases in staff lateness and absenteeism.

The impact on children of high quality childcare, particularly the most vulnerable children eligible for 2-year old funding, cannot be understated.

High quality early years provision has been demonstrated to have a significant effect on improving children's attainment throughout their education. Failing to deliver places will impact on the life chances of the most vulnerable.

The inability to access sufficient and suitable early year's spaces for the 30 hours scheme may prevent parents from increasing hours and finding ways back into work.

Investing in buildings conditions safeguards the wellbeing and physical safety of the children and families using the provision, as well as the staff working for the service.

## **Sustainability Implications**

Individual business cases will detail the level of capital investment required and any revenue savings that might be realised as a result of reducing the need to travel to settings by car or other transport, and building material costs or energy efficient building design.

Any replacement building will potentially be more energy efficient than the current ones as they will be constructed using the most up to date materials and regulations for energy efficiency.

## **Health and Safety Implications**

Build projects resulting from successful bids for capital investment, will be planned and delivered with the health & safety of children, staff and the local community a priority.

Planning for capital build will also consider impact on environmental noise and if needed, include planting to screen noise from outdoor play areas.

Investing in buildings conditions safeguards the wellbeing and

	<p>physical safety of the children and families using the provision, as well as the staff working for the service.</p> <p>The decision as to which building to replace first will be heavily influenced by the health and safety of the users of the service.</p> <p><b><u>Privacy Implications</u></b> All information relating to finance and early years numbers, which has been used to inform business cases is, or will be, available to the public.</p> <p>Details relating to the future procurement of architects and contractors may be commercially sensitive and requests relating to that information will have to be assessed on an individual basis.</p> <p>The information regarding the specific buildings in scope is sensitive information, and therefore will need to remain confidential until all required stakeholders consent to information being shared in the public domain.</p> <p><b><u>Health and Wellbeing Implications</u></b> Additional local early year’s places within walking distance of their homes may see an increase in the number of families walking to settings. This will have a positive impact on the physical fitness of those children and those parents who accompany their children.</p> <p>Build projects will be designed in a way that ensures that outdoor play space is protected and in some cases enhanced, in order to promote physical activity.</p> <p>Providing additional spaces to meet the need for 30 hours may impact positively on health and wellbeing. Families that are able to return to work may improve their socioeconomic status and wellbeing.</p>
<p><b>Scrutiny comments / recommendation (if any):</b></p>	<p>Not applicable</p>

## 1. Background

- 1.1. Our objective is to ensure all eligible children are able to take up high quality early education regardless of their parents’ ability to pay – benefiting their social, physical and mental development and helping to prepare them for school.

The Effective Provision of Pre-school Education (EPPE) and other research projects have demonstrated that lasting improvement in social, communication and language skills occurs in children that attend high quality early years settings on a part time basis from the age of 2 years old. This is particularly effective for children from disadvantaged backgrounds.

All children need to learn in a safe, healthy, and age appropriate environment. As well as a statutory duty, it is in the interest of the Local Authority to invest in appropriate capital projects to ensure this is provided for the children of Somerset where it is needed.

There is a legal duty for early years to provide sufficient spaces for all 3 and 4 year old children, as well as eligible 2 year old children for 570 hours per year. For working parents of 3 and 4 year old children, this will increase in September 2017 to 1140 hours per year if their application through the HMRC is successful.

## **1.2. Brock House – Norton Fitzwarren**

In late 2013 issues were raised with regard to decay in the external decking at Brock House in Norton Fitzwarren. Further investigation revealed extensive wet and dry rot in the floor and wall structures, which ultimately resulted in the demolition and replacement of the building.

The report prepared by Faithful and Gould following the intrusive survey works undertaken cited the main cause of the decay to the floor structure to be inadequate ventilation of the sub floor void, in particular the lack of any airbricks in the dwarf foundation walls supporting the floor structure and inadequate preparation of the sub floor against the passage of moisture as defined in the Building Regulations.

On the 25<sup>th</sup> of February 2016, a key decision taken by the Strategic Manager, property client, commercial and business services was taken to carry major works to replace the building (Please see background papers).

## **1.3. Actions after issues with Brock House**

Following on from the findings at Brock House, continued surveys on similar project builds were carried out in 2014 and 2017. These findings have prompted the need to submit a bid for buildings conditions to be able to proactively address identified problems.

## **2. Options considered and reasons for rejecting them**

**2.1.** There are 4 options which have been considered:

1. Do nothing / do minimum
2. Replace the floor of the two buildings, and temporarily relocate the services
3. Replace the two buildings, and temporarily relocate the services
4. Carry out continual remedial repairs to the buildings.

### **2.2. Option 1- Do nothing: rejected**

The issues identified in Appendix A highlight that to do nothing is not an option. This would increase costs to the Local Authority and pose a higher risk to the children, families and staff accessing the buildings.

The providers operating in the buildings must be able to continue operating their businesses, and providing a safe environment for children in their care. To do nothing would pose a very high risk; as this means the closure of early

year's provision. Parents would not be able to return to work, and possibly lose their jobs from lack of childcare in the area. The providers would also suffer considerable financial loss in fees income, staff costs and liabilities.

**2.3. Option 4- Carry out continual remedial repairs to the buildings: Rejected**

This is not an option, as in this case it would not be viable to carry out continual repairs on the building. It would not address the issues identified.

**2.4. Option 3- Replace the two buildings, and temporarily relocate the Services: Recommended**

This option is the more expensive one at £2.124m and £0.650m revenue, but is preferred due to the importance of:

- Due regard to statutory duty to secure sufficiency of early years places
- Safeguarding children's welfare and physical safety in both the short and long term
- Ensuring that providers can continue to operate in safe premises in the short and long term
- Preventing safety risks developing in the short term, and into the future
- Prevention of further long term costs from continuous small repairs and maintenance.
- Prolonging the life of the buildings and the assets in the estate.
- Slightly shorter timeframe for construction and decant

**3. Background Papers**

- Brock House Children's Centre, Norton Fitzwarren - Major structural rectification works (25<sup>th</sup> February 2016)  
<http://www1.somerset.gov.uk/council/portfolio%2040/2016%20decisions/Brock%20House%20Children's%20Centre%20major%20structural%20rectification%20works.pdf>
- Childcare Act 2006 Summary; <http://www.4children.org.uk/Files/b0a1ee58-042b-4c84-8fd6-9f4b00f5f7d5/PolicyPractice4.pdf>
- Childcare Act (2016) accessed at:  
<http://www.legislation.gov.uk/ukpga/2016/5/enacted>
- Somerset Children and Young People's Plan 2016-2019:  
<http://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0ahUKEwid4eKBhZPNAhVBsxQKHf5oBjsQFgggMAA&url=http%3A%2F%2Fwww.somerset.gov.uk%2FEasySiteWeb%2FGatewayLink.aspx%3FallId%3D42521&u sg=AFQjCNFKGuUdLB1b4jb7hDoK3omz49CouQ>
- Key Decision: Revision of Section 106 contributions formula for Early Years Provision August 2017  
<http://democracy.somerset.gov.uk/ieDecisionDetails.aspx?ID=425>
- School Place Planning Infrastructure Growth Plan 2017  
<http://www.somerset.gov.uk/policies-and-plans/plans/early-years-and-school-place-planning-infrastructure-growth-plan/>



## Capital Investment Programme 2018/19 Financial Information

### Annual Scheme Requests

	2018/19 £
<b>Total Cost of Scheme (a)</b>	2,124,342
<b>Revenue Contribution (b)</b>	
<b>Third Party Funding (c)</b>	
<b>Required SCC Resources (a-b-c)</b>	2,124,342

Enter the **full cost** of the proposed scheme in the year it is expected to start, along with details of any potential revenue or third party contributions.

**Do not** include any capital receipts in the funding options.

### Breakdown of Third Party Funding

	2018/19 £
<b>ERDF</b>	0
<b>LEP</b>	0
<b>Others (e.g. District Councils)</b>	0

### Estimated profile of Scheme (when the spend will be incurred)

#### **Total Capital Outlay (a)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	604,098	1,520,402	0	0

#### **Total Revenue Contributions (b)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

#### **Total Third Party Contributions (c)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

### Revenue Implications

	2018/19 £
<b>On Going Savings</b>	0
<b>One off Savings</b>	0
<b>On Going Pressure</b>	0
<b>One off Pressure</b>	325,000

Please enter all savings as a negative.

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## 2018/19 Capital Investment Programme Proposal Form

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### Get Set

Cabinet Member(s): Cllr Frances Nicholson – Cabinet Member for Children and Families

Division and Local Member(s): All

Lead Officer: Philippa Granthier, Assistant Director, Quality and Performance

Author: Jeff Brown, Service Manager, Children’s Commissioning

Contact Details: 01823358170, [jbrown@somerset.gov.uk](mailto:jbrown@somerset.gov.uk)

<b>Summary of proposed investment:</b>	<p><b>Maintenance and improvement in children’s centres to support Family Support Service development</b></p> <p>In February 2018, Cabinet will consider reports which set out the approach to developing and implementing ‘early help hubs’ based on the integration of the current SCC getset service and the Public Health Nursing service currently delivered by Somerset Partnership NHS Foundation Trust. Over three phases, this development will create a single Family Support Service to provide universal health and wellbeing and targeted family support.</p> <p>Phase 1, from April 2018, addresses the initial development of the Family Support Service and a co-ordinated and coherent early help offer making better use of technology and the network of existing children’s centres and local community venues. This phase includes the development of new management arrangements for many existing children’s centre buildings and the co-location of SCC and health staff in remaining centres which will become the family centre hubs. It is in some of these remaining centres that capital investment is required to provide fit-for-purpose space for new activity provision and the co-located staff teams. Investment totalling £300,000 is proposed across five centres.</p> <p>From April 2019, Phase 2 will integrate Public Health Nursing (health visitor and school nurse) services with SCC’s getset service, and beyond 2020 Phase 3 will consider further service integration to achieve a holistic model.</p> <p>Phase 1 plans include the development of eight Family Centres in existing SCC-owned Sure Start Children’s Centres. In order to maximise the effectiveness of the family support service, investment is required to remodel and refurbish the centres.</p>
<b>Reasons for investment:</b>	<p>Investment is required in the following buildings:</p> <ul style="list-style-type: none"> <li>• Sydenham Children’s Centre, Bridgwater.</li> <li>• Hillside Children’s Centre, Taunton.</li> <li>• Williton Children’s Centre.</li> <li>• Reckleford Children’s Centre, Yeovil.</li> </ul>

	<ul style="list-style-type: none"> <li>• The Key Centre, Frome.</li> </ul> <p>In order to:</p> <ul style="list-style-type: none"> <li>• Ensure compliance with Health and Safety regulations.</li> <li>• Create fit-for-purpose space for the delivery of family support.</li> <li>• Accommodate expanded teams as Public Health Nursing and getset staff co-locate.</li> <li>• Enable development of Family Support Service over next two years.</li> <li>• Deliver the proposals to be considered by Cabinet (reference EP/17/11/06).</li> </ul>
<b>Links to Priorities and Impact on Service Plans:</b>	<p>The development of the Family Support Service supports the priorities outlined in the Health &amp; Well-Being strategy and the Children &amp; Young People’s Plan 2016-2019 (specifically Programme 2 and Programme 5).</p> <p>Plans to rationalise the children’s centre estate are in line with SCC’s refreshed approach to asset rationalisation approved in November 2017.</p> <p>Effective delivery of Phase 1 Family Support Service proposals is dependent on improvements and alterations in some buildings.</p>
<b>Consultations undertaken:</b>	<p>Family Support Service proposals have been subject to wide public and stakeholder consultation.</p> <p>Proposals for alteration and improvement to centres have been discussed with Property Services and estimated costs have been provided.</p>
<b>Financial Implications:</b>	<p>The identified refurbishment and remodelling costs to support the proposals totals £300,000.</p>
<b>Legal Implications:</b>	<p>Buildings constructed or brought into service as children’s centres with grants under the Sure Start programme are subject to capital claw back if they are not used for the provision of early childhood services.</p> <p>Investment in the buildings will ensure they remain fit for purpose and can support the delivery of family support services in coming years.</p> <p>Procurement and management of refurbishment and remodelling work will be via Corporate Property with support from the Procurement Team in order to ensure compliance with SCC guidelines.</p>
<b>HR Implications:</b>	<p>None</p>
<b>Risk Implications:</b>	<p>Failure to ensure the centres are fit for purpose will impede the Family Support Service development and reduce the effectiveness of the service which can be provided.</p> <p>Without remodelling, some centres will be unable to accommodate the co-located teams, requiring additional accommodation to be</p>

	secured. This will increase the cost and reduce the ability to invest the saving in front line delivery.					
	<b>Likelihood</b>	<b>2</b>	<b>Impact</b>	<b>2</b>	<b>Risk Score</b>	<b>4</b>
<b>Other Implications (including due regard implications):</b>	<p><b>Health and Wellbeing</b> The planned improvements will contribute to creating a positive working environment, which will support a smooth transition for staff moving into co-located team bases.</p> <p><b>Sustainability</b> Effective maintenance prolongs the useful life of plant and protects and enhances the value of a building and its equipment.</p> <p><b>Health and Safety</b> Through planned improvement works, risks to health and safety of employees and members of the public will be reduced.</p>					
<b>Scrutiny comments / recommendation (if any):</b>	Not applicable					

## 1. Background

### 1.1. Development of Sure Start Children's Centres

Children's centres provide access to a range of services for children under five and their families, including child care and early education provision; family support; health, training employment and services; and the provision of advice and information.

Somerset's children's centres were established under the Sure Start brand from 2001 and developed in three phases. Starting with the most disadvantaged areas Phase 1 saw the development of 15 centres from 2001 to 2007, 18 were developed 2007 to 2009 in Phase 2 and a further 8 in Phase 3 from 2009 to 2011. At the completion of the development programme Somerset had 41 designated centres registered and subject to Ofsted inspection. Somerset's centres were initially managed by a mix of public and voluntary sector organisations.

Following review, rationalisation and reorganisation in 2013/14, Somerset has 24 centres which retain the Sure Start designation.

### 1.2. Planned and reactive maintenance

SCC investment in its children's centres over the past five years has been predominantly reactive, focusing on repair rather than upkeep. This approach results in a steady decline in the overall condition of the centres and a reduction in the quality of the working environment as decoration, fixtures and fittings deteriorate. It also risks high-cost repairs being required where lack of routine maintenance allows small issues to become major problems – for example where wooden window frames rot.

As many of the children's centres are now 10-15 years old the need for additional investment is clear.

### 1.3. **Family Centres**

It is proposed that children's centre buildings in the following locations are developed to provide family centres and to support the wider Family Support Service:

- Sydenham, Bridgwater
- Highbridge
- Acorns, Taunton
- Hillside, Taunton
- Williton
- Reckleford, Yeovil
- The Key Centre, Frome
- Library Hub, Glastonbury

Wherever possible centres will provide the main operational base for the area's co-located team as well as a venue for the delivery of family support services. To fulfil this dual role effectively each centre must have the necessary office space and facilities, and some currently do not.

## 2. **Options considered and reasons for rejecting them**

### 2.1. **Do nothing**

A key principle of the Family Support Service proposals is to develop co-located teams in Phase 1 (2018/19) and integrated teams with an enhanced service offer through Phase 2 and beyond (from 2019/20). Centres need to accommodate the larger co-located teams and to provide space in which an enhanced service offer can be delivered. Doing nothing is therefore not an option.

### 2.2. **Fund works from revenue budget**

Alongside the investment in buildings outlined above, the family support service development requires investment in workforce development and digital technology. There are also transition costs associated with the alignment and integration of staff and service offer. These costs will add pressure to the revenue budget. Funding the works from the revenue budget is therefore not an option.

## 3. **Background Papers**

- 3.1. Cabinet Forward Plan reference FP/17/11/06: [Family support services for Somerset – Final report on recommendations for how the service will be delivered](#) Detail of Phase 1 development.
- Cabinet Forward Plan reference FP/17/08/13: [Family support services for Somerset – final report on recommendations for the service model](#) Detail of Phase 2 development.

## Capital Investment Programme 2018/19 Financial Information

### Annual Scheme Request

	2018/19 £
<b>Total Cost of Scheme (a)</b>	300,000
<b>Revenue Contribution (b)</b>	0.000
<b>Third Party Funding (c)</b>	0.000
<b>Required SCC Resources (a-b-c)</b>	<b>300,000</b>

Enter the **full cost** of the proposed scheme in the year it is expected to start, along with details of any potential revenue or third party contributions.

**Do not** include any capital receipts in the funding options.

### Breakdown of Third Party Funding

	2018/19 £
<b>ERDF</b>	0.000
<b>LEP</b>	0.000
<b>Others (e.g. District Councils)</b>	0.000

### Estimated profile of Scheme (when the spend will be incurred)

#### **Total Capital Outlay (a)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	300,000	0.000	0.000	0.000

#### **Total Revenue Contributions (b)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0.000	0.000	0.000	0.000

#### **Total Third Party Contributions (c)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0.000	0.000	0.000	0.000

## 2018/19 Capital Investment Programme Proposal Form

### Deployment of DfE Special Provision Capital Fund allocation to SAI

Cabinet Member(s): Cllr Frances Nicholson  
 Division and Local Member(s): All  
 Lead Officer: Phil Curd – Service Manager, Specialist Provision & School Transport  
 Author: As above  
 Contact Details: 01823 355165 or pjcurd@somerset.gov.uk

<b>Summary of Proposed Investment:</b>	<p>This document builds on a parallel submission for Schools Access Initiative:</p> <p><b>Schools Access Initiative</b>          The Local Authority has a duty make reasonable adjustments to schools to ensure children with disabilities and physical and sensory impairments are able to access their local school. To address the delivery of capital works and facilitate the purchase of assistive technology £2,800,000 of capital funding over 4 years is requested.</p> <p>This additional paper is requesting that the above request is, in part, funded by the DfE Special Provision Capital Fund allocation the LA will receive over each of the next three years. Specifically:</p> <p><b>That the Special Provision Capital Fund Allocation of £572,131 in each of the next 3 years is allocated to the SAI budget and used for capital works at mainstream schools which will enable children with complex medical needs and disabilities to attend a mainstream school in their community.</b></p>
<b>Reasons for Investment:</b>	<p>To deliver sufficient, fit for purpose school places for all children in Somerset and meet the Local Authority's statutory duty.</p> <p>To ensure schools building are safe and functional and that their condition does not detract from teaching and learning.</p> <p>To ensure that children with disabilities and physical and sensory impairments are not at a significant disadvantage when compared to their peers.</p>
<b>Links to Priorities and Impact on Service Plans:</b>	<p>The recommendations link to the following <b>Target</b> in the <b>County Plan</b>:</p> <p><i>"We will aim to have better school results for all children across all key stages and in particular at GCSE and A-Level with a particular focus on disadvantaged children."</i></p>
<b>Consultations undertaken:</b>	<p>The LA is expected to make decisions on how it will spend its funding allocation in consultation with local stakeholders.</p>

As engagement with parents and young people is crucial, the LA worked in partnership with Somerset Parent Carer Forum (SPCF) and held a series of consultation events across Somerset in June 2017.

This was followed by an online consultation run by SPCF, allowing those parents / carers and the feedback will be used to inform the Local Authority's decision.

The consultation was based on 4 options, co-produced by Somerset County Council, SPCF and the Head Teachers of Somerset's maintained special schools.

### **Options for Consideration**

After engagement with stakeholders and in view of the Local Authority's SEND Strategy, the following options were taken forward for consultation:

- Create additional places in maintained special schools in Taunton & Bridgwater.
- Create additional ASD Resource Base places on mainstream school sites in Yeovil & Taunton.
- Provide reasonable adjustments at mainstream schools across Somerset to meet the needs for pupils with physical impairments / disabilities or complex medical needs.
- Create a match-funding pot for FE / Post-16 providers to improve or expand provision for students with EHCPs.

### **Consultation Feedback**

At the consultation events, stakeholders were asked to vote for their single preferred option. In total, 94 people participated in the exercise.

As some of the options were geographically specific, some geographic preferences were expected. This proved to be the case in Yeovil, where the delivery of additional ASD Resource Base places proved to be the most popular option whilst in Frome, a town without a large college; investment in Post-16 provision was most popular.

The votes received for each option, at each event are displayed below in Figure 1.

To ensure those that didn't attend the consultation events were still able to express a view, the SPCF ran an online consultation exercise using their social media platforms.

A further 42 people engaged in this exercise and the results are shown in Figure 2.

Combined results are shown in Figure 3.



Figure 1

Venue	Special School Places	ASD Resource Base Places	Reasonable Adjustments in Mainstream	Post-16
Bridgewater	2	1	6	4
Taunton	2	5	6	0
Frome	3	4	4	11
Street	1	0	9	2
Yeovil	0	18	3	3
Minehead	0	2	7	1
<b>Total</b>	8 (9%)	30 (32%)	35 (37%)	21 (22%)

Figure 2

	Special School Places	ASD Resource Base Places	Reasonable Adjustments in Mainstream	Post-16
<b>Votes</b>	7 (17%)	11 (26%)	14 (33%)	10 (24%)

Figure 3

	Special School Places	ASD Resource Base Places	Reasonable Adjustments in Mainstream	Post-16
<b>Combined</b>	15 (11%)	41 (30%)	49 (36%)	31 (23%)

**Financial Implications:**

Where capital investment is required, officers will ensure funding is used as efficiently as possible, with a focus on making best use of existing infrastructure.

The actual costs of each project will depend on their complexity, although this will be highlighted in Options Appraisals and Feasibility Studies.

Revised benchmarking and procurement processes are also supporting the Local Authority to drive down the cost of new schools and school extensions.

The financial implications for the LA are:

Year	Capital Request	DfE Allocation	Local Authority Allocation
2018/19	£700,000	£572,131	£127,869
2019/20	£700,000	£572,131	£127,869
2020/21	£700,000	£572,131	£127,869

<p><b>Legal Implications:</b></p>	<p>Recommendations and related Business Cases have been submitted (in the parallel paper) in order to secure the capital investment required to ensure the Local Authority can fulfil its statutory duties.</p> <p>All bids are submitted after careful analysis of data available to the local authority.</p> <p>Moving forwards, delivery of individual projects will need to comply with relevant regulations, including those relating to planning and procurement.</p>											
<p><b>HR Implications:</b></p>	<p>The overall number of individual projects that are required to be delivered on the schools estate will test the operational capacity of some service areas.</p> <p>Those service areas affected will include:</p> <ul style="list-style-type: none"> <li>• Schools Commissioners</li> <li>• Corporate Property</li> <li>• Corporate Finance</li> <li>• Schools Finance</li> <li>• Legal Services</li> <li>• Planning</li> <li>• Highways</li> </ul>											
<p><b>Risk Implications:</b></p>	<p>Where suitable school places cannot be delivered locally, there is a risk that the Local Authority will be required to provide school transport to an increasing number of school children at a significant cost.</p> <p>There is also a risk that the Local Authority will suffer reputational damage if children cannot access a local school due to access issues.</p> <p>There are also risks relating to the assessment of capital requirement identified in individual business cases:</p> <ul style="list-style-type: none"> <li>• Costings are estimates and are typically not substantiated by up-to-date condition surveys.</li> <li>• General inflation will increase the cost of projects by the time they are delivered in 3, 4 or 5 years.</li> <li>• Contract costs, for services such as architecture and site surveys, will increase at an unknown rate.</li> <li>• Industry specific inflation will see price of certain materials increase well beyond the rate of inflation.</li> <li>• The costs of the programme may exceed the funding available.</li> </ul> <table border="1" data-bbox="555 1794 1466 1832"> <tr> <td><b>Likelihood</b></td> <td><b>3</b></td> <td><b>Impact</b></td> <td><b>3</b></td> <td><b>Risk Score</b></td> <td><b>9</b></td> </tr> </table>						<b>Likelihood</b>	<b>3</b>	<b>Impact</b>	<b>3</b>	<b>Risk Score</b>	<b>9</b>
<b>Likelihood</b>	<b>3</b>	<b>Impact</b>	<b>3</b>	<b>Risk Score</b>	<b>9</b>							
<p><b>Other Implications (including due regard implications):</b></p>	<p><b>Access</b> Where new schools are built or existing schools extended, architects will be tasked to ensure that they are accessible and fully meet the needs of a wide-ranging client group.</p> <p><b>Equality &amp; Diversity</b> The bids for capital investment have been targeted to ensure</p>											

that **all** children across Somerset are able to access a suitable school place in their local area.

### **Human Rights**

The provision of good quality additional school places will support children to access education and develop and reach their potential.

### **Community Safety**

Where schools are expanded, this may lead to an increase in children travelling to school in cars. This in turn may have an impact on the communities living in close proximity to school at the start and end of the school day.

This situation has the potential to create more hazards for pupils and parents who are walking or cycling to school.

Typically, access to school sites is well supported by the provision of suitable footpaths and footways, many of which are well lit.

As the Traffic Authority, SCC has a general duty to assess individual roads, apply speed limits appropriately and install traffic calming measures if necessary.

### **Sustainability**

Individual business cases will detail the level of capital investment required and any revenue savings that might be realised as a result of reduced school transport costs or energy efficient building design.

### **Freedom of Information / Data Protection**

All information relating to school finance and projected pupil numbers, which has been used to inform business cases is, or will be, available to the public.

Details relating to the future procurement of architects and contractors may be commercially sensitive and requests relating to that information will have to be assessed on an individual basis.

### **Health & Safety**

Build projects resulting from successful bids for capital investment, will be planned and delivered with the health & safety of school children, staff and the local community a priority.

### **Health & Wellbeing**

Additional local school places within statutory walking distance of their homes may see an increase in the number of children walking or cycling to school. This will have a positive impact on the physical fitness of those children and those parents who accompany their children to school.

Build projects will be designed in a way that ensures that outdoor play space at schools is protected and in some cases enhanced, in order to promote physical activity.

	<p><b>Partnership Issues</b>  The delivery of the build projects identified in business cases, are heavily dependent on effective partnerships and stakeholder engagement.  The Education Learning Infrastructure Board will monitor the performance of internal partners involved in delivering education buildings.</p>
<p><b>Scrutiny comments / recommendation (if any):</b></p>	<p>Not applicable.</p>

## 1. Background

### 1.1. Statutory Duty

The Local Authority has a statutory duty to ensure that there is a sufficient number of good quality school places for children in its area.

The Local Authority also has a statutory duty to provide free school transport to those children who have been allocated a school place which is not within statutory walking distance.

### 1.2. School Access Initiative

The LA has a duty make reasonable adjustments to mainstream schools to ensure children with disabilities and physical and sensory impairments are able to access their local school.

The Local Authority has recently become responsible for making reasonable adjustments at Academies. This has increased costs significantly.

## 2. Options considered and reasons for rejecting them

### 2.1. Alternative options and reasons for rejecting them have been detailed in the individual business cases for each recommendation.

It is recognised that as project briefs are developed and feasibility studies undertaken the preferred option may change.

## Capital Investment Programme 2018/19 Financial Information

### Annual Scheme Request

	2018/19 £
<b>Total Cost of Scheme (a)</b>	572,131
<b>Revenue Contribution (b)</b>	0
<b>Third Party Funding (c)</b>	572,131
<b>Required SCC Resources (a-b-c)</b>	<b>572,131</b>

Enter the **full cost** of the proposed scheme in the year it is expected to start, along with details of any potential revenue or third party contributions.

**Do not** include any capital receipts in the funding options.

### Breakdown of Third Party Funding

	2018/19 £
<b>ERDF</b>	0
<b>LEP</b>	0
<b>DfE</b>	572,131

### Estimated profile of Scheme (when the spend will be incurred)

#### **Total Capital Outlay (a)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	572,131	0	0	0

#### **Total Revenue Contributions (b)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

#### **Total Third Party Contributions (c)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	572131	0	0	0

**2018/19  
Capital Investment Programme**

**FP/17/09/13**

**Colley Lane Southern Access Road**

Link to Decision

<http://democracy.somerset.gov.uk/ieDecisionDetails.aspx?ID=591>

**2018/19  
Capital Investment Programme**

**FP/16/12/02**

**M5 Junction 25 Improvement Scheme**

Link to Report

<http://democracy.somerset.gov.uk/ieDecisionDetails.aspx?ID=196>

**2018/19  
Capital Investment Programme**

**FP/17/06/08**

**Yeovil Western Corridor**

Link to Decision

<http://democracy.somerset.gov.uk/ieDecisionDetails.aspx?ID=474>



## 2018/19 Capital Investment Programme Proposal Form

### Vehicle Incursions to Network Rail Infrastructure – Managing the Accidental Obstruction of the railway by Road Vehicles

Cabinet Member(s): County Councillor John Woodman, Cabinet Member for Highways & Transport

Division and Local Member(s): Upper Tone, Cllr John Thorne  
Blackdown & Neroche, Cllr James Hunt  
Mendip Central & East, Cllr Philip Ham  
Wincanton & Bruton, Cllr Anna Groskop

Lead Officer: Mike O’Dowd Jones, Strategic Commissioning Manager – Highways & Transportation

Contact Details: 01823 356238 [modowdjones@somerset.gov.uk](mailto:modowdjones@somerset.gov.uk)

Author: Andrew Turner, Strategic Manager – Highway Maintenance

Contact Details: 07977401896 ; [ASTurner@somerset.gov.uk](mailto:ASTurner@somerset.gov.uk)

<b>Summary of Proposed Investment:</b>	<p>This proposed investment is required to implement mitigation measures at four sites in Somerset to reduce the potential for road vehicle incursions onto the railway where it runs adjacent to or under the public highway in Somerset.</p>
<b>Reasons for Investment:</b>	<p>In 2001, a vehicle incursion onto the railway at Great Heck, North Yorkshire resulted in a collision with a train and the deaths of ten people. The subsequent Health and Safety Executive investigation obliged local highway authorities, in partnership with Network Rail, to identify road/rail interfaces at risk from vehicle incursion and to implement measures to reduce that risk.</p> <p>To help local authorities and Network Rail identify high risk sites, the Department for Transport (DfT) produced a risk scoring matrix. Whilst all locations scoring 90 or more require mitigation, sites scoring 100 or more were considered priority areas requiring immediate attention.</p> <p>Sites are identified and regularly reviewed by the council in conjunction with Network Rail to take account of changes in the condition of the highway and railway infrastructure.</p> <p>There are currently four sites in Somerset that fall within the scoring criteria referred above;</p> <ul style="list-style-type: none"> <li>• Asham House, near Wellington</li> <li>• Pinkwood Lane, near Bruton</li> <li>• Bunns Lane, near Trudoxhill</li> <li>• Strap Lane, near Upton Noble</li> </ul> <p>This bid reflects the basic requirements needed to introduce or upgrade existing mitigation measures at the four sites in accordance with national guidelines, and to reduce their risk score below 90.</p>

	<p>In their letter of 2 August 2017, the DfT questioned the progress made by Somerset County Council in providing mitigation against vehicle incursion. The DfT has also requested the timetable for delivering the outstanding mitigation measures.</p>
<p><b>Links to Priorities and Impact on Service Plans:</b></p>	<p>Implementation of measures to improve safety at road/railway interfaces contributes directly to the 2016-2020 County Plan Vision for Somerset:</p> <ul style="list-style-type: none"> <li>• Vision for Somerset – better roads and rail, reducing potential for disruption to the travelling public.</li> <li>• Keeping roads safe – We will maintain our highways to allow our communities to travel safely.</li> </ul> <p>Medium Term Financial Plan, The capital strategy for 2016/17 to 2018/19 relating to this proposal can be summarised as follows:</p> <ul style="list-style-type: none"> <li>• Pro-active management of our assets;</li> </ul> <p>Service Plans and relevant Policies – in particular the Social Value Policy (approved in October 2014).</p> <ul style="list-style-type: none"> <li>• Reduction of risk of harm to the traveling public – road and rail users.</li> </ul> <p>The investment positively supports the Council’s objectives on the delivery of these objectives.</p>
<p><b>Consultations undertaken:</b></p>	<p>No consultations have been made relating to this proposal but consultation with Network Rail and local consultation will take place when we look at specific mitigation measures to be introduced at individual sites.</p> <p>This Capital Investment Programme Proposal Form is seeking funding to fulfil the risk-based mitigations set out by the DfT in their document titled, ‘Managing the accidental obstruction of the railway by road vehicles’ dated February 2003.</p>
<p><b>Financial Implications:</b></p>	<p>Failure to have followed national guidelines in the event of an incursion potentially leaves the authority open to legal challenge in respect of a failure to carry out its statutory duties. In the event of an incident resulting in personal injury, disruption or damage to railway assets, this carries a significant cost to the authority if successful.</p> <p>Costs for Great Heck 2001 are estimated at £30m-£50m. Costs for 2004’s Ufton Nervet incident are estimated at £30m.</p> <p>Any new highway assets will require some form of maintenance, repair or replacement over its lifetime. Irrespective of the engineering solution adopted at each site, all future revenue costs will be met from the revenue base budget for highways.</p> <p>National guidance from the DfT identifies cost sharing arrangements with Network Rail for the design and installation</p>

	of incursion mitigation measures. This proposal is for those proportions of the individual scheme costs accruing to Somerset County Council.												
<b>Legal Implications:</b>	Somerset County Council as the highway authority has a legal duty under the Highways Act to maintain the highway in accordance with nationally recognised standards.												
<b>HR Implications:</b>	None												
<b>Risk Implications:</b>	<p>Should this programme not be taken forward, there are significant legal, reputational and financial risks for the authority.</p> <p>Department for Transport interest in the implementation of mitigation measures has resulted in sites and local authorities not making sufficient progress being publicly identified.</p> <p>In the event of an incursion incident resulting from a failure to act, the authority may be subject to challenge under the Highways Act 1980. Financial costs arising from incidents involving the railway network are severe.</p> <p>Highway maintenance is highlighted on the Council's Corporate Risk Register JCAD ref ECIH0002</p> <table border="1"> <tr> <td><b>Likelihood</b></td> <td><b>3</b></td> <td><b>Impact</b></td> <td><b>4</b></td> <td>Risk Score</td> <td><b>12</b></td> </tr> </table> <p>Bridges and structures are highlighted on the Council's Corporate Risk Register JCAD ref ECIH0005.</p> <table border="1"> <tr> <td><b>Likelihood</b></td> <td><b>4</b></td> <td><b>Impact</b></td> <td><b>4</b></td> <td><b>Risk Score</b></td> <td><b>16</b></td> </tr> </table>	<b>Likelihood</b>	<b>3</b>	<b>Impact</b>	<b>4</b>	Risk Score	<b>12</b>	<b>Likelihood</b>	<b>4</b>	<b>Impact</b>	<b>4</b>	<b>Risk Score</b>	<b>16</b>
<b>Likelihood</b>	<b>3</b>	<b>Impact</b>	<b>4</b>	Risk Score	<b>12</b>								
<b>Likelihood</b>	<b>4</b>	<b>Impact</b>	<b>4</b>	<b>Risk Score</b>	<b>16</b>								
<b>Other Implications (including due regard implications):</b>	<p><b><u>Community Safety Implications</u></b> Improved safety and therefore reliability for highway and railway users..</p> <p><b><u>Sustainability Implications</u></b> The investment will have no implications (positive or negative) to sustainability.</p> <p><b><u>Health and Safety Implications</u></b> The capital investment proposal decreases the risk of vehicle incursions on to the railway network at the identified sites thereby improving the safety of the rail / road travelling public.</p>												
<b>Scrutiny comments / recommendation (if any):</b>	Not applicable.												

## 1. Background

- 1.1. Rail / road interface programme of risk reduction as a result of the Great Heck train crash on 28 February 2001 in which 10 people were fatally injured. The Great Heck train crash involved a road vehicle obstructing the railway line and derailling a passenger train which then collided with a freight train. There were ten deaths and several injuries to passengers and staff.
- 1.2. The Department for Transport (DfT) produced a publication 'Managing the accidental obstruction of the railway by road vehicles' in February 2003. Various bodies, including the Health and Safety Executive (HSE), contributed to this

publication which details a risk ranking process to be followed at each road over rail bridge and each adjacent rail/road site.

- 1.3. The report set out what the highway authorities, rail infrastructure authorities and other organisations needed to do to identify how they could jointly manage the risk of road vehicles getting onto the railway. It included a protocol for apportioning responsibility and costs of mitigation measures.
- 1.4. Following a subsequent vehicle incursion at Aspatria, these Guidance notes were revised in 2016 to provide additional advice on scoring the risk from runaway vehicles on roads converging with a parallel road. The additions were drafted by the Department for Transport and Network Rail and approved by the UK Bridges Board and the Office of Rail and Road.

## **2. Options considered and reasons for rejecting them**

- 2.1. The provision of engineering measures to manage and mitigate the accidental obstruction of the railway by road vehicles are within the control and direction of the Highways Group. In terms of maintaining existing assets, these would normally be promoted through either the Structures Team or Highway Asset Management team.
- 2.2. It is currently not possible to promote the installation of new infrastructure as there is no budgetary provision specifically for safety fencing or any other form of vehicle restraint system.

## **3. Background Papers**

- 3.1. Letter from the Department for Transport dated 2 August 2017.
- 3.2. Managing the accidental obstruction of the railway by road vehicles, Department for Transport, published February 2003.

<https://www.gov.uk/government/publications/managing-accidental-rail-obstructions-by-road-vehicles-tal-0603>

## Capital Investment Programme 2018/19 Financial Information

### Annual Scheme Request

	2018/19 £
<b>Total Cost of Scheme (a)</b>	300,000
<b>Revenue Contribution (b)</b>	0
<b>Third Party Funding (c)</b>	150,000
<b>Required SCC Resources (a-b-c)</b>	<b>150,000</b>

Enter the **full cost** of the proposed scheme in the year it is expected to start, along with details of any potential revenue or third party contributions.

**Do not** include any capital receipts in the funding options.

### Breakdown of Third Party Funding

	2018/19 £
<b>ERDF</b>	0
<b>LEP</b>	0
<b>Others (Network Rail cost share)</b>	<b>150,000</b>

### Estimated profile of Scheme (when the spend will be incurred)

#### **Total Capital Outlay (a)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	150,000	0	0	0

#### **Total Revenue Contributions (b)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

#### **Total Third Party Contributions (c)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	150,000	0	0	0

## 2018/19 Capital Investment Programme Proposal Form

### Highways incorporating Highway Structural Maintenance, Bridges & Structures and Local Transport Improvement Schemes

Cabinet Member(s): Cllr John Woodman – Cabinet Member for Highways and Transport

Division and Local Member(s): All

Lead Officer: Andrew Turner – Strategic Manager Highway Maintenance

Author: Mike O'Dowd-Jones - Strategic Commissioning Manager Highways and Transport

Contact Details: 01823 356238. Modowdjones@somerset.gov.uk

<b>Summary of Proposed Investment:</b>	<p>This paper sets out the details of a bid for capital funding for highway and bridge maintenance and investment in transport improvement schemes for 2018/19. The bid comprises the amount of the DfT funded grant to cover this programme, with an additional pressure element as in 17/18 to reflect an increase in rates for capital works associated with moving to a new Highways Term Maintenance Contract in 2017 and a current cost risk associated with the application of an unusually high inflation rate to the surface dressing treatment type.</p> <p>The bid is costed to enable continued delivery of a programme that keeps the highway in a 'steady state' of repair avoiding unacceptable levels of deterioration, although a considerable 'backlog' of repairs will remain as has been the case for many years.</p> <p><b>Highways and Bridges</b> The highway network (6,681km) is the largest asset the County Council is responsible for. Carriageways and footways, bridges and structures are continually deteriorating under the action of weather conditions and traffic use. Capital investment in structural maintenance such as surface dressing and resurfacing is the most cost effective way of preventing roads deteriorating and avoiding much more costly reactive works to rectify safety defects as potholes or total reconstruction.</p> <p>It is proposed that the capital investment programme comprises both normal programmed work dealing with longer term deterioration issues along with pro-active "invest to save" investment designed to reduce the risk of more sudden and disruptive damage and failure.</p> <p><b>Local Transport Improvement Schemes</b> A programme of transport improvement schemes, in relation to local aspirations, including delivering road safety improvements, encouraging sustainable travel and more strategic transport</p>
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	<p>improvements to the county network.</p> <p>This proposal is considered to be the basic requirement for maintaining the highways and structures whilst allowing a continued investment in improvement schemes that are deemed to be important to local communities.</p>
<b>Reasons for Investment:</b>	<p>As Highway Authority we have a duty under the Highways Act 1980 to maintain the highway network. A good quality and safe highway network can make a major contribution to key objectives that will deliver the County's vision to provide excellent services that are accessible, responsive and sustainable and ensure Somerset is a healthy and vibrant place to live, work and visit.</p> <p>Failure to invest would result in an increase in the highway maintenance backlog; ultimately to unsustainable levels, and the bid therefore reflects the basic requirements of good asset management.</p> <p>The allocation of funds for transport improvement schemes is related to the County Plan priority of keeping Somerset as a thriving local economy, attracting jobs and investment by improving key road, rail and broadband communications links.</p> <p>An additional pressure element has been accounted for in relation to increased capital rates under the new highways contract, which reflects current market rates for capital works that are significantly higher than in 2010. In addition the new contract applies inflation indices to individual treatment types rather than to the programme as a whole and there appears to be an anomaly with the inflation rate for surface dressing which is currently being challenged but must be accounted for until such time as the issue is resolved.</p>
<b>Links to Priorities and Impact on Service Plans:</b>	<p>Keeping the highway asset safe and working efficiently directly contributes to the 2016-2020 County Plan Vision for Somerset and helps deliver County Plan target for Infrastructure and workforce and Economic development:</p> <ul style="list-style-type: none"> <li>• Keeping roads safe We will maintain our highways to allow communities to travel safely and invest in our street lighting to help reduce Somerset's carbon footprint</li> <li>• Helping business succeed</li> </ul> <p>A safe and efficient highway network also supports our ability to deliver services to vulnerable people across the county.</p>
<b>Consultations undertaken:</b>	None
<b>Financial Implications:</b>	<p>The financial implications of not taking forward an investment programme are significant, not only to the County Council in the event of road deterioration but also to the local economy as a whole.</p> <p>The total highway network is currently valued in excess of £5.7billion.</p>

	<p>A £1m reduction in capital funding is estimated to generate an additional £19.2m maintenance backlog over 3 years, increased revenue costs of circa £250,000 and more claims against the County Council. The cost of restoring the road condition would be more expensive and require more extensive works costing many times the current cost of maintenance schemes. Maintaining the highway proactively prevents the need for the repair of potholes and the associated impact on revenue resources.</p> <p>Potentially the authority is open to legal challenge in respect of a failure to carry out its statutory duties. In the event of a Personal Injury Accident caused by the highway failure the cost to the authority could potentially be significant.</p> <p>Unanticipated failures of the highway asset are likely to require greater funding to rectify than a planned replacement.</p> <p>SCC has recently awarded a new highways term maintenance contract. The annual cost of the contract to the Council will depend on the volume of each item ordered and can vary significantly year on year according to the profile of the treatments required and availability of government grants. An analysis undertaken prior to contract award concluded that in order to deliver a similar annual maintenance programme in 2017/18 to that delivered in 2015/16 the Council may need to increase its capital maintenance budget by up to £3.30m per annum from 2017 onwards depending on the condition of the highway and availability of other government grants. The basic need and improvements allocation for 17/18 was increased to £23.3m as a result of the new rates.</p> <p>High levels of investment in maintenance over the last few years have kept the network in a condition that is better than the national average. Whilst allocating extra capital funding as set out above should maintain current road condition, there is currently room for flexibility in the investment profile. Any additional capital that SCC invests will slow the deterioration of the asset and could be targeted at the roads which are in most need of attention.</p> <p>Whilst there is no contractual requirement for a particular volume of work to go through the contract there is a financial mechanism that provides a revenue rebate to the Council if the annual capital spend through the contract exceeds a set threshold (£25.7m for 18/19, increasing by 5.27% annually). The annual contract spend includes works in addition to the highways basic need and is currently just over £28m which therefore attracts a rebate.</p>
<p><b>Legal Implications:</b></p>	<p>Somerset County Council as the Highway Authority has legal duties under the following main Acts and legislation:</p> <ul style="list-style-type: none"> <li>• The Highways Act 1980</li> <li>• Traffic Management Act 2004</li> <li>• Health and Safety at Work Act 1974</li> </ul>



	<ul style="list-style-type: none"> <li>Disability Discrimination Act 1995</li> <li>Electricity at Work Regulations 1989</li> </ul>												
<b>HR Implications:</b>	None												
<b>Risk Implications:</b>	<p>Should the highway capital investment programme not be taken forward and maintained at current service levels, there are significant risks for the safety of the travelling public, congestion on the highway network and liabilities through claim and challenge. A failure to maintain current levels of structural maintenance will result in structural deterioration of the highway and significantly increase the cost of future long term repairs and reconstruction and leaves the authority open to challenge under section 41 of the Highways act 1980 which is a non-delegable duty.</p> <p>Highway maintenance is highlighted on the Council's Corporate Risk Register JCAD ref ECIH0002.</p> <table border="1"> <tr> <td><b>Likelihood</b></td> <td><b>3</b></td> <td><b>Impact</b></td> <td><b>4</b></td> <td><b>Risk Score</b></td> <td><b>12</b></td> </tr> </table> <p>Bridges and structures are highlighted on the Council's Corporate Risk Register, JCAD ref ECIH0005.</p> <table border="1"> <tr> <td><b>Likelihood</b></td> <td><b>4</b></td> <td><b>Impact</b></td> <td><b>4</b></td> <td><b>Risk Score</b></td> <td><b>16</b></td> </tr> </table>	<b>Likelihood</b>	<b>3</b>	<b>Impact</b>	<b>4</b>	<b>Risk Score</b>	<b>12</b>	<b>Likelihood</b>	<b>4</b>	<b>Impact</b>	<b>4</b>	<b>Risk Score</b>	<b>16</b>
<b>Likelihood</b>	<b>3</b>	<b>Impact</b>	<b>4</b>	<b>Risk Score</b>	<b>12</b>								
<b>Likelihood</b>	<b>4</b>	<b>Impact</b>	<b>4</b>	<b>Risk Score</b>	<b>16</b>								
<b>Other Implications (including due regard implications):</b>	<p><b><u>Equalities Implications</u></b> Where possible highway schemes funded through this programme provide improvements for people with protected characteristics notably people with disabilities and their carers. Any changes to the highway layout or improvement schemes must meet current disability access requirements.</p> <p><b><u>Community Safety Implications</u></b> Improved and continued reliability and safety for all highway users. Many of the schemes funded through this programme improve community safety, notably the Small Improvement Schemes Safety Programme.</p> <p><b><u>Sustainability Implications</u></b> Maintenance costs will be reduced and reliability will be improved maximising value to the customer and maximising environmental contribution.</p> <p>Many of the schemes funded through this programme encourage sustainable travel - notably schemes which improve facilities for walking and cycling</p> <p><b><u>Health and Safety Implications</u></b> Risk of injury or catastrophic injury will be reduced for both highway users and maintenance staff of our service providers.</p> <p><b><u>Health and Wellbeing Implications</u></b> The programme will maintain and possibly improve pedestrian and cycle facilities which will make these areas more accessible and encourage walking and cycling leading to more physical activity.</p>												
<b>Scrutiny comments / recommendation (if any):</b>	Not applicable.												

## 1. Background

- 1.1. The Department for Transport (DfT) provides a capital grant to cover basic maintenance need and funding for improvement schemes. The grant level is determined partly via a formula, and partly via an 'incentive fund' self-assessment process which results in a banding being applied to each authority. Somerset is currently a 'Band 3' authority which is the highest band and therefore attracts the highest level of incentive funding.
- 1.2. Over the last three years the formula element of funding has been decreasing whilst the incentive element increases. Our indicative funding allocations for 2018/19 are £18.116m formula and £3.773m incentive, making a total indicative grant of £21.889m towards our maintenance basic need. (It should be noted that the final incentive fund allocation for 2017/18 was slightly higher [by £51k] than the indicative allocation). Our indicative 2018/19 funding allocation for local transport improvements is £2.209m.
- 1.3. Our total indicative DfT 2018/19 grant for maintenance basic need and improvements, including incentive funding is therefore £24,098m. The proportion of funds allocated to maintenance and improvements is a matter for the local authority to decide taking account of local circumstances.
- 1.4. The new highways contract applies annual inflation indices to individual work categories using Building Cost Information Services (BCIS) indices. The BCIS index for the surface dressing work category increased by 29.2% between 16/17 and 17/18 which represents an unexpected additional £2m pressure on the maintenance programme. The Council has challenged this index as it is not consistent with inflation on other surfacing types comprising similar bitumen and aggregate components. BCIS confirm that due to a lack of price data on this work category they have used fuel oil price changes as a proxy for this index. The Council considers this to be inappropriate and is currently awaiting the outcome of BCIS' consideration of the matter. Until this is resolved the contract requirements are that the index needs to be applied as published so an additional £2m pressure has been included in this bid to reflect the risk of the matter remaining unresolved.
- 1.5. **Maintenance Programme:**

The purpose of highway maintenance is to maintain the highway network for the safe and convenient movement of people and goods. The core objectives of highway maintenance are to deliver a safe, serviceable and sustainable network, taking into account the need to contribute to the wider objectives of asset management, integrated transport, corporate policy and continuous improvement.
- 1.6. Highway Maintenance can be further defined as
  - Network Safety
    - Complying with statutory obligations
    - Meeting users' needs for safety
  - Network Serviceability
    - Ensuring availability
    - Achieving integrity
    - Maintaining reliability
    - Enhancing condition

### Network Sustainability

- Minimising cost over time
- Maximising value to the customer

Maximising environmental contribution

#### **1.7. Improvements Programme:**

This grant for improvement schemes is currently used to deliver the Small Improvement Schemes programme, and is the only mechanism available to fully fund such schemes. The projects range from casualty reduction and accessibility improvements to the provision of cycle ways, footways, pedestrian crossings and traffic calming. 171 schemes have been completed since April 2012 and these have delivered local improvements requested by Councillors and backed by communities.

**1.8.** Supporting funding is also used, when available to help enable the schemes, whether through local contributions or S106 funding. Without the support of our capital programme it is likely that a proportion of this funding would be lost and could not be used to contribute to such improvements. This funding has also been used to enable match funding of larger additional Government investment programmes such as the Local Sustainable Transport Fund, which provided significant improvements to cycling provision in Bridgwater at a cost of around £4m, with a contribution from this programme of £325,000.

**1.9.** Scheme and project proposals are assessed for their deliverability and for their general value for money in terms of being able to deliver realistic local transport improvements. The schemes are considered against the general aims of the overarching themes of the council's Local Transport Plan (Future Transport Plan), this enables a comparison to be made of the range of benefits of each scheme (road safety, sustainable travel choices, congestion issues and equality of accessibility)

**1.10.** Other benefits of the Small Improvement Schemes programme are:

- Access – A considerable number of highway schemes funded through this programme improve access to communities and for individuals.
- Equality and diversity – where possible highway schemes funded through this programme provide improvements for people with protected characteristics notably people with disabilities and their carers. Any changes to the highway layout or improvement schemes must meet current disability access requirements.
- Community safety – many of the schemes funded through this programme improve community safety. Notably the Small Improvement Schemes Safety Programme.
- Health and Wellbeing - many of the schemes funded through this programme contribute to improvements in health and wellbeing - notably schemes which improve facilities for walking and cycling leading to more physical activity.
- Sustainability – many of the schemes funded through this programme encourage sustainable travel - notably schemes which improve facilities for walking and cycling.

## **2. Options considered and reasons for rejecting them**

- 2.1. There are no other options currently available to fund capital maintenance and highway safety improvements

## **3. Background Papers**

- 3.1. None

## Capital Investment Programme 2018/19 Financial Information

### Annual Scheme Requests

	2018/19 £
<b>Total Cost of Scheme (a)</b>	22,750,000
<b>Revenue Contribution (b)</b>	0
<b>Third Party Funding (c)</b>	0
<b>Required SCC Resources (a-b-c)</b>	22,750,000

Enter the **full cost** of the proposed scheme in the year it is expected to start, along with details of any potential revenue or third party contributions.

**Do not** include any capital receipts in the funding options.

### Breakdown of Third Party Funding

	2018/19 £
<b>ERDF</b>	0
<b>LEP</b>	0
<b>Others (e.g. District Councils)</b>	0

### Estimated profile of Scheme (when the spend will be incurred)

#### **Total Capital Outlay (a)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	22,750,000	0	0	0

#### **Total Revenue Contributions (b)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

#### **Total Third Party Contributions (c)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

## 2018/19 Capital Investment Programme Proposal Form

### Highway Lighting

Cabinet Member(s): Cllr John Woodman – Cabinet Member for Highways & Transport

Division and Local Member(s): All

Lead Officer: Andrew Turner – Strategic Manager – Highway Maintenance

Author: Andrew Turner – Strategic Manager – Highway Maintenance

Contact Details: 01823 35 5310; ASTurner@somerset.gov.uk

<b>Summary of Proposed Investment:</b>	<p>This paper sets out the details of a bid for capital funding to replace life expired street lighting with new LED technology.</p> <p>The purpose of highway lighting is to provide a safe and efficient system of lighting that ensures the continued safety of road users. It assists in meeting Police requirements for the reduction of crime and night time road traffic accidents and also engenders a feeling of comfort and security within the community.</p> <p>There are currently 56,203 lighting units on the highway network across Somerset including lighting columns, wall mounted lighting points and illuminated signs and bollards.</p> <p>Lighting columns have a design life of 25 years for steel columns and 40 years for galvanised columns. Each year some of the existing steel columns reach the end of their design life and require replacement. Replacement columns incorporate the latest technology which reduces energy usage and lowers carbon production.</p> <p>Steel columns past the 25 year design life may fail suddenly; a structural failure may involve the whole column or just a part of the fixture such as the top bracket. Structural failure may result in personal injury, road collision or in extreme cases may be fatal.</p> <p>This bid reflects the basic requirements of the column replacement programme and should be considered as the absolute minimum funding required.</p>
<b>Reasons for Investment:</b>	<p>Columns which are past their design life are a risk should structural failure occur. This may result in personal injury, a road collision or even a fatality.</p> <p>Good quality street lighting can make a major contribution to key objectives that will deliver the County's vision to provide excellent services that are accessible, responsive and sustainable to ensure Somerset is a healthy and vibrant place</p>

	<p>to live, work and visit.</p> <p>Replacement columns incorporate the latest technology which reduces energy usage and lowers carbon production.</p>
<p><b>Links to Priorities and Impact on Service Plans:</b></p>	<p>Keeping the highway safe and working efficiently, directly contributes to the 2016-2020 County Plan Vision for Somerset and helps deliver County Plan target for Infrastructure and workforce and Economic development:</p> <p><b>Keeping roads safe</b> We will maintain our highways to allow communities to travel safely and invest in our street lighting to help reduce Somerset's carbon footprint</p> <p><b>Helping business succeed</b> A safe and efficient highway lighting asset also indirectly supports our ability</p>
<p><b>Consultations undertaken:</b></p>	<p>None</p>
<p><b>Financial Implications:</b></p>	<p>The total highway lighting stock is currently valued in excess of £38.6m</p> <p>The financial implications of not taking forward an investment programme are significant, not only to the County Council in the event of a site failure but to the local economy as a whole.</p> <p>Unanticipated failures of the highway lighting stock are likely to require greater funding to rectify than a planned replacement.</p> <p>The authority is open to legal challenge in respect of a failure to carry out its statutory duties. In the event of a Personal Injury Accident caused by the structural failure of a lighting asset the cost to the authority could be potentially significant.</p> <p>This scheme will be funded from the DfT grants as referred to within the Highways Structural Maintenance proposal document.</p>
<p><b>Legal Implications:</b></p>	<p>Somerset County Council as the Highway Authority has legal duties under the following main acts and legislation:</p> <ul style="list-style-type: none"> <li>• The Highways Act 1980</li> <li>• Traffic Management Act 2004</li> <li>• Health and Safety at Work Act 1974</li> <li>• Disability Discrimination Act 1995</li> <li>• Electricity at Work Regulations 1989</li> </ul>
<p><b>HR Implications:</b></p>	<p>None</p>
<p><b>Risk Implications:</b></p>	<p>The street lighting column replacement programme is reliant on capital funding. If funding is not made available there is a significant likelihood of complete failure of some columns past their design life. The unanticipated failure of a street lighting column is likely to require greater funding to rectify than a planned replacement as well as potentially leaving the authority open to legal challenge in respect of a failure to carry out its statutory duties.</p> <p>In the event of a Personal Injury Accident caused by the</p>

	<p>failure of a street lighting column the cost to the authority could potentially be significant. Should the highway lighting column replacement programme not be taken forward, there are significant risks for both safety of the travelling public, congestion on the highway network and liabilities through claim and challenge.</p> <p>Column replacement is highlighted on the SCC Corporate Risk Register, JCAD ref ECIH0004</p>						
	<table border="1"> <tr> <td><b>Likelihood</b></td> <td><b>4</b></td> <td><b>Impact</b></td> <td><b>3</b></td> <td><b>Risk Score</b></td> <td><b>12</b></td> </tr> </table>	<b>Likelihood</b>	<b>4</b>	<b>Impact</b>	<b>3</b>	<b>Risk Score</b>	<b>12</b>
<b>Likelihood</b>	<b>4</b>	<b>Impact</b>	<b>3</b>	<b>Risk Score</b>	<b>12</b>		
<p><b>Other Implications (including due regard implications):</b></p>	<p><b><u>Equalities Implications</u></b></p> <p><b>Access:</b> Improved quality and flexibility of highway lighting would assist in improving access to services for our communities.</p> <p><b>Equality and diversity:</b> Impact on people with protected characteristics has been considered and there are positive impacts as LED white light has a greater frequency range and colours are better defined which will aid those with a visual impairment.</p> <p><b>Human rights:</b> Impacts on human rights have been considered and none have been identified.</p> <p><b><u>Community Safety Implications</u></b></p> <p>Impact on community safety has been considered and there are positive impacts as the new LED white light have a greater frequency range and colours are better defined which will aid those with a visual impairment. Replacing life expired street lighting columns will improve safety for all users.</p> <p><b><u>Sustainability Implications</u></b></p> <p>Maintenance and energy costs will be reduced and reliability will be improved.</p> <p><b><u>Health and Safety Implications</u></b></p> <p>Risk of death/injury will be reduced for both highway users and maintenance staff of our service provider.</p> <p><b><u>Health and Wellbeing Implications</u></b></p> <p>The column replacement programme will maintain pedestrian and cycle facilities which will make these areas more accessible and encourage walking and cycling</p>						
<p><b>Scrutiny comments / recommendation (if any):</b></p>	<p>Not applicable.</p>						



**1. Background** – all relevant information is covered within the information above

**2. Options considered and reasons for rejecting them**

**2.1.** There is an option to structurally test the columns which have passed their design life and are at risk. This will incur costs and based on findings from previous replacement programmes, we believe better value for money will be achieved by replacing the asset.

## Capital Investment Programme 2018/19 Financial Information

### Annual Scheme Requests

	2018/19 £
<b>Total Cost of Scheme (a)</b>	250,000
<b>Revenue Contribution (b)</b>	
<b>Third Party Funding (c)</b>	
<b>Required SCC Resources (a-b-c)</b>	<b>250,000</b>

Enter the **full cost** of the proposed scheme in the year it is expected to start, along with details of any potential revenue or third party contributions.

**Do not** include any capital receipts in the funding options.

### Breakdown of Third Party Funding

	2018/19 £
<b>ERDF</b>	0
<b>LEP</b>	0
<b>Others (e.g. District Councils)</b>	0

### Estimated profile of Scheme (when the spend will be incurred)

#### **Total Capital Outlay (a)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	250,000	0	0	0

#### **Total Revenue Contributions (b)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

#### **Total Third Party Contributions (c)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

### Revenue Implications

	2018/19 £
<b>On Going Savings</b>	-3,000
<b>One off Savings</b>	0
<b>On Going Pressure</b>	0
<b>One off Pressure</b>	0

Please enter all savings as a negative.

## 2018/19 Capital Investment Programme Proposal Form

### Somerset Outdoor & Residential Learning Service Improvement Programme

Cabinet Member(s): Cllr Frances Nicholson – Cabinet Member for Children and Families

Division and Local Member(s): All

Lead Officer: Vicky Thomas, Strategic Manager for Educational Improvement and CDT

Author: Jo O’Callaghan, Service Manager – Somerset Outdoor and Residential Learning Service

Contact Details: 01823348265; [vathomas@somerset.gov.uk](mailto:vathomas@somerset.gov.uk)  
01278741270; [jocallaghan@somerset.gov.uk](mailto:jocallaghan@somerset.gov.uk)

<b>Summary of Proposed Investment:</b>	<p><b>Planned Improvement Programme (5 Years)</b></p> <p>Somerset Outdoor and Residential Learning Service (SORLS) comprises of several SCC owned properties and assets split over two main sites from which it delivers a service as part of Support Services for Education (SSE). SSE is a fully traded service within SCC.</p> <p>SCC needs to ensure these properties and assets are kept in a safe operational condition, maintain their integrity and be able to deliver services in the most cost effective, sustainable manner whilst meeting high expectations of clients and achieving growth targets in line with SSE overall 5 year financial plan.</p> <p>This proposal is therefore for the creation of a 5 year Capital Investment Programme to include:</p> <ul style="list-style-type: none"> <li>• Urgent roof repairs</li> <li>• Upgrade of windows at Charterhouse</li> <li>• External dressing of stonework/decoration</li> <li>• Replacement of fleet vehicles</li> <li>• Demolition and replacement of ‘Cat D’ building</li> <li>• Demolition and replacement of Elliot Building</li> <li>• Infra-structure improvements to utilities</li> <li>• Replacement of Outdoor Centre Cabins</li> </ul>
<b>Reasons for Investment:</b>	<p>The main reasons for the investments outlined above are:</p> <ul style="list-style-type: none"> <li>• To ensure statutory compliance with Health and Safety regulations</li> <li>• To ensure SCC remains compliant with regard to ensuring the safety of children and young people who use their premises in line with Keeping Children Safe in Education</li> <li>• To achieve and retain the weather integrity of the properties and prevent escalation of faults</li> <li>• Avoid potential claims or action taken against the</li> </ul>

	<p>County Council should a customer or employee injury themselves</p> <ul style="list-style-type: none"> <li>• To replace life expired temporary structures with more versatile, efficient buildings more suited to our current needs and business plan objectives</li> <li>• To provide safer and more versatile accommodation</li> <li>• To prevent losing business to competitors</li> <li>• Increased ability to attract new business</li> <li>• To improve the ability of the Property Group to manage and maintain the estate for which it is responsible</li> <li>• This work is in line with the council's Energy Strategy regarding reducing energy costs and improving energy efficiency</li> <li>• To reduce the cost of maintenance and repairs by investing in the long term future of the assets</li> <li>• To generate additional income by proving improved facilities including transportation to re-invest in the service</li> </ul>
<p><b>Links to Priorities and Impact on Service Plans:</b></p>	<p>This proposal has been aligned with the SORLS 5 year business plan and incorporates growth and efficiency targets in line with SSE 5 year financial plan:</p> <ul style="list-style-type: none"> <li>• To ensure the safety of all children and young people who use SCC facilities</li> <li>• To provide a 1<sup>st</sup> class platform for enhanced learning opportunities for children and young people by helping them to unlock potential, raise achievement levels and become responsible members of society</li> <li>• To generate enough business to break even and contribute to SSE and SCC overheads</li> <li>• To generate a financial surplus to be used for a programme of continual investment in the business.</li> <li>• To provide a high level of customer service.</li> </ul> <p>This investment strategy supports the County and Business Plan:</p> <ul style="list-style-type: none"> <li>• To deliver improved integrated customer service.</li> <li>• Living within our means - by ensuring that properties are suitably maintained and by undertaking a programme of planned maintenance works and reducing the amount of costly day to day maintenance and repairs.</li> <li>• Council's Energy Policy and energy initiatives – Savings will be unlocked by reducing demand and improving energy efficiency with the renewal of heating and electric services.</li> </ul>
<p><b>Consultations undertaken:</b></p>	<p>Although no formal consultations have taken place, feedback forms are given to every group in residence.</p> <p>The quality and condition of the buildings are our lowest scoring category with customers quoting that windows are still broken twelve months on, the fabric of the centres is looking tired and the fact that some rooms leak when it rains.</p>

	<p><b><u>Planned Improvement Programme</u></b></p> <p>In 2014 when SORLS moved across from being a trading unit in its own right to become part of SSE it transferred £454k from its reserves into SSE reserves. The reserves were built up to undertake a number of key projects identified as part of a corporate condition survey and upgrading other assets. At the end of 2016/17 these reserves were transferred from SSE to fund a number of key SCC education priorities and SSE has limited funding to support this level of capital work required to maintain the centres.</p> <p>The Repairs and Maintenance revenue budget for 2017/18 is £40K. This is almost entirely used on reactive repairs and servicing costs with no scope to undertake major planned maintenance works.</p> <p><b>Financial Implications:</b> Over the past two years, SSE has invested an additional £100k from trading surpluses and reserves to revamp the new house accommodation plus replace all of the windows on the same block.</p> <p>Investment in other assets totals a value of £370k over the five year period. Updating our fleet of vehicles and improving our activity provision will enable us to provide an expanded, more diverse range of activities that help enable the County Plan of providing better learning opportunities for children whilst improving their health and wellbeing. It will also enhance our ability to market ourselves and attract new business to ensure sustainably growth of the business. The embedded resource management plan (RMP) below gives a detailed breakdown of all current assets, including activities and vehicles at both sites and there anticipated due date for replacement.</p>
<p><b>Legal Implications:</b></p>	<p>Any procurement will take place in consultation with the Corporate Procurement Team so that correct protocol is followed.</p> <p>The surveyor visit on 21 July 2017 highlighted that the state of disrepair in parts of Kilve including windows frames in accommodation used by children has the potential for injury. SCC has a legal duty to ensure its facilities comply with health and safety requirements.</p>
<p><b>HR Implications:</b></p>	<p>Well maintained buildings ensure the health and wellbeing of staff based in the property. Poorly maintained working premises create a barrier to increased productivity. Lack of investment could lead to potential redundancies due to a loss of business.</p>
<p><b>Risk Implications:</b></p>	<p>There are Health and Safety risks if improvements are not carried out and the integrity of the properties not re-established.</p> <p>The ongoing maintenance costs will continue to rise and work will continue to be reactive, providing only a temporary fix and time limited. The capital cost required in the future would be</p>

	<p>considerably higher if investment were not made now.</p> <p>Failure to invest will result in lost business and abandonment by loyal customers as they will go to competitors with better maintained assets. Improvement of facilities and resources will minimise the chance of losing business to competitors.</p>						
	<table border="1"> <tr> <td><b>Likelihood</b></td> <td><b>4</b></td> <td><b>Impact</b></td> <td><b>4</b></td> <td><b>Risk Score</b></td> <td><b>16</b></td> </tr> </table>	<b>Likelihood</b>	<b>4</b>	<b>Impact</b>	<b>4</b>	<b>Risk Score</b>	<b>16</b>
<b>Likelihood</b>	<b>4</b>	<b>Impact</b>	<b>4</b>	<b>Risk Score</b>	<b>16</b>		
<p><b>Other Implications (including due regard implications):</b></p>	<p><b><u>Sustainability Implications</u></b>  <u>Planned Improvement Programme</u>  Effective maintenance contributes to the realisation of an energy efficient property estate by ensuring the efficient operation of systems and equipment and by minimising heat loss through the building fabric. Effective maintenance prolongs the useful life of plant and also protects/enhances the value of a building and its equipment.</p> <p><u>Health and Safety Implications</u>  By undertaking planned replacement works, risks to health and safety of employees and members of the public will be reduced.</p> <p>Compliance with certain legislation such as that related to fire safety is mandatory and works have to be undertaken and will have to be funded.</p>						
<p><b>Scrutiny comments / recommendation (if any):</b></p>	<p>Not applicable</p>						

## **1. Background**

### **1.1. History of the Service**

Kilve Court was purchased by Somerset County Council in 1961 and officially opened as an outdoor residential education centre in 1964. Numerous modifications and adaptations to the site have been made to maximize its capacity and increase the variety of courses available predominantly to meet the needs of Somerset children and young people. Over the decades the requirement to be a self-funded traded service has seen the business attract more and more out of county customers. The service expanded its provision by renting Great Wood, an agreement that has continued for over 30 years and in 2008 Charterhouse moved from the environment directorate into the Kilve Court set up, collectively the service becoming Somerset Outdoor and Residential Learning Service.

Assets owned by SCC comprise of Kilve Court, a Grade II listed Georgian property with accommodation for 110 with an additional 76 bed Outdoor Centre incorporated in the grounds and The Charterhouse Centre, which can accommodate 63. In 2003 SCC invested heavily in the Charterhouse site by building a new accommodation wing using sustainable materials.

The Centres promote learning and development opportunities for children and young people across Somerset and beyond through a range of outdoor adventurous activities and specific “enrichment” courses at its four residential centres – Kilve Court, The Outdoor Centre, Charterhouse and Great Wood.

SORLS operated for a number of years as a traded unit until 2014 when it moved across to be part of SSE. SSE comprises as a range of services with a vision to improve outcomes for children and young people.

The centres have 12,000 visitors per annum and 30,000 bed nights. The budget for 2017/18 is £1.7m and with 90% of our customers returning to the centres on an annual basis it is imperative that they see first-hand that the buildings, vehicles and activity provision are being invested in. SORLS was successful at being awarded a contract for over £500k with the National Challenge.

The service is constantly exploring options to generate more income and January 2017 saw the launch of Charterhouse being available for self-hire groups. This has generated in excess of 20 enquiries already and six of these have been converted into confirmed bookings. This could be an excellent income stream and replicated at other centres if the appropriate investment is made.

### **1.2. Planned and Reactive Maintenance**

SCC investment in the property over the past 5 years has predominantly been reactive, focusing on repair rather than upkeep, an approach with an overall result that sees a steady decline in the overall condition of the. An investment now will enable the centre to get back to on track and in conjunction with Property Services re-establish a planned maintenance programme to take into the future.

Currently only minimal planned maintenance projects are carried out by the service as the repairs and maintenance budget does not afford to meet anything beyond reactive repairs and servicing costs. The service has in the past been able to provide some investment into the centres from operational surplus, for example a programme of window replacements to a section of accommodation has

provided a low maintenance solution with benefits of thermal efficiency and with a successful capital investment programme the service would be in a position to continue such internal investments enabling best value to be gained both financially and in customer satisfaction.

### **1.3. Temporary Buildings**

Both Kilve Court and Charterhouse have benefitted by the use of temporary structures to provide additional work and teaching spaces, however these have long since passed their life expectancy and indeed one at Kilve Court has been classed during an engineer inspection as Category D, meaning it has been deemed no longer fit for purpose and it's structural integrity is unknown. As such no resources have been directed on the building for repair work which has in turn caused further deterioration.

These spaces are key areas with which the service is able to deliver its courses and it is becoming a matter of urgency to replace them, using the opportunity to provide more versatile spaces with modern facilities from which to operate and deliver high quality services. The structures would benefit from being designed for purpose rather than being a 'standard structure'.

Investing in new buildings at both sites would create potential for new business opportunities. At present the centres struggle with corporate and community booking enquiries due to suitable available space and safeguarding implications.

### **1.4. Vehicles**

In order to deliver the service the centres rely on a fleet of 7 minibuses operating under Section 19 Permits, a 4x4 and 3 trailers. This fleet is now ageing and mostly overdue for replacement. The cost of maintaining such a fleet, which under Section 19 requirements means each minibus has to meet a programme of 13 week inspections/servicing/MOT's, is spiralling with workshop costs now 'Pay as you Go' under the Transporting Somerset contract agreement with Skanska due to the vehicles being over 10 years old. Several of the vehicles have required major work in order to pass MOT with the prediction of the mechanic that more work will be required in order to pass the next.

Investment into the vehicle fleet would enable ongoing maintenance costs to be reduced and offer the potential to start a rolling programme of vehicle replacement so as to limit the depreciation loss, creating a better offset when disposing of vehicles against the cost of the replacement therefore requiring a sustainable annual outlay.

### **1.5. Resources Management Plan**

The Service RMP, embedded in the finance section above, is a tool used by the SORLS Senior Management team to predict annual expenditure based upon the life expectancy of its resources and is linked to the 5 year business plan objectives. Where immediate, high importance customer service related investment has been required the Centres have been able to react and accommodate improvements from within revenue budgets, however the ability to invest in areas where responsibility sits with SCC Property Services has not been within our current capabilities. The service has contributed greatly to SSE reserves with the intension that funding can be drawn down to assist the financing of large expenditure items.



## **2. Options considered and reasons for rejecting them**

- 2.1. By not adequately maintaining premises, the County Council will fail to meet its obligations under Health and Safety legislation. It also risks reputational damage should services not be able to operate.
- 2.2. Property maintenance is currently addressed by predominantly undertaking reactive repairs to urgent building issues. This is not a sustainable approach as it fails to effectively utilise our limited available resources. Without a programme of sustained investment, there is also a risk of breaching SCC's legislative duties e.g. Health & Safety, Commercial.

For these reasons, the alternative option of retaining the current reactive approach was.

- 2.3. Continuing to run the current vehicle fleet in the same manner will result in increasing costs for a deteriorating fleet of declining value.

In recent years options have been explored to lease rather than own vehicles. Entering into a leasing agreement would be a greater expense overall due to amount of time that they would be needed and the additional inspections required for operating under section 19 permits. Operating outside section 19 permits would require drivers to be trained and qualified PCV drivers which makes this option costly and prohibitive.

For these reasons the alternate options for operating a leased vehicle fleet were rejected.

- 2.4. Retention of Temporary Buildings would require considerable expense, in excess of £100k to re-establish the integrity and safety of life expired structures. Such expense does not allow for any alterations to the layout or capabilities of the structures therefore the finances would only serve to keep us where we are now. It would prove more cost effective to invest in structures that will benefit from improved facilities and provide more versatility therefore opening up potential to appeal to a wider customer base.

For these reasons carrying out maintenance and repair works to the existing temporary buildings in order to retain them was rejected.

- 2.5. Not investing in activity provision would seriously diminish the ability to increase bed nights, a major objective of the business plan, as the capacity of the business is governed by its capability to accommodate groups not only in terms of bed spaces but also in the programme of activities during their stay. Current outsourcing of activity provision is costly and although there would remain a need to outsource for activities that are not financially viable to implement ourselves, there are improvements to existing activities along with new ones that could minimise the need for outsourcing and provide greater efficiency along with other benefits such as staff CPD.

For these reasons not investing in activity provision has been rejected

## **3. Background Papers**

- 3.1. None

## Capital Investment Programme 2018/19 Financial Information

### Annual Scheme Request

	2018/19 £
<b>Total Cost of Scheme (a)</b>	1,720,000
<b>Revenue Contribution (b)</b>	0
<b>Third Party Funding (c)</b>	0
<b>Required SCC Resources (a-b-c)</b>	<b>1,720,000</b>

Enter the **full cost** of the proposed scheme in the year it is expected to start, along with details of any potential revenue or third party contributions.

**Do not** include any capital receipts in the funding options.

### Breakdown of Third Party Funding

	2018/19 £
<b>ERDF</b>	0
<b>LEP</b>	0
<b>Others (e.g. District Councils)</b>	0

### Estimated profile of Scheme (when the spend will be incurred)

#### **Total Capital Outlay (a)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	288,750	302,625	271,625	857,000

#### **Total Revenue Contributions (b)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

#### **Total Third Party Contributions (c)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

## 2018/19 Capital Investment Programme Proposal Form

### Fleet (Gritter) Replacement Programme

Cabinet Member(s): Cllr John Woodman – Cabinet Member for Highways & Transport  
Cllr David Hall – Cabinet Member for Resources

Division and Local Member(s): All

Lead Officer: John Perrett, Service Manager – Transporting Somerset

Author: John Perrett, Service Manager – Transporting Somerset

Contact Details: 01823 356968 – [jpperrett@somerset.gov.uk](mailto:jpperrett@somerset.gov.uk)

<b>Summary of Proposed Investment:</b>	The council run a fleet of 23 Gritters used to maintain access to the strategic highway network in Somerset during winter weather. The proposal reflects the need to replace ageing vehicles to ensure reliability and reduce maintenance costs.
<b>Reasons for Investment:</b>	<p>Older vehicles become more difficult and costly to maintain in a roadworthy and reliable condition. Calculations are undertaken every year to compare the whole life cost of replacement with the whole life cost of maintaining aged vehicles.</p> <p>This proposal recommends the replacement of 3 gritters in 2018/19. There are no further replacements due as we are moving to a 9 year replacement programme until 2022/23.</p>
<b>Links to Priorities and Impact on Service Plans:</b>	<p>Keeping the highway asset safe and working efficiently during winter weather supports the 2016-2020 County Plan Vision for Somerset and helps deliver County Plan target for Infrastructure and workforce and Economic development:</p> <ul style="list-style-type: none"> <li>• Keeping roads safe We will maintain our highways to allow communities to travel safely and invest in our street lighting to help reduce Somerset’s carbon footprint.</li> <li>• Helping business succeed</li> </ul> <p>Ensuring we have a cost efficient and effective gritter fleet available during winter weather helps ensure that all services provided by SCC, emergency services and other public sector organisations (particularly those providing vital support to vulnerable people) can continue to deliver services. It also maintains access to the highway network for the public, and businesses.</p>
<b>Consultations undertaken:</b>	<p>External consultation is not necessary – this proposal will not change the service that is provided.</p> <p>Internally, the Highways service has been consulted and the proposal has been shaped around the needs identified by the service.</p>

	The gritter fleet replacement requirement will be continuously reviewed to reflect any changes in service delivery arising from re-procurement exercises. In the event that current requirements change, this will be identified through ongoing consultation with the procurement team and the service.						
<b>Financial Implications:</b>	The financial implications are set out in the report and supporting tables. Revenue implications are contained within existing service revenue budgets.						
<b>Legal Implications:</b>	None						
<b>HR Implications:</b>	None.						
<b>Risk Implications:</b>	<p>There are no risks associated with supporting the recommendation.</p> <p>If the recommendation is unsupported, maintenance and service delivery costs would escalate, giving rise to operational and budgetary risks. The highways winter service could be impacted, creating an enhanced business continuity risk.</p> <table border="1"> <tr> <td><b>Likelihood</b></td> <td><b>2</b></td> <td><b>Impact</b></td> <td><b>4</b></td> <td><b>Risk Score</b></td> <td><b>8</b></td> </tr> </table>	<b>Likelihood</b>	<b>2</b>	<b>Impact</b>	<b>4</b>	<b>Risk Score</b>	<b>8</b>
<b>Likelihood</b>	<b>2</b>	<b>Impact</b>	<b>4</b>	<b>Risk Score</b>	<b>8</b>		
<b>Other Implications (including due regard implications):</b>	<p>There are no negative impacts associated with supporting the recommendation. Supporting the recommendation is likely to have a positive impact on sustainability, as new vehicles will be more fuel efficient with lower CO<sub>2</sub> emissions.</p> <p>If the recommendation is unsupported, the highways winter service could be affected, which could have an impact on access to services in the winter months.</p>						
<b>Scrutiny comments / recommendation (if any):</b>							

## 1. Background

- 1.1. The Gritter Replacement Programme was deferred for one year in 2016/17 bids.
- 1.2. All other relevant information is covered on previous pages

## 2. Options considered and reasons for rejecting them

- 2.1. None currently, though the service is focusing on reviewing and monitoring the forecast to ensure that there are no imminent changes to responsibility for vehicle replacement e.g. where responsibility is transferring to another legal entity, or where the service may shrink or de-commission activity in the future.

## 3. Background Papers

- 3.1. None

## Capital Investment Programme 2018/19 Financial Information

### Annual Scheme Requests

	2018/19 £
<b>Total Cost of Scheme (a)</b>	£333,000
<b>Revenue Contribution (b)</b>	0
<b>Third Party Funding (c)</b>	0
<b>Required SCC Resources (a-b-c)</b>	<b>£333,000</b>

Enter the **full cost** of the proposed scheme in the year it is expected to start, along with details of any potential revenue or third party contributions.

**Do not** include any capital receipts in the funding options.

### Breakdown of Third Party Funding

	2018/19 £
<b>ERDF</b>	0
<b>LEP</b>	0
<b>Others (e.g. District Councils)</b>	0

### Estimated profile of Scheme (when the spend will be incurred)

#### **Total Capital Outlay (a)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	£333,000	0	0	0

#### **Total Revenue Contributions (b)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

#### **Total Third Party Contributions (c)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

## 2018/19 Capital Investment Programme Proposal Form

### Fleet Vehicle Replacement Programme

Cabinet Member(s): Cllr John Woodman – Cabinet Member for Highways & Transport  
Cllr David Hall – Cabinet Member for Resources

Division and Local Member(s): All

Lead Officer: John Perrett, Service Manager, Transporting Somerset

Author: John Perrett, Service Manager, Transporting Somerset

Contact Details: 01823 356968 – [jpperrett@somerset.gov.uk](mailto:jpperrett@somerset.gov.uk)

<b>Summary of Proposed Investment:</b>	<p>SCC runs a fleet of around 400 vehicles used to provide services across the council. The proposal reflects the need to replace ageing high mileage vehicles to ensure reliability and reduce maintenance costs.</p> <p>The service operates a 7 year target to replace minibuses and high use cars and vans, which if not achieved incurs considerable additional maintenance costs (7th year maintenance costs are significantly greater than the maintenance costs of a new vehicle).</p>
<b>Reasons for Investment:</b>	<p>The Council has statutory duties to maintain all of its vehicles so that they are roadworthy and fit for purpose.</p> <p>Older vehicles become more difficult and costly to maintain in a roadworthy and reliable condition. Calculations are undertaken every year to compare the whole life cost of replacement with the whole life cost of maintaining aged vehicles, and the recommendation has been developed to meet the basic need.</p>
<b>Links to Priorities and Impact on Service Plans:</b>	<p>Maintaining a vehicle fleet that is cost efficient and fit for purpose supports the 2016-2020 County Plan target for a sustainable council:</p> <ul style="list-style-type: none"> <li>• Living within our means (by ensuring the maintenance costs for the fleet are kept to a minimum)</li> </ul> <p>It also supports the council's need to reduce its carbon footprint by introducing more fuel efficient vehicles.</p>
<b>Consultations undertaken:</b>	<p>Internally, services have been consulted and the proposal has been shaped around the needs identified by services, as well as through professional input from the Fleet Team, using information from the County Council's vehicle database.</p> <p>External consultation is not necessary – this proposal will not change the service that is provided.</p> <p>The vehicle fleet replacement requirement will be continuously reviewed to reflect any changes in service</p>

	delivery In the event that current requirements change, this will be identified through on-going consultation with the procurement team and services.						
<b>Financial Implications:</b>	The financial implications are set out in the report and supporting tables. Revenue implications are contained within existing service revenue budgets.						
<b>Legal Implications:</b>	None						
<b>HR Implications:</b>	None						
<b>Risk Implications:</b>	There are no risks associated with supporting the recommendation.						
	If the recommendation is unsupported, maintenance and service delivery costs would escalate, giving rise to operational and budgetary risks.						
	<table border="1"> <tr> <td><b>Likelihood</b></td> <td><b>2</b></td> <td><b>Impact</b></td> <td><b>4</b></td> <td><b>Risk Score</b></td> <td><b>8</b></td> </tr> </table>	<b>Likelihood</b>	<b>2</b>	<b>Impact</b>	<b>4</b>	<b>Risk Score</b>	<b>8</b>
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<b>Other Implications (including due regard implications):</b>	There are no negative impacts associated with supporting the recommendation. Supporting the recommendation is likely to have a positive impact on sustainability, as new vehicles will be more fuel efficient with lower CO <sub>2</sub> emissions						
	If the recommendation is unsupported, service delivery in a number of areas could be affected, which could have an impact on users of social care, libraries, schools, highways maintenance and a number of other services.						
<b>Scrutiny comments / recommendation (if any):</b>							

## 1. Background

1.1. All relevant information is covered on previous pages

## 2. Options considered and reasons for rejecting them

2.1. None currently, though the service is focusing on reviewing and monitoring the forecast to ensure that there are no imminent changes to responsibility for vehicle replacement e.g. where responsibility is transferring to another legal entity, or where the service may shrink or de-commission activity in the future.

## 3. Background Papers

3.1. None

## Capital Investment Programme 2018/19 Financial Information

### Annual Scheme Requests

	2018/19 £
<b>Total Cost of Scheme (a)</b>	980,000
<b>Revenue Contribution (b)</b>	0
<b>Third Party Funding (c)</b>	0
<b>Required SCC Resources (a-b-c)</b>	<b>980,000</b>

Enter the **full cost** of the proposed scheme in the year it is expected to start, along with details of any potential revenue or third party contributions.

**Do not** include any capital receipts in the funding options.

### Breakdown of Third Party Funding

	2018/19 £
<b>ERDF</b>	0
<b>LEP</b>	0
<b>Others (e.g. District Councils)</b>	0

### Estimated profile of Scheme (when the spend will be incurred)

#### **Total Capital Outlay (a)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	980,000	0	0	0

#### **Total Revenue Contributions (b)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

#### **Total Third Party Contributions (c)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0



## 2019/19 Capital Investment Programme Proposal Form

### Traffic Signals Recovery Programme

Cabinet Member(s): Cllr John Woodman, Cabinet Member for Highways & Transport  
 Division and Local Member(s): All  
 Lead Officer: Alyn Jones, Interim Director – ECI Operations  
 Author: Bev Norman, Service Manager - Traffic Management  
 Contact Details: 01823 358089 – BJNorman@somerset.gov.uk

<b>Summary of Proposed Investment:</b>	<p>There are currently 276 Traffic Signals sites across Somerset.</p> <p>The table (below) represents the number of traffic signal installations that have exceeded their design life of 15 years, based on the age of the controller. The figures do not take into account those sites where only the controller has been replaced, but the remaining infra-structure exceeds 15 years of age. The data is based upon the current position and does not forecast any future pro-active maintenance, as funding levels cannot be predicted.</p>			
		No. Stand Alone Pelican / Puffin / Toucan Xings	No. Junctions and shuttles	Total
	Over 15 years old on 31 March 2017	24	38	62
	Over 15 years old on 31 March 2018	39	48	87
	Over 15 years old on 31 March 2019	50	52	102
	Over 15 years old on 31 March 2020	61	59	120
	<p>As detailed in the table 62 sites have been identified as being in a critical condition with obsolete equipment which is unmaintainable in the event of failure. We have estimated that the cost of upgrading the sites over 15 years old on 31<sup>st</sup> March 2017 alone would be in the region of £10.5m.</p> <p>The failure of any of these sites, particularly at some of the key junctions in the County would require a junction upgrade that would take 6-12 months from design to completion. Whilst this takes place the only way the junction/pedestrian crossing could operate would be by temporary signals. There would be a significant cost for the equipment and the site would have no ability to react to user demands.</p> <p>Not only would those particular signals be affected but in those key towns the site is likely to be part of a linked urban</p>			

	<p>traffic control region and the whole network could be compromised causing significant traffic congestion and safety issues.</p> <p>It is critical that we continue to refurbish these traffic signal sites.</p> <p>This bid reflects the basic requirements of the traffic signal replacement programme and should be considered as the absolute minimum funding requirement in order to start upgrading selected infrastructure in critical need of replacement. This bid is for one-year only, however increased on-going annual investment is essential.</p>
<p><b>Reasons for Investment:</b></p>	<p>The effective operation of the highway network is critical to economic prosperity and social inclusion. The operation and provision of facilities and services are based on the ability to move easily and safely around the highway network, whether this is for the provision of food or the effective operation of businesses, schools and hospitals.</p> <p>Networks are becoming increasingly congested, and the need for maintenance of the network and the provision of information to road users is greater than ever before. Traffic congestion affects all road users, causing increased journey times and a consequential cost to the economy. The impact on the environment from congestion is also significant, contributing to increased carbon dioxide emissions and climate change.</p> <p>With the need to manage increasing traffic volumes and keep traffic moving, the use of electronic traffic equipment has an important role to play in the effective management of the network.</p> <p>Traffic signals are generally located at strategically important or vulnerable locations and their continued effective and efficient operation should be safeguarded for those reasons.</p> <p>In assessing whether a traffic signal site requires upgrading, a re-evaluation of the design and operation of the facility is undertaken and consideration given to;</p> <ul style="list-style-type: none"> <li>• improvements and/or incorporation of new pedestrian and cycle facilities</li> <li>• improvements to the efficiency of the junction which also contributes to air quality improvements</li> <li>• introduction of low energy equipment which reduces the carbon footprint.</li> </ul>
<p><b>Links to Priorities and Impact on Service Plans:</b></p>	<p>Keeping the highway network moving safely and efficiently directly contributes to the 2016-2020 County Plan Vision for Somerset and helps deliver County Plan target for Infrastructure and workforce and Economic development:</p> <ul style="list-style-type: none"> <li>• Keeping roads safe</li> </ul> <p>We will maintain our highways to allow communities to travel safely and invest in our street lighting to help</p>

	<p>reduce Somerset's carbon footprint</p> <ul style="list-style-type: none"> <li>• Helping business succeed</li> </ul> <p>A safe and efficient highway network also indirectly supports our ability to provide services across the county.</p>
<b>Consultations undertaken:</b>	None for the overall programme but local consultations will take place when we start looking at the individual refurbishment schemes.
<b>Financial Implications:</b>	<p>The financial implications of not taking forward an investment programme are significant, not only to the County Council in the event of a site failure but to the local economy as a whole.</p> <p>The total traffic signal stock of 276 sites is currently valued in excess of £35m.</p> <p>The current annual revenue budget available to carry out maintenance of these assets is less than £300,000.</p> <p>62 of these sites have now been identified as being in a critical condition and an upgrade of these sites alone would cost in the region of £10.5m. However without this capital investment, by 2020, 120 sites would be past their 15 year design life and could cost in the region of £20M</p> <p>The unanticipated failure of an installation is likely to require greater funding to rectify than a planned refurbishment as well as potentially leaving the authority open to legal challenge in respect of a failure to carry out its statutory duties. In the event of a Personal Injury Accident caused by the failure of an installation, the cost to the authority could potentially be significant.</p> <p>This scheme will be funded from the DfT grants as referred to within the Highways Structural Maintenance proposal document.</p>
<b>Legal Implications:</b>	Somerset County Council as the Highway Authority has a legal duty under the Highways Act, Traffic Management Act and Electricity at Work Regulations 1989 to maintain the Traffic signals to the nationally recognised minimum standards.
<b>HR Implications:</b>	None
<b>Risk Implications:</b>	<p>The Traffic Signals Recovery programme is reliant on capital funding. If funding is not made available there is a significant likelihood of complete failure of installations past their design life. The unanticipated failure of an installation is likely to require greater funding to rectify than a planned refurbishment as well as potentially leaving the authority open to legal challenge in respect of a failure to carry out its statutory duties. In the event of a Personal Injury Collision caused by the failure of an installation the cost to the authority could potentially be significant.</p> <p>When the priority list was developed, desk top risk assessments we undertaken on all installations to determine if</p>

	<p>a site were to fail, the likelihood of occurrence of an accident plus the potential injury severity. This was based on parameters such as traffic and pedestrian flow, traffic speeds and complication of traffic manoeuvres. Apart from the approval of the funding to upgrade these sites there are no other possible mitigation measures we can take forward.</p> <p>In order to prioritise upgrading of traffic signal and pedestrian crossing installations the critical risk rating was taken as the primary factor with the risk assessment the secondary.</p>						
	<table border="1"> <tr> <td><b>Likelihood</b></td> <td><b>3</b></td> <td><b>Impact</b></td> <td><b>4</b></td> <td><b>Risk Score</b></td> <td><b>12</b></td> </tr> </table>	<b>Likelihood</b>	<b>3</b>	<b>Impact</b>	<b>4</b>	<b>Risk Score</b>	<b>12</b>
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<p><b>Other Implications (including due regard implications):</b></p>	<p><b><u>Equalities Implications</u></b>  Upgrading works will improve safety for all users. New installations will comply with current standards, be more reliable and more cost effective to maintain. Upgraded sites will also reduce existing energy costs due to energy efficient LED equipment being installed.</p> <p>Failure of signal installations is detrimental to all road users including pedestrians and cyclists specifically in terms of highway safety. Failure of signal junctions is also likely to have a significant impact on traffic congestion.</p> <p><b><u>Community Safety Implications</u></b>  Improved reliability and improved visibility of the installations will improve road safety. Installations to Extra Low Voltage means reduced risk of electric shock to users.</p> <p><b><u>Sustainability Implications</u></b>  Maintenance and energy costs associated at these installations will be reduced and reliability will be improved.</p> <p><b><u>Health and Safety Implications</u></b>  Risk of death/injury would be reduced for all involved – road users plus maintenance staff – due to lower frequency and shorter maintenance visits as well as reduced down – time for failed signals as spare parts would be more readily available. Installations converted to Extra Low Voltage mean reduced risk of electric shock to users.</p> <p><b><u>Health and Wellbeing Implications</u></b>  The signal upgrades are likely to improve pedestrian and cycle facilities which will make these areas more accessible and encourage walking and cycling.</p>						
<p><b>Scrutiny comments / recommendation (if any):</b></p>	<p>Not applicable.</p>						

## 1. Background

- 1.1. There are currently 276 Traffic Signal sites (both signal controlled junctions and controlled pedestrian crossings) across Somerset and the number we have to manage and maintain is increasing year on year with the new sites that continue

to be added, either through the adoption of developer schemes or our own improvement schemes.

- 1.2.** Although it has previously been reported that we have seen significant under investment in these assets over the years the information has never, until now, been quantified.
- 1.3.** Over the last few months we have undertaken a desk top review and have identified 62 of these sites as being in a critical condition, well beyond their design life expectancy and being operated with obsolete equipment which is un-maintainable in the event of failure. Once past this point the likelihood of failure and potential severity of failure significantly increases which could have serious implications in terms of both safety and congestion on the highway network.
- 1.4.** A Traffic Signals Recovery Programme Priority & Risk Matrix has been developed with an initially estimated cost per site to upgrade the equipment to an acceptable standard. The total estimated current cost to upgrade these 62 sites alone is in the region of £10.5m.
- 1.5.** The prioritised list is based on critical risk. Derived factors to enable the rating system include items such as:
  - Age and state of controller (obsolete or soon to be)
  - Condition of street equipment; signal poles, heads, push button units, ducting
  - Site importance – congested junction, road speeds, pedestrian/cycle demand, strategic route.
  - Local knowledge – known fault issues.
- 1.6.** A Traffic Signal upgrade involves a complete re-evaluation of the design and operation of the facility. Consideration is given to improvements and/or incorporation of new pedestrian and cycle facilities, improvements to the efficiency of the junction and introduction of low energy equipment.
- 1.7.** It should be noted however that the investment contained within this proposal is only just about sufficient to maintain the stock at its current levels. In addition there have been 21 additional traffic signal sites in the last 3 years and there is likely to be another 10 sites being commissioned in the next 12 months.
- 1.8.** The failure of equipment might endanger the travelling public and place the authority at risk of litigation if the problem is not dealt with effectively.
- 1.9.** This bid reflects the basic requirements of the traffic signal replacement programme and should be considered as the absolute minimum funding requirement in order to start upgrading selected infrastructure in critical need of replacement. This bid is for one-year only, however increased on-going annual investment of £4M is essential in following years to maintain the steady state.
- 1.10.** We will be doing further work to identify what level of investment might be required going forward to prevent further overall deterioration of our traffic signal assets

## **2. Options considered and reasons for rejecting them**

- 2.1. We have considered in the event of a critical failure whether we could leave the signals bagged over and turned off. As detailed above this could have significant safety and congestion implications and there would still be a cost element in maintaining traffic management to minimise the safety risk.

## **3. Background Papers**

- 3.1. None

## Capital Investment Programme 2018/19 Financial Information

### Annual Scheme Request

	2018/19 £
<b>Total Cost of Scheme (a)</b>	1,000,000
<b>Revenue Contribution (b)</b>	0
<b>Third Party Funding (c)</b>	0
<b>Required SCC Resources (a-b-c)</b>	<b>1,000,000</b>

Enter the **full cost** of the proposed scheme in the year it is expected to start, along with details of any potential revenue or third party contributions. The table above shows 5 individual bids i.e. 5 annual programmes.

**Do not** include any capital receipts in the funding options.

### Breakdown of Third Party Funding

	2018/19 £
<b>ERDF</b>	0
<b>LEP/Others (e.g. District Councils)</b>	0

### Estimated profile of Scheme (when the spend will be incurred)

#### **Total Capital Outlay (a)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	1,000,000	0	0	0

#### **Total Revenue Contributions (b)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

#### **Total Third Party Contributions (c)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

### Revenue Implications

	2018/19 £
<b>On Going Savings</b>	
<b>One off Savings</b>	
<b>On Going Pressure</b>	128,000
<b>One off Pressure</b>	

Please enter all savings as a negative.

## 2018/19 Capital Investment Programme Proposal Form

### Dillington House Improvement Programme

Cabinet Member(s): Cllr Anna Groskop – Cabinet Member for Corporate and Community Services

Division and Local Member(s): All

Lead Officer: Vicky Thomas, Strategic Manager for Educational Improvement and CDT

Author: Julie Breeze, Service Manager – Dillington House

Contact Details: 01823 348265; [vathomas@somerset.gov.uk](mailto:vathomas@somerset.gov.uk)  
01460 258609; [jbreeze@somerset.gov.uk](mailto:jbreeze@somerset.gov.uk)

<b>Summary of Proposed Investment:</b>	<p>Although Dillington House is leased from Dillington Estates, SCC, as tenant, is responsible for the fabric and structural condition of Dillington House. This is a requirement of the lease. SCC is also responsible for ensuring the site is kept operational and in a safe working condition in order to meet Health and Safety requirements and to continue operating as a Traded Service.</p> <p>This proposal is therefore for the creation of a 5 year Property Capital Investment Programme to include:</p> <ul style="list-style-type: none"> <li>• Roof repairs</li> <li>• Repairs to stone walls</li> <li>• Repairs/decoration to stone windows and doors</li> <li>• Repairs to conservatory</li> <li>• Renew and upgrade of heating and electric services</li> <li>• External decoration</li> <li>• Repair drainage</li> </ul> <p><b><u>Information, Communications and Technology (ICT) Improvement Programme (One-off investment)</u></b></p> <p>Dillington House offers a premier events service to a wide range of customers. The service has been unable to invest in technology over the past 5 years due to budget constraints and there is an urgent need to modernise the technology in order to keep up with both customer demand and our competitors to enable the service to generate additional income and to maintain current customer base.</p>
<b>Reasons for Investment:</b>	<p>The main reasons for the investments outlined above are:</p> <ul style="list-style-type: none"> <li>• To ensure Statutory compliance with Health and Safety regulations.</li> <li>• To ensure Landlord obligations are met, thereby avoiding potential claims or action on the part of the tenant which would likely increase the cost.</li> <li>• To improve the ability of the Property Group to manage and maintain the estate for which it is responsible.</li> <li>• To create savings in utility and operational costs.</li> <li>• To reduce the cost of maintenance and repairs.</li> </ul>



	<ul style="list-style-type: none"> <li>• Increase customer base by providing improved facilities including better technology to deliver conferences and adult education courses.</li> <li>• Generate additional income to re-invest in the service.</li> </ul>																
<b>Links to Priorities and Impact on Service Plans:</b>	<p>This proposal has been aligned with the Dillington 5 year business plan.</p> <p>This proposal will also support the medium term financial plan by increasing income and reducing costs over the next 5 years.</p> <p>This investment strategy supports the County and Business Plan:</p> <ul style="list-style-type: none"> <li>• To deliver improved integrated customer service.</li> <li>• Living within our means - by ensuring that properties are suitably maintained and by undertaking a programme of planned maintenance works and reducing the amount of costly day to day maintenance and repairs.</li> <li>• Council's Energy Policy and energy initiatives – Savings will be unlocked by reducing demand and improving energy efficiency with the renewal of heating and electric services.</li> </ul>																
<b>Consultations undertaken:</b>	Not applicable																
<b>Financial Implications:</b>	<p><b><u>Planned Improvement Programme</u></b></p> <p>The Repairs and Maintenance revenue budget for 2017/18 is £84K. This is almost entirely based on reactive repairs and servicing costs with no scope to undertake major planned maintenance works.</p> <p>The current identified list of high priority projects for the next five years totals a value of £563,250 which forms the basis of this request. This work has been identified and verified by Corporate Property through the conditions survey.</p> <p><b><u>ICT Improvement Programme</u></b></p> <p>There is no separate revenue budget for ICT. The total investment for the ICT improvement programme is :</p> <table border="1"> <tr> <td>Electronic TV display noticeboard for reception including software</td> <td>£2,000</td> </tr> <tr> <td>9000 lumens HDMI data projector for Theatre</td> <td>£4,000</td> </tr> <tr> <td>Studio 1 Hyde – 84” Interactive flat screen</td> <td>£5,600</td> </tr> <tr> <td>Studio 2 - 7500 lumens HDMI data projector</td> <td>£4,000</td> </tr> <tr> <td>55” interactive flat screen for Trent, Black down and Neroche meeting rooms (£2,000 each )</td> <td>£6,000</td> </tr> <tr> <td>Mobile Video conferencing kit</td> <td>£500</td> </tr> <tr> <td>Plus 10% contingency in case of price increase</td> <td>£2,210</td> </tr> <tr> <td><b>Total</b></td> <td><b>£24,310</b></td> </tr> </table> <p>Lack of investment could result in the service losing business and increasing the current deficit or the service inability to repay the current loan (£171k per annum) from SCC with</p>	Electronic TV display noticeboard for reception including software	£2,000	9000 lumens HDMI data projector for Theatre	£4,000	Studio 1 Hyde – 84” Interactive flat screen	£5,600	Studio 2 - 7500 lumens HDMI data projector	£4,000	55” interactive flat screen for Trent, Black down and Neroche meeting rooms (£2,000 each )	£6,000	Mobile Video conferencing kit	£500	Plus 10% contingency in case of price increase	£2,210	<b>Total</b>	<b>£24,310</b>
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	regard to the Hyde Building.						
<b>Legal Implications:</b>	<p>Any procurement will take place in consultation with the Corporate Procurement Team in order to ensure the correct protocol is followed.</p> <p>Failure to invest in Dillington House may result in legal action against the Council as tenant. A lack of investment in past years has led to a need for capital investment rather than smaller scale revenue upkeep.</p>						
<b>HR Implications:</b>	Well maintained buildings ensure the health and wellbeing of staff that are based in the property. Poorly maintained working premises create a barrier to increased productivity. Lack of investment could lead to potential redundancies due to a loss of business.						
<b>Risk Implications:</b>	<p>There are high Health and Safety risks if improvements are not carried out. Frequency of calls to the repair line increases for life expired components. Where replacement of components is put off until items fail, the risk increases that the ability of services to operate will be impaired (for example boilers where parts are obsolete, cannot be quickly repaired when they fail, resulting in a greater risk that buildings may have to close whilst works are undertaken).</p> <p>Failure to invest in the property and ICT is a false economy as our customers not only expect a good customer experience but demand up to date technology. We need to retain our customer base as well as attract new business.</p> <p>Unless the service can retain current customer base and increase on this the service may not be able to run a balanced budget, reduce the current deficit or pay off the current loan on the Hyde Building.</p> <table border="1"> <tr> <td><b>Likelihood</b></td> <td><b>4</b></td> <td><b>Impact</b></td> <td><b>4</b></td> <td><b>Risk Score</b></td> <td><b>16</b></td> </tr> </table>	<b>Likelihood</b>	<b>4</b>	<b>Impact</b>	<b>4</b>	<b>Risk Score</b>	<b>16</b>
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<b>Other Implications (including due regard implications):</b>	<p><b><u>Health and Wellbeing</u></b> Well maintained buildings ensure the health and wellbeing of staff that are based in the property. Poorly maintained working premises create a barrier to increased productivity. Lack of investment could lead to potential redundancies due to a loss of business.</p> <p><b><u>Sustainability Implications</u></b> <b><u>Planned Improvement Programme</u></b> Effective maintenance contributes to the realisation of an energy efficient property estate by ensuring the efficient operation of systems and equipment and by minimising heat loss through the building fabric. Effective maintenance prolongs the useful life of plant and also protects/enhances the value of a building and its equipment. Improvements will be aligned to the Council's Energy Policy and energy initiatives.</p>						

	<p><u>Health and Safety Implications</u></p> <p>By undertaking planned maintenance works, risks to health and safety of employees and members of the public will be reduced, whereas waiting for components to fail rather than addressing them when first identified as requiring attention, will carry a greater risk of injury or ill-health and potential breach of H&amp;S legislation.</p> <p>Compliance with certain legislation such as that related to fire safety is mandatory and will have to be undertaken therefore the implications here are more likely to be financial as improvements to comply with legislation will have to be funded from revenue budget if no capital is agreed.</p>
<b>Scrutiny comments / recommendation (if any):</b>	Not applicable

## 1. Background

**1.1.** Dillington House was established by Somerset County Council in 1949 as a residential college for adult education. Over the years the service has significantly changed and has diversified to provide a wider range of services including wedding, social functions and conferencing facilities. Dillington House has been working hard to operate at a zero cost to Somerset County Council and has been reducing costs and trying to grow the business to achieve this.

Dillington House is leased from Dillington Estates under a full repairing lease that began in 1949. A second full repairing lease was entered into in 1963 and ends in 2062. It is a fully traded unit but remains part of Somerset County Council (SCC) and operates within the boundaries of SCC.

Our aims and objectives are listed in the Dillington House 5 year Business Plan:

- To generate enough business and surplus in order to reduce the accumulated deficit within the trading accounts and produce return for SCC where possible.
- To ensure the current loan/mortgage is repaid to SCC.
- To generate a financial surplus to be used for a programme of continual investment in the business.
- To provide a high level of customer service.
- Build a high performing team and culture of continuous improvement

**1.2.** Currently, investment in the property has been primarily reactive, focusing on repairing and maintenance when failures occur, this leads to higher and more frequent call-outs for patch repairs and has a higher risk that should a major component such as a boiler fail, the ability to deliver services will be significantly impacted. It will be more expensive in the medium to long term to manage the site in this reactive way than to proactively manage a 5 year investment programme.

Only minimal planned maintenance projects were carried out as the repairs and maintenance budget could not afford to meet anything beyond reactive repairs and servicing costs.

Although general day to day maintenance or repair is deemed as revenue expenditure, for the avoidance of doubt, the proposals referred to here are specifically in relation to capital expenditure that would replace, for example, whole components such as roofs, boilers or windows which would comply with the latest standards in terms of improved energy use/insulation levels etc.

- 1.3.** As mentioned above Dillington’s offer has changed significantly over the years and has moved into the weddings arena more seriously over the past few years.

The table below shows how the number of weddings has significantly reduced in 2017/18 compared to previous years.

<b>Year</b>	<b>Number of weddings</b>
2015/16	51
2016/17	53
2017/18	32 (21 down on last year)
2018/19	15

Some of this can be attributed to the highly competitive area but recent feedback from several brides is that the general décor is looking tired due to lack of investment. Although this appears trivial, the weddings market is highly competitive and customer demands and expectations are growing. The unique selling point has to be the magnificence of the house and not many other competitors in the region have such a venue.

Although internal re-decoration is being planned a more robust capital property investment programme is required to secure Dillington’s future as Somerset’s Premier Events Venue.

- 1.4.** Dillington has lost ground in the corporate conference sector and there is the need to generate some successful marketing ideas such as offering larger discounts on a Monday which is more than often a quiet day. The table below shows the number of conferences that have reduced over the past 3 years.

<b>Year</b>	<b>No of conferences</b>
2014/15	466
2015/16	422
2016/17	365

The backset of Dillington makes it the perfect venue to provide a serious business environment to make meetings, residential conferences or training events a resounding success.

There is still a business need for face to face meetings to share information and enable that all important opportunity to network. Although our conference rooms themselves are fit for purpose we need to upgrade the audio/visual technology to enhance our customer’s experience.

Several of our customers are asking for video conferencing facilities as well as requests for the facility to deliver high quality presentations as part of our Adult Education Programme. As you can imagine we need high resolution functionality when delivering a workshop on digital photography. Some customers have resorted to bringing their own equipment in as Dillington’s is too dated.

The one-off investment you see listed below will enable us to become a more professional event's venue by offering state of the art modern technology.

- 1.5. All of the staff at Dillington are passionate about providing a memorable customer experience and the service has a strong reputation for a friendly, professional service. Securing this investment will be a positive message to staff that the Council are investing in Dillington and enable the smooth implementation of the 5 year Business Plan.

## **2. Options considered and reasons for rejecting them**

- 2.1. The service could fund the above from existing budget but this would result in the service failing to afford to pay the SCC loan for the Hyde building.
- 2.2. By not investing in adequately maintaining premises, the County Council will fail to meet its obligations under Health and Safety legislation. It also risks reputational damage should services not be able to operate.
- 2.3. Property maintenance is currently addressed in the main through undertaking reactive repairs to urgent building issues. This is not a sustainable approach as it fails to effectively utilise our limited available resources. Without a programme of sustained investment, there is also a risk of breaching SCC's legislative duties e.g. Health & Safety, Commercial.

For these reasons, the alternative option of retaining the current reactive approach was rejected in the preparation of this paper.

## **3. Background Papers**

- 3.1. None

## Capital Investment Programme 2018/19 Financial Information

### Annual Scheme Request

	2018/19 £
<b>Total Cost of Scheme (a)</b>	587,560
<b>Revenue Contribution (b)</b>	0
<b>Third Party Funding (c)</b>	0
<b>Required SCC Resources (a-b-c)</b>	<b>587,560</b>

Enter the **full cost** of the proposed scheme in the year it is expected to start, along with details of any potential revenue or third party contributions.

**Do not** include any capital receipts in the funding options.

### Breakdown of Third Party Funding

	2018/19 £
<b>ERDF</b>	0
<b>LEP</b>	0
<b>Others (e.g. District Councils)</b>	0

### Estimated profile of Scheme (when the spend will be incurred)

#### **Total Capital Outlay (a)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	163,060	130,000	197,500	97,000

#### **Total Revenue Contributions (b)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

#### **Total Third Party Contributions (c)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

## 2018/19 Capital Investment Programme Proposal Form

### Bridgwater to Taunton Canal and River Corridor

Cabinet Member(s): Cllr David Hall - Cabinet Member for Resources and Economic Development

Division and Local Member(s): Cllr Simon Coles (Taunton East), Cllr Giuseppe Frascini (Taunton North), Cllr David Fothergill (Monkton & North Curry), Cllr Bill Revans (North Petherton), Cllr David Hall (Bridgwater East & Bawdrip), Cllr Leigh Redman (Bridgwater South), Cllr David Loveridge (Bridgwater North & Central), Cllr Ann Bown (Bridgwater West)

Lead Officer: Barry James, Strategic Commissioning Manager (Community Infrastructure)

Author: Barry James, Strategic Commissioning Manager (Community Infrastructure)

Contact Details: 07919 540986 [bjames1@somerset.gov.uk](mailto:bjames1@somerset.gov.uk)

<b>Summary of Proposed Investment:</b>	<p>The waterway corridor extends from the Silk Mills Park and Ride and Local Nature Reserve along the River Tone through Taunton; a 15 mile corridor adjacent to the canal to Bridgwater Docks and along the River Parrett to the Exchange and Dunball where a new Park and Ride is proposed.</p> <p>The works which the Capital Bid funding will cover relates to capital projects to improve and the facilities along the canal and river corridor. This constitutes a range of environmental works such as surfacing of paths for cyclists, providing facilities that help encourage use of the canal, open space development and community woodland creation.</p>
<b>Reasons for Investment:</b>	<p>To improve services, support economic prosperity and social health and wellbeing and enhance the environment.</p> <p>To improve the river and canal corridor so it is better suited to use by both residents and tourists who will be able to use the waterways, paths and open spaces more freely as a sustainable and safer walking and cycling commuting route to work, school, shopping and leisure facilities and for healthy recreation on and next to the water with an enhanced environmental quality on and off line.</p>
<b>Links to Priorities and Impact on Service Plans:</b>	<p>This capital investment will help improve health and wellbeing by providing an area for walking, cycling and recreation. The Canal is a tourist attraction which makes a contribution towards the economy of Somerset. Funding improvements on the canal and its environs means effective and efficient use of money as costs are shared with Sedgemoor District Council and the Canal &amp; River Trust and its partners.</p>
<b>Consultations undertaken:</b>	<p>SCC's funding contribution has been, and continues to be, welcomed and recognised as crucial to the delivery of</p>

	<p>improved facilities along the Bridgwater – Taunton Canal and River Parrett corridor by:</p> <p>Officer representatives of Somerset County Council (SCC) and Sedgemoor District Council (SDC) and Members many of whom are the relevant Divisional and Ward Members;</p> <ul style="list-style-type: none"> <li>• The Canals &amp; River Trust (CRT)</li> <li>• Somerset Waterways Development Trust (SWDT)</li> <li>• Inland Waterways Association (IWA)</li> </ul>												
<b>Financial Implications:</b>	<p>Whilst there were annual financial contributions from partners TDBC and SDC, regrettably TDBC cut its funding contribution completely in 2015/16 and confirmed they will not be making any future contributions. The regular Capital funding contribution from SDC is expected to continue next financial year (2018/19).</p> <p>The tourism economy of Somerset (e.g. tea rooms, pubs, B&amp;B's) would be impacted if the waterway corridor fell into disrepair as a likely consequence of reduced funding.</p> <p>It is possible that funding partners would consider dropping their funding contribution in line with any reduction in SCC funding.</p>												
<b>Legal Implications:</b>	<p>There is no statutory duty for the County Council to continue this work as proposed.</p> <p>It is possible that some elements of the work may possibly require planning permission to be obtained.</p>												
<b>HR Implications:</b>	None identified.												
<b>Risk Implications:</b>	<p>Failure to continue capital funding or reducing funding would likely result in the degradation of the canal swing bridges and towpaths.</p> <p>As the maintenance of the canal swing bridges would continue be a revenue-funded work stream with responsibility currently transferred to the CRT under the anticipated renewed Maintenance Agreement along with an annually reviewable revenue contribution, a decision to reduce or cease capital funding would not represent a health and safety risk or potentially lead to the need to formally close affected Public Rights of Way or parts thereof. These risks would be managed by the CRT and SCC's Rights of Way and Bridge Structures services.</p> <p>The closure of the canal and towpath would be likely to generate significant negative publicity and adversely affect the benefits referred to under 'Links to Priorities and Impact on Service Plans' above.</p> <table border="1"> <tr> <td><b>Likelihood</b></td> <td><b>3</b></td> <td><b>Impact</b></td> <td><b>3</b></td> <td><b>Risk Score</b></td> <td><b>9 (current)</b></td> </tr> <tr> <td></td> <td><b>2</b></td> <td></td> <td><b>2</b></td> <td></td> <td><b>6 (projected)</b></td> </tr> </table>	<b>Likelihood</b>	<b>3</b>	<b>Impact</b>	<b>3</b>	<b>Risk Score</b>	<b>9 (current)</b>		<b>2</b>		<b>2</b>		<b>6 (projected)</b>
<b>Likelihood</b>	<b>3</b>	<b>Impact</b>	<b>3</b>	<b>Risk Score</b>	<b>9 (current)</b>								
	<b>2</b>		<b>2</b>		<b>6 (projected)</b>								
<b>Other Implications (including due regard implications):</b>	<p><b>Equalities Implications</b></p> <p>Access - statutory access would be maintained and revenue funded but access by cyclists and the mobility</p>												



	<p>impaired/pushchair users along towpaths and boaters would likely be inhibited / prevented.</p> <p>Equality and diversity - a reduction in the standard of the towpaths and bridges may impact on those with reduced mobility.</p> <p>Human Rights: reduced access may affect a person's right to freedom of movement and a reasonable quality of life.</p> <p><b>Community Safety Implications</b> Reduced access to property may inhibit access to the emergency services and potentially increased social isolation or exclusion.</p> <p><b>Sustainability Implications</b> Degradation in the quality of towpaths and swing bridges would likely reduce people's propensity to travel by foot, cycle or boat into, out of, and between Taunton and Bridgwater, choosing less sustainable motorised forms of travel.</p> <p><b>Health and Safety Implications</b> Degradation in the quality of towpaths and swing bridges as a result of reduced funding would likely increase the risk of injury and harm to users of the canal and river corridor.</p> <p><b>Health and Wellbeing Implications:</b> Positive impacts on health and wellbeing due to improved facilities and towpath surfaces encouraging walkers, cyclists, pushchair and mobility vehicle users and recreational activities along the canal and river corridor, aiding fitness, and general health and wellbeing;</p> <p>Positive impacts on preventing ill-health (physical and mental health) by encouraging mild/moderate physical activity and access to better air quality and 'escapism' from busy life;</p> <p>Positive impacts on reducing health and social inequalities by improving accessibility to mild/moderate physical activity opportunities and by providing an improved alternative mode of transport to the more costly private car or public transport for access to employment, education, social and recreational opportunities.</p>
<p><b>Scrutiny comments / recommendation (if any):</b></p>	<p>Not applicable.</p>

## 1. Background

- 1.1. The CRT is responsible for the maintenance of historic waterways in England and Wales including The River Parrett and Bridgwater – Taunton Canal. The CRT is responsible for maintaining and improving the network of bridges, embankments, towpaths, aqueducts, docks and reservoirs, and produces an

annual plan of work to be undertaken, involving stakeholders and investigating external funding opportunities. Until it was disbanded in 2015/16, the CRT was also responsible for administering the Somerset Waterways Advisory Committee (SWAC), which was chaired by one of the funding authorities (most recently SDC). Its role was to oversee and guide the policies and actions of the various organisations involved in maintaining and developing Somerset's waterways.

- 1.2. The CRT's work in respect of the River Parrett and Bridgwater – Taunton Canal corridor was, until 2015/16, funded in part by SCC, TDBC and SDC, when TDBC ceased its Revenue and Capital funding. These councils were represented on the SWAC. Arrangements between officers of the CRT and the funding partner authorities are being put in place in light of the dissolution of SWAC, including biannual progress meetings.

The responsibility for maintenance of the canal infrastructure including the 5 swing bridges for which the County Council's Structures Team over the Rights of Way Service (where the bridges carry a Public Right of Way) is statutorily responsible, has been divested to The CRT. This was done along with a covenanted annually reviewable revenue contribution (approximately £15,000 from each of the three councils). Under the terms of the maintenance agreement, maintenance responsibilities were transferred to the CRT.

This Capital Bid is to fund non-statutory improvements/enhancements works to develop the corridor as a commuter, recreational, and tourism route create open spaces and promote the navigation of the canal and river. This bid is therefore to cover non-statutory works, not covered by either the Structures or Rights of Way Services.

## **2. Options considered and reasons for rejecting them**

- 2.1. Ceasing all Capital funding was considered but it may result in the canal and towpath becoming unusable by boats and cyclists respectively. The loss of the canal's navigable status and degradation of the towpath to inhibit or prevent cyclist use would be likely to generate significant negative publicity.
- 2.2. Modifications to 5 swing bridges following an SCC condition survey are intended to reduce significantly the cost of maintenance in future years. Highway safety is a statutory responsibility and the works will make the bridges safer.

## **3. Background Papers**

- 3.1. None.

## Capital Investment Programme 2018/19 Financial Information

### Annual Scheme Requests

	2018/19 £
<b>Total Cost of Scheme (a)</b>	20,000
<b>Revenue Contribution (b)</b>	0
<b>Third Party Funding (c)</b>	0
<b>Required SCC Resources (a-b-c)</b>	<b>20,000</b>

Enter the **full cost** of the proposed scheme in the year it is expected to start, along with details of any potential revenue or third party contributions.

**Do not** include any capital receipts in the funding options.

### Breakdown of Third Party Funding

	2018/19 £
<b>ERDF</b>	0
<b>LEP</b>	0
<b>Others (e.g. District Councils)</b>	0

### Estimated profile of Scheme (when the spend will be incurred)

#### **Total Capital Outlay (a)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	20,000	0	0	0

#### **Total Revenue Contributions (b)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

#### **Total Third Party Contributions (c)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

## 2018/19 Capital Investment Programme Proposal Form

### Heritage Conservation, Management and Enhancement

Cabinet Member(s): Cllr David Hall - Cabinet Member for Resources and Economic Development

Division and Local Member(s): All

Lead Officer: Michele Cusack, Service Director (Economic and Community Infrastructure Commissioning)

Author: Barry James, Strategic Commissioning Manager (Community Infrastructure)

Contact Details: 07919 540986; bjames1@somerset.gov.uk

<b>Summary of Proposed Investment:</b>	<p>SCC, working with the South West Heritage Trust (SWHT), delivers conservation, management and enhancement of the public realm/highway and other sites around the county.</p> <p>Using SCC Capital Funding to support match funding from other sources, important public realm works are carried out each year to protect and enhance Somerset's historic built environment; notably in market towns and villages and in the wider countryside. A capital funding allocation of £50,000 for 2018/19 will support schemes that enhance the local environment and help to develop local awareness and pride of place. Investing in historic places attracts people, business and spending. The conservation of heritage assets makes a positive contribution to local economic vitality and helps to develop sustainable communities.</p> <p>The conservation projects relate to the management of SCC-owned Heritage Assets as well as to Designated Heritage Assets as defined by the National Planning Policy Framework 2012 (NPPF) (e.g. Scheduled Monuments, Listed Buildings and Conservation Areas) and thus supports the delivery of the requirements of the NPPF. Assets include the Council's own properties e.g. bridges, schools, structures, historic or listed buildings, sites and other assets affected by highway and other schemes.</p>
<b>Reasons for Investment:</b>	<ul style="list-style-type: none"> <li>• The programme cares for statutorily-protected sites and ancient monuments. Failure to continue the programme could mean irreversible loss to Somerset's heritage and sites and that structures are placed on Historic England's (formerly English Heritage's) At Risk Register.</li> <li>• Capital funding is needed to leverage external funding from key partners.</li> <li>• The programme enables the use of volunteers, students and local groups to help deliver physical improvements to the historic environment.</li> <li>• Securing funding is crucial to enable the South West Heritage Trust (SWHT) to discharge its responsibilities to Somerset County Council for making sure that Somerset's</li> </ul>

	<p>heritage is excellently cared for. The grant agreement between SCC and the Trust specifies that <i>“the Trust will develop and implement projects to protect, conserve and enhance heritage assets in the public realm in Somerset, including assets in the Council’s ownership, working in partnership with the Council and other agencies to achieve capital funding to deliver such projects.”</i></p>
<p><b>Links to Priorities and Impact on Service Plans:</b></p>	<p>The heritage conservation projects that are enabled through the match funding provided by the Council’s £50,000 capital allocation support a range of schemes across the County which support the aim of Somerset being “a great place to live, work and play in”, and that “we want more people to visit our beautiful and vibrant county to fuel our economy”.</p> <p>The investment and subsequent action helps to enhance the county’s beautiful environment and to promote Somerset and its heritage tourism offer, with an attractive environment encouraging investment in the County. Using this funding to leverage external funding to care for and protect Somerset’s historic environment makes a major contribution to the care of Somerset’s historic environment at low cost to the County.</p>
<p><b>Consultations undertaken:</b></p>	<p>Not applicable.</p>
<p><b>Financial Implications:</b></p>	<p>It was agreed last year that there would be a capital funding allocation of £50,000 for each of 2017/18, 2018/19 and 2019/20. This bid reiterates the on-going need for this funding.</p> <p>Capital funding is used to leverage external funding from key partners, such as Historic England and the Heritage Lottery Fund.</p> <p>The programme is oversubscribed and prioritised according to the most urgent need and the meeting of external funding criteria. The work will be carried out by the South West Heritage Trust.</p>
<p><b>Legal Implications:</b></p>	<p>The conservation projects relate to Heritage Assets as well as to Designated Heritage Assets as defined by the National Planning Policy Framework 2012 (NPPF) (e.g. Scheduled Monuments, Listed Buildings and Conservation Areas) and thus supports the delivery of the requirements of the NPPF.</p> <p>The programme cares for statutorily-protected sites and ancient monuments. Failure to continue the programme could mean irreversible loss to Somerset’s heritage and sites and that structures are placed on English Heritage’s At Risk Register.</p>
<p><b>HR Implications:</b></p>	<p>The programme is carried out by the South West Heritage Trust. The programme enables the use of volunteers, students and local groups to help deliver physical improvements to the historic environment. Training and guidance are also given.</p>
<p><b>Risk Implications:</b></p>	<p>The programme cares for statutorily-protected sites and ancient monuments. Failure to continue the programme could</p>

	mean irreversible loss to Somerset's heritage and sites and that structures are placed on English Heritage's At Risk Register.						
	<table border="1"> <tr> <td><b>Likelihood</b></td> <td><b>4</b></td> <td><b>Impact</b></td> <td><b>4</b></td> <td><b>Risk Score</b></td> <td><b>16</b></td> </tr> </table>	<b>Likelihood</b>	<b>4</b>	<b>Impact</b>	<b>4</b>	<b>Risk Score</b>	<b>16</b>
<b>Likelihood</b>	<b>4</b>	<b>Impact</b>	<b>4</b>	<b>Risk Score</b>	<b>16</b>		
<b>Other Implications (including due regard implications):</b>	<p><b>Equalities Implications</b> In developing specific schemes supported by the capital funding due regard will be paid to all equalities implications. In general, schemes will have a positive implication for access, community safety, sustainability and health and safety.</p> <p>Through enhancement of the county's beautiful environment and through the use of volunteers the work also supports the Council's health and wellbeing priorities.</p> <p>Failure to care for ancient monuments and statutorily protected sites could impact on the ability to access them safely (or at all). There are no equality and diversity or human rights implications identified.</p> <p><b>Community Safety Implications</b> Reduced care for our heritage assets can have a negative impact upon the quality of life for our residents and their wellbeing.</p> <p><b>Sustainability Implications</b> The only sustainability-related issue relates to the care and longevity of the assets, and their ability to contribute towards the heritage of the county.</p> <p><b>Health and Safety Implications</b> There are potential health and safety implications if our heritage assets are not suitably cared for; it is an important consideration for their on-going care and maintenance.</p> <p><b>Health and Wellbeing Implications:</b> Continued care of heritage assets contributes positively to the wellbeing of residents and potentially on their mental health..</p>						
<b>Scrutiny comments / recommendation (if any):</b>	Not applicable.						

## 1. Background

- 1.1. SCC, working with the South West Heritage Trust (SWHT), delivers conservation, management and enhancement of the public realm/highway and of other sites around the county. Using SCC Capital Funding to support match funding from other sources, public realm works are carried out each year to protect and enhance Somerset's historic built environment notably in market towns and villages and in the wider countryside.

A capital funding allocation of £50,000 for 2017/18 will support schemes that enhance the local environment and help to develop local awareness and pride of place. Investing in historic places attracts people, business and spending. The

conservation of heritage assets can make a positive contribution to local economic vitality and help to develop sustainable communities. Capital funding is needed to leverage external funding from key partners.

The conservation projects relate to Heritage Assets as well as to Designated Heritage Assets as defined by the National Planning Policy Framework 2012 (NPPF) (e.g. Scheduled Monuments, Listed Buildings and Conservation Areas) and thus supports the delivery of the requirements of the NPPF.

Assets include the Council's own properties including bridges, structures, schools, historic or listed buildings, sites, and assets affected by highway and other schemes. The programme enables the use of volunteers, students and local groups to help deliver physical improvements to the historic environment. *Communities appreciate the contribution that the historic environment makes to their towns and villages and they expect the County Council to lead by example to ensure the sustainable management of the local historic assets.*

- 1.2. The programme cares for statutorily-protected sites and ancient monuments. Failure to continue the programme could mean irreversible loss to Somerset's heritage and sites and that structures are placed on the Historic England's At Risk Register.
- 1.3. Securing funding is crucial to enable the South West Heritage Trust (SWHT) to discharge its responsibilities to Somerset County Council for making sure that Somerset's heritage is excellently cared for. The grant agreement between SCC and the Trust specifies that "the Trust will develop and implement projects to protect, conserve and enhance heritage assets in the public realm in Somerset, including assets in the Council's ownership, working in partnership with the Council and other agencies to achieve capital funding to deliver such projects."

## **2. Options considered and reasons for rejecting them**

- 2.1. If there is no capital allocation there will be a very limited likelihood of partnership project work and draw-down from other funders. The South West Heritage Trust already ensures that the capital funding allocated from SCC is used to leverage additional external investment.

## **3. Background Papers**

- 3.1. None.

## Capital Investment Programme 2018/19 Financial Information

### Annual Scheme Request

	2018/19 £
<b>Total Cost of Scheme (a)</b>	50,000
<b>Revenue Contribution (b)</b>	0
<b>Third Party Funding (c)</b>	0
<b>Required SCC Resources (a-b-c)</b>	<b>50,000</b>

Enter the **full cost** of the proposed scheme in the year it is expected to start, along with details of any potential revenue or third party contributions.

**Do not** include any capital receipts in the funding options.

### Breakdown of Third Party Funding

	2018/19 £
<b>ERDF</b>	0
<b>LEP</b>	0
<b>Others (e.g. District Councils)</b>	0

### Estimated profile of Scheme (when the spend will be incurred)

#### **Total Capital Outlay (a)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	50,000	0	0	0

#### **Total Revenue Contributions (b)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

#### **Total Third Party Contributions (c)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0



## 2018/19 Capital Investment Programme Proposal Form

### Public Rights of Way

Cabinet Member(s): Cllr John Woodman, Cabinet Member for Highways & Transport

Division and Local Member(s): All

Lead Officer: Mike O'Dowd Jones, Strategic Commissioning Manager – Highways & Transportation

Contact Details: 01823 356238 modowdjones@somerset.gov.uk

Author: Pete Hobley, Service Manager – Rights of Way

Contact Details: 01823 358185 pahobley@somerset.gov.uk

<b>Summary of Proposed Investment:</b>	<p>This paper sets out the details of a bid for capital maintenance to maintain the significant number of bridges and other structures on the public rights of way network which require on-going repair or replacement and in most cases can be enhanced to improve their lifespan and meet current safety and accessibility standards.</p> <p>A capital investment programme is required to ensure the assets are in an appropriate and safe condition for the public to use, to minimise liabilities for the Council, and to enable the purchase of items to enable the delivery of volunteer initiatives.</p> <p>It is proposed that Cabinet recommends that Full Council approves the following Capital Investment Programme for Rights of Way.</p>
<b>Reasons for Investment:</b>	<p>There are over 6,000km of public rights of way across Somerset comprising 4,700+ bridges and 36,000+ other structures and assets (stiles, gates, signposts, etc.).</p> <p>The extensive network requires a significant capital investment programme to ensure that the network remains available and easy to use for the public. The path network can play a key role in changing travel preferences, economic regeneration and improving health and wellbeing.</p>
<b>Links to Priorities and Impact on Service Plans:</b>	<p>Rights of way contributes to a range of targets in the 2016-2020 County Plan:</p> <p><b>Partnerships</b> Seeking advice from the Somerset Local Access Forum and working with many volunteers and user groups.</p> <p><b>Our adults services,</b> Keeping public rights of way well maintained and accessible to all contributes to the County Plan target:</p> <ul style="list-style-type: none"> <li>• Adults' health and wellbeing/long-term prevention</li> </ul>

	<p><b>All about you</b>  Pro-actively developing our volunteer base and working with existing volunteers to provide greater support for inspecting and maintaining rights of way contributes to the County Plan target:</p> <ul style="list-style-type: none"> <li>• Building up our communities  We will work with the voluntary sector, community and social enterprise sector to have more volunteers help and support available within Somerset's communities</li> </ul> <p><b>Economy</b>  Rights of way provides a great deal of work to local small businesses directly contributing to the County Plan target:</p> <ul style="list-style-type: none"> <li>• Helping small businesses</li> </ul> <p>Rights of way also maintain the off-road highway network allowing our communities to travel safely.</p> <p><b>Our Council</b>  Pro-actively developing our volunteer base to help maintain the rights of way network reduces the call on SCC services and helps deliver the County Plan target Living within in our means.</p> <p>Using small local businesses to help maintain the rights of way network contributes to the County Plan target</p> <ul style="list-style-type: none"> <li>• Developing businesses  We will provide more opportunities for local suppliers to provide us with services</li> </ul> <p><b><u>Social Value Policy Statement (areas)</u></b>  <b>Improving health and wellbeing</b>  Public Rights of Way (PRoW) are a free resource that can enable people to increase their level of physical activity through walking, cycling or horse riding. Outdoor physical activity makes a direct, positive contribution towards mental health and emotional well-being.</p> <p><b>Helping build community capacity</b>  Development of existing and new volunteer initiatives under the Community Paths Partnership will ensure Community participation in helping to keep the rights of way network open.</p> <p><b>Creating opportunities for micro-providers</b>  Much of the rights of way work already goes to small enterprises, with the potential to focus on this more in the future.</p>
<b>Consultations undertaken:</b>	Consultation has been carried out with the Opposition Spokesperson and the Cabinet Member for Highways & Transport. No specific Cabinet Member conflicts of interest arose.
<b>Financial Implications:</b>	The financial implications of not taking forward an investment programme are significant, not only to the County Council in

	<p>the event of a bridge / structure collapse, but to the local economy as a whole.</p> <p>Potentially the authority is open to legal challenge in respect of a failure to carry out its statutory duties. In the event of a personal injury accident caused by the failure of a structure, the cost to the authority of a subsequent claim could potentially be significant.</p> <p>The total rights of way structures stock is currently valued at around £19m.</p> <p>Unanticipated failures of the rights of way structures are likely to require greater funding to rectify than planned replacement.</p> <p>There are already several paths under long-term temporary closures due to unsafe structures. Renewing the closures comes with an administrative cost. If capital investment is not progressed then more paths will require temporary closures that will need to be renewed for longer.</p> <p>The Secretary of State increasingly challenges the extension of temporary closures. In cases where an extension is refused the Council is placed at a greater risk of a successful personal injury claim.</p>						
<b>Legal Implications:</b>	<p>In relation to the maintenance of structures and other assets, Somerset County Council as the Highway Authority has legal duties and obligations under the following main acts and legislation:</p> <ul style="list-style-type: none"> <li>• The Highways Act 1980</li> <li>• Equalities Act 2010</li> </ul>						
<b>HR Implications:</b>	None.						
<b>Risk Implications:</b>	<p>Should the rights of way capital programme not be taken forward, there are risks for both safety of the public using the rights of way network and liabilities through claim and challenge. These risks will be managed through a robust path and asset inspection regime and the use of temporary closure orders as necessary.</p> <p>There will also be a risk to staff positions if the programme was not to proceed.</p> <p>Score in brackets is if there was no capital investment:</p> <table border="1"> <tr> <td><b>Likelihood</b></td> <td><b>2(5)</b></td> <td><b>Impact</b></td> <td><b>2(5)</b></td> <td><b>Risk Score</b></td> <td><b>4(25)</b></td> </tr> </table>	<b>Likelihood</b>	<b>2(5)</b>	<b>Impact</b>	<b>2(5)</b>	<b>Risk Score</b>	<b>4(25)</b>
<b>Likelihood</b>	<b>2(5)</b>	<b>Impact</b>	<b>2(5)</b>	<b>Risk Score</b>	<b>4(25)</b>		
<b>Other Implications (including due regard implications):</b>	<p><b><u>Equalities Implications</u></b> Most capital works endeavour to improve the accessibility of the paths concerned by reducing the number of limitations such as width, stiles, gates or steps. This is in line with our obligations under the Equality Act 2010.</p> <p><b><u>Community Safety Implications</u></b> Improved and safer access to the rights of way network. Avoiding the need to use roads where there is the potential for conflict with vehicles.</p>						

	<p><b><u>Sustainability Implications</u></b> Wherever possible the lifespan of structures are enhanced by galvanising existing steel beams or using replacement materials that will last longer than the existing. Use of local contractors and local volunteer workforce will help to reduce the vehicular mileage associated with performing our statutory duties.</p> <p><b><u>Health and Safety Implications</u></b> Risk of death or injury to a user of a right of way will be reduced and wherever possible the standard of the structures will be improved to make them safer.</p> <p><b><u>Health and Wellbeing Implications</u></b> By increasing the accessibility and availability of the path network there is greater opportunity for the public to use the network thus enhancing health and wellbeing. Volunteer involvement also improves their health and wellbeing by being physically active and having social interaction.</p> <p>Therefore the investment, if approved, will have a positive impact on health and wellbeing, preventing ill-health (physical and mental health), and reducing health and social inequalities.</p>
<b>Scrutiny comments / recommendation (if any):</b>	Not applicable.

## 1. Background

- 1.1. There are currently 4,940 bridges carrying Public Rights of Way (RoW) in Somerset. The RoW Capital Programme addresses the repair or replacement of bridges outside of the revenue funded service, of which there are 1,340 significant bridges; these include all bridges with a span greater than 6m, vehicular bridges and stone arch bridges. There are also 30 structures, including retaining walls, dams and tunnels.

- 1.2. From the on-going inspection programme of the 1,340 significant bridges it is estimated that at least a quarter are now in a poor condition, based on the 256 already recorded as such. On-going inspection of the smaller bridge stock suggests that over half of the 2,521 smaller bridges have moderate defects and over a quarter are in poor condition requiring repairs soon.
- 1.3. Outside factors can lead to programme slippage, e.g. landowner permissions, obtaining & securing necessary consents, planning process constraints, seasonal and ecological constraints.
- 1.4. Many stiles and gates on rights of way are timber. By investing in replacement metal gates it should enhance their lifespan and provide for more reliable and safer assets. Surfacing improvements are also required across the network and these are often necessary to safeguard the public use and also to minimise the risk of being served 'out of repair' notices.

## **2. Options considered and reasons for rejecting them**

- 2.1. An alternative option would be for a volunteer workforce to deliver the capital works. This could potentially reduce the investment required. Whilst volunteer working parties will take place in some cases (smaller timber assets), for the majority of the capital works specialist skills and plant are required making it unsuitable for volunteers.
- 2.2. Another option is to permanently extinguish or divert paths to avoid the repair/ replacement of the assets concerned. Extinguishment orders may be met with resistance from statutory consultees and could be undeliverable. Diversions will always be a consideration as per the Rights of Way Improvement Plan 2, where significant investment is required. However, due to the legal framework this will only be achievable in a very limited number of circumstances, and although it can potentially save some investment it will still have a cost associated with the administration of the diversion order, in addition to any compensation that may be payable to those affected. This is not a realistic alternative to avoid a capital investment programme

## **3. Background Papers**

- 3.1. None

## Capital Investment Programme 2018/19 Financial Information

### Annual Scheme Request

	<b>2018/19 £</b>
<b>Total Cost of Scheme (a)</b>	213,000
<b>Revenue Contribution (b)</b>	0
<b>Third Party Funding (c)</b>	0
<b>Required SCC Resources (a-b-c)</b>	<b>213,000</b>

Enter the **full cost** of the proposed scheme in the year it is expected to start, along with details of any potential revenue or third party contributions.

**Do not** include any capital receipts in the funding options.

### Breakdown of Third Party Funding

	<b>2018.19 £</b>
<b>ERDF</b>	0
<b>LEP/Others (e.g. District Councils)</b>	0

### Estimated profile of Scheme (when the spend will be incurred)

#### **Total Capital Outlay (a)**

	<b>2018/19 £</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>
<b>2018/19</b>	213,000	0	0	0

#### **Total Revenue Contributions (b)**

	<b>2018/19 £</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>
<b>2018/19</b>	0	0	0	0

#### **Total Third Party Contributions (c)**

	<b>2018/19 £</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>
<b>2018/19</b>	0	0	0	0

## 2018/19 Capital Investment Programme Proposal Form

### Corporate Property Investment Programme

Cabinet Member(s): Cllr David Hall – Cabinet Member for Resources and Economic Development  
 Division and Local Member(s): All  
 Lead Officer: Claire Lovett, Head of Property, Commercial and Business Services  
 Author: Darren Puckett, Property - Projects & Finance  
 Contact Details: 01823 355712, dpuckett@somerset.gov.uk

<b>Summary of Proposed Investment:</b>	<p>Somerset County Council has a portfolio of approximately 196 Properties (excluding Schools and including Farms) for which it is responsible for ensuring that they are maintained to a safe and suitable standard.</p> <p>These premises range from those accessed by members of the public to ones occupied by SCC's own employees as well as those occupied by third parties and tenants.</p> <p>Maintenance responsibilities can vary, however in the majority of cases, SCC as landlord remains responsible for the fabric and structural condition of its premises. There is currently a significant amount of high priority planned maintenance work to renew or replace life-expired components (such as roofs/boilers etc.) to ensure premises are kept operational and in a safe working condition.</p> <p><u>Fire Precaution Works</u>        Under the Regulatory Reform (Fire Safety) Order 2005 SCC has and continues to undertake Fire Risk Assessments (FRAs) on its properties with FRAs undertaken by the County Health and Safety Unit.</p> <p>Resulting from the FRAs there is an extensive list of high priority and urgent fire safety improvement works requiring implementation, the majority of which are mandatory in terms of compliance with the Regulations.</p> <p>Fire Precaution Works have historically (until 2017/18) been funded from the revenue repairs and maintenance budget, addressing the high priority or most urgent works, but a significant back log of work still remains, with some items of work dating to 2005 still requiring attention.</p> <p>These works however are not routine maintenance but in fact improvement works more properly assigned to capital and requiring a dedicated budget from which they can be funded, rather than adding additional pressure to an already over-stretched repairs budget. An allocated capital fund for Fire</p>
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	<p>Precaution works will therefore help in targeting works in a more effective manner to address the back log of works required.</p> <p>The recent events in London, with the fire at Grenfell Tower has brought fire safety to the forefront and in this respect it is imported that adequate resources are allocated to ensure that the Authority fulfils its statutory duties.</p> <p><u>High Hazard Asbestos Works</u> Under the Control of Asbestos Regulations 2012 SCC has a duty to manage asbestos in its buildings and conducts asbestos surveys on a 5 year rolling programme. As a result of these surveys there is a need to remove or make safe asbestos which has deteriorated or become damaged, which if left could pose a hazard to health.</p> <p><u>County Farm Holdings</u> There is an on-going requirement to comply with statutory obligations, such as electrical and water services, sewage treatment and disposal systems, tree surveys and inspections, health and safety and land management issues, as well as contractual obligations under the various types of tenancy agreement regarding maintenance and upkeep of buildings and structures, service supplies, landscape features etc.</p> <p>Updating and improvement of landlords fixed equipment, although usually part of a tenancy contract, can also lead to an increase in rental income.</p> <p><u>Accessibility Improvements</u> Under the Equalities Act 2010 SCC has a duty as an employer to ensure that it makes reasonable adjustments to premises to ensure that its workplaces are suitable to meet the needs of all of its staff, including those with disabilities.</p> <p>In some cases this may relate to the provision of suitable equipment, for which there is usually funding support available, however it is sometimes necessary to make physical alterations/improvements to buildings to meet employee's specific needs, for which there is no identified funding available and creates a pressure on operational revenue budgets.</p> <p><u>Summary</u> This proposal is therefore to continue the Property Capital Investment Programme previously established, to include:</p> <ul style="list-style-type: none"><li>• A programme to replace or renew major building components that have reached the end of their usable life in order to reduce the cost of on-going repairs.</li><li>• Funding to enable improvement works for fire safety</li></ul>
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	<p>compliance.</p> <ul style="list-style-type: none"> <li>• Funding to enable improvement works for removal of High Hazard asbestos.</li> <li>• A programme to ensure that landlord obligations are met with specific regard to County Farms where investment will ultimately be repaid by capital receipts.</li> <li>• Improvements to the accessibility of buildings to meet the needs of employees with disabilities.</li> </ul>
<b>Reasons for Investment:</b>	<p>The main reasons for the investments outlined above are:</p> <ul style="list-style-type: none"> <li>• To ensure statutory compliance with Health and Safety regulations.</li> <li>• To ensure business continuity - which could be disrupted due to failure of components.</li> <li>• To ensure Landlord obligations are met, thereby avoiding potential claims or action on the part of the tenant which would likely increase the cost.</li> <li>• To improve the ability of the Corporate Property Group to manage and maintain the estate for which it is responsible.</li> <li>• To create savings in utility and operational costs.</li> <li>• To reduce the cost of maintenance and repairs.</li> </ul>
<b>Links to Priorities and Impact on Service Plans:</b>	<p>These proposals have links to the County Plan priorities to <b>'reduce the number of buildings we operate to free up funding for frontline services'</b> and <b>'Living within our means'</b> by ensuring we are able to maximise capital receipt income, by ensuring that properties are suitably maintained and by undertaking a programme of planned maintenance works and reducing the amount of costly day to day maintenance and repairs.</p>
<b>Consultations undertaken:</b>	
<b>Financial Implications:</b>	<p><u>Corporate Planned Maintenance</u> The Corporate Repairs and Maintenance revenue budget for 2017/18 is £652,000 and current projections for year-end expenditure are £1,015,000. This is entirely based on reactive repairs and servicing costs with no scope to undertake planned maintenance works.</p> <p>The creation of additional capital funding in 17/18 was a significant step forward in reducing the backlog of works but it is critical that further funding is available annually to ensure that the highest priority works can be undertaken in good time rather than being deferred. The risk in doing so would mean that when works eventually need to be carried out due to critical failure, and often at considerably increased costs creating financial shocks for the Authority.</p> <p>The current 2017/18 capital maintenance programme is underway, valued at approx. £1.7m. However the current identified list of remaining high priority planned maintenance projects still totals a value of £2,615,000.</p> <p><u>Fire Precaution Works</u> Using past activity as an indicator, current spend on</p>

	<p>addressing the highest priority FRA works in Corporate Properties (excluding Schools) is £60,000 however there still remains a significant number of issues which need to be addressed and therefore, in order to enable a more structured approach and to be able to address more than just the most urgent items, an annual capital budget of <b>£150,000</b> per year is proposed.</p> <p><u>High Hazard Asbestos Works</u> An annual capital budget of <b>£50,000</b> is proposed based on existing levels of spend against the revenue repairs and maintenance budget in previous years.</p> <p><u>County Farm Holdings</u> Capital investment in County Farm holdings will be realised when sites are eventually sold. Investment will reduce maintenance costs and enable more successful rent reviews to be carried out in Spring 2018 and thereby increase revenue. In order to carry out a suitable programme of repairs and upgrades to comply with statutory obligations an annual capital budget of <b>£150,000</b> per year is proposed.</p> <p><u>Accessibility improvements</u> In order to address the need to undertake accessibility improvement works, an initial one off capital allocation of <b>£50,000</b> is requested in order to sufficiently enable building alterations to be undertaken when required. The intention would be that once the fund is fully spent, a supplement request will be submitted for it to be replenished.</p>
<p><b>Legal Implications:</b></p>	<p>Compliance with Health and Safety legislation for landlords (Landlord &amp; Tenant Act) and employers (Health and Safety at Work Act) and the Equalities Act 2010.</p> <p>Compliance with the Regulatory Reform (Fire Safety) Order 2005 and the Control of Asbestos Regulations 2012, failure to comply with which may result in legal action.</p> <p>Failure to invest in County Farm holdings may result in legal action against the Council as landlord and lead to recompensing tenants if they are forced to carry out essential works at their own cost. It could also create potential issues related to occupiers' liability.</p>
<p><b>HR Implications:</b></p>	<p>Well maintained buildings ensure the health and well-being of building occupants. Poorly maintained working premises create a barrier to increased productivity.</p> <p>Failure to make reasonable adjustments for accessibility will have HR implications which may result in legal action.</p>
<p><b>Risk Implications:</b></p>	<p>There are high Health &amp; Safety risks if improvements are not carried out. Frequency of calls to the repair line increases for life expired components. Where replacement of components is put off until items fail, the risk increases that the ability of services to operate will be impaired (for example boilers where parts are obsolete, cannot be quickly repaired when</p>

	<p>they fail, resulting in a greater risk that buildings may have to close or services relocate whilst works are undertaken).</p> <p>Contractual obligations under tenancy agreements may not be met if farm holdings fall into disrepair and may lead to higher costs through legal claims.</p> <p>There is also a risk of reputational damage to the Authority through a failure to meet our obligations.</p> <p>There are risks that the Authority could be taken to tribunal if it fails to meet its obligations to make reasonable adjustments for the needs of its staff.</p> <table border="1" data-bbox="563 591 1458 629"> <tr> <td><b>Likelihood</b></td> <td><b>5</b></td> <td><b>Impact</b></td> <td><b>4</b></td> <td><b>Risk Score</b></td> <td><b>20</b></td> </tr> </table>	<b>Likelihood</b>	<b>5</b>	<b>Impact</b>	<b>4</b>	<b>Risk Score</b>	<b>20</b>
<b>Likelihood</b>	<b>5</b>	<b>Impact</b>	<b>4</b>	<b>Risk Score</b>	<b>20</b>		
<p><b>Other Implications (including due regard implications):</b></p>	<p><b><u>Equalities Implications</u></b> Buildings, their layout and internal fittings need to be accessible to both service users and employees and due regard needs to be given to specific needs and wherever possible, reasonable adjustments need to be made accordingly to accommodate those needs.</p> <p><b><u>Sustainability Implications</u></b> <u>Planned Improvement Programme</u> Effective maintenance contributes to the realisation of an energy efficient property estate by ensuring the efficient operation of systems and equipment (HVAC, controls, lighting etc.) and by minimising heat loss through the building fabric. Effective maintenance prolongs the useful life of plant and also protects/enhances the value of a building and its equipment.</p> <p><b><u>Health and Safety Implications</u></b> By undertaking planned maintenance works, risks to health and safety of employees, tenants and members of the public will be reduced, whereas waiting for components to fail rather than addressing them when first identified as requiring attention, will carry a greater risk of injury or ill-health and potential breach of H&amp;S legislation.</p> <p>Compliance with certain legislation such as that related to fire safety is mandatory and will have to be undertaken therefore the implications here are more likely to be financial as improvements to comply with legislation will have to be funded from revenue budget if no capital is agreed.</p> <p><b><u>Privacy Implications</u></b> No implications regarding planned maintenance works.</p> <p>Where accessibility alterations are required to meet the needs of individuals, certain information around their needs may be required in order to identify the appropriate solution; however it should not be necessary for Corporate Property to record any detailed personal information relating to any given individual.</p>						

	<p><b><u>Health and Wellbeing Implications –</u></b>  Well maintained buildings improve the health and well-being of building occupants. For example, draughty, cold and poorly maintained buildings can have a negative impact on health and moral. Well maintained, comfortable buildings are proven to improve the health and well- being of occupants and also increase productivity.</p>
<p><b>Scrutiny comments / recommendation (if any):</b></p>	<p>Not applicable.</p>

## 1. Background

### 1.1. **Planned Major Repairs and Maintenance Projects**

The Building Cost Information Service (BCIS) of the Royal Institution of Chartered Surveyors (RICS) recommends that 1-2 per cent of the ideal construction costs for buildings are used as a basis to calculate the amount required for their maintenance each year. BCIS also has a reference rule of thumb (based on the BCIS Economic Significance of Maintenance study) that across the whole economy, maintenance costs are 2.5% of the reinstatement cost of a building.

For SCC (excluding schools) and looking at buildings only (i.e. excluding land values), the book value of its assets as at 31<sup>st</sup> March 2017 was £119.779m. Using the BCIS range of 1-2% outlined above, the level of annual maintenance costs expected would range from £1.198m to £2.396m. The current revenue budget of £652,000 equates to 0.5% and demonstrates that, on its own as was the case prior to 17/18, would fall significantly short of what is required. The creation of additional capital funding in 17/18 was a significant step forward in reducing the backlog of works but it is critical that further funding is available annually to ensure that the highest priority works can be undertaken in good time rather than being deferred. Furthermore, BCIS forecasts that maintenance costs will increase over the next five years, by 2.5% in 2018 and a further 2.9% in 2019. It's then forecast to rise by over 4% in each of the next three years.

Prior to 2017/18, SCC has approved significant capital funding for maintenance related investment in the Schools estate and in certain other Services (such as Learning Disabilities) via minor works budgets. There has also been previous funding approved for County Farms however there has been very minimal capital funding to support planned capital maintenance projects across most of the rest of SCC's property portfolio. As a result, all planned maintenance projects have historically fallen to the revenue Repairs & Maintenance budget, which in the main is focused on dealing with reactive repairs and servicing. As such only the most critical items of planned maintenance were undertaken.

Under that approach, investment had to be primarily reactive, focusing on repairing and maintaining properties when failures occurred, leading to higher and more frequent call-outs for patch repairs and has a higher risk that should a major component (such as a boiler or heating system) fail, the ability to deliver services will be significantly impacted. It is more expensive in the medium to long term to manage the estate in this reactive way than to proactively manage and maintain assets with cost avoidance and efficiency in mind.

The current 2017/18 capital maintenance programme is now underway, valued at approx. £1.7m. However the current identified list of remaining high priority planned maintenance projects still totals a value of £2,615,000 with the most urgent valued at **£325,000**. This therefore forms the basis of the funding proposal for 2018/19. It is important to note that this is based on data available at this point in time, building surveys are carried out continually and detailed investigation and scoping will take place before works proceed. Therefore the list of proposals will be subject to change as the programme is developed and detailed work is undertaken.

Although general day to day maintenance or repair is deemed as revenue expenditure, for the avoidance of doubt, the proposals referred to here are specifically in relation to capital expenditure that would replace, for example, whole components such as roofs, boilers or windows which would comply with the latest standards in terms of improved energy use/insulation levels etc. This work also ensures that the Authority's assets remain both functional and will maintain or extend their useable life.

A further annual sum of £650,000 is requested for each subsequent year to address future priorities; this is based on building survey data currently available and would maintain the investment level to the minimum recommended level of 1% of the asset value.

## **1.2. Fire Precaution Works**

There is a current list of fire safety measures requiring implementation that have been identified following risk assessments undertaken by the County Health and Safety Unit. Currently no dedicated funding exists for Corporate Premises from which these can be funded. As the majority of these measures are mandatory in terms of compliance with Regulations, these costs currently fall against the revenue repairs and maintenance budget. However, these works are not routine maintenance, but improvements and so require a dedicated capital budget from which they can be funded rather than adding additional pressure to an already over-stretched revenue repairs budget.

The types of works involved include; early warning, secure means of escape including stairways, emergency lighting, structural matters/propagation, external safety on escape routes.

The Health and Safety Unit have been and continue to support Corporate Property in identifying priority works and assessing the most effective way to address such issues, bearing in mind budget constraints.

Using past activity as an indicator, current spend on addressing the highest priority FRA works in Corporate Properties (excluding Schools) is £60,000 however there are still a large number of outstanding issues which still need to be addressed, and therefore, in order to enable a more structured approach and to be able to address more than just the most urgent items, an annual capital budget of **£150,000** per year is proposed.

## **1.3. High Hazard Asbestos Works**

With the on-going re-inspection of asbestos there continues to be a need to remove or make safe asbestos deemed to be a high hazard. Based on existing levels of spend against the revenue repairs and maintenance budget in previous

years an annual capital budget of **£50,000** is proposed for high hazard asbestos works.

#### **1.4. County Farm Holdings**

There is an on-going requirement to comply with statutory obligations, such as electrical and water services, sewage treatment and disposal systems, tree surveys and inspections, health and safety and land management issues, as well as contractual obligations under the various types of tenancy agreement regarding maintenance and upkeep of buildings and structures, service supplies, landscape features etc. Updating and improvement of landlords fixed equipment, although usually part of a tenancy contract, can also lead to an increase in rental income. As an example, there are a number of farmhouse roofs on selected holdings which also require replacement. Roofs are in poor condition and can no longer be patch repaired. This can have a negative impact not only on the buildings' energy efficiency, but the longer left unattended to, increases the risk of further damage to the buildings' structure from water ingress.

Capital investment on both of the above will be realised when sites are eventually sold. In the meantime, investment will reduce on-going maintenance costs. It will also enable more successful rent reviews to be carried out in Spring 2018 and thereby increase revenue. Better equipped farmsteads should mean less contentious rent reviews and less time spent on maintenance, which ultimately will mean better holdings to let or sell.

Not only are there high Health & Safety risks if improvements are not carried out, it could also mean that contractual obligations under tenancy agreements may not be met if a holding falls into disrepair. This may result in legal action against the Council as landlord and lead to recompensing tenants where they are forced to carry out essential works themselves.

In order to carry out a suitable programme repairs and upgrades to comply with statutory obligations to maintain Farm buildings to a suitable standard, an annual capital programme budget of **£150,000** per year is proposed.

#### **1.5. Accessibility improvements**

SCC has a requirement as an employer to ensure that it makes reasonable adjustments to ensure that its workplaces are suitable to meet the needs of its entire staff, including those with disabilities. In some cases this may relate to the provision of suitable equipment, for which there is usually funding support available, however it is sometimes necessary to make physical alterations/improvements to buildings to meet employee's specific needs, for which there is no identified funding available and creates a pressure on operational revenue budgets.

An initial one off allocation of £50,000 is requested in order to sufficiently enable building alterations to be undertaken when required. The intention would be that once the fund is fully spent, a supplement request will be submitted for it to be replenished.

## **2. Options considered and reasons for rejecting them**

- 2.1.** Investment in Properties which are subject to rationalisation and where longer term occupation is in doubt should be kept to a minimum amount to ensure buildings remain safe and functional.

- 2.2. By not investing in adequately maintaining premises, the County Council will fail to meet its obligations under Health and Safety legislation. It also risks reputational damage should services not be able to operate.
- 2.3. Property maintenance was previously addressed in the main through undertaking reactive repairs to urgent building issues. This has been proven to not be a sustainable approach as it fails to effectively utilise our limited available resources. Without a programme of sustained investment, there is also a risk of breaching SCC's legislative duties e.g. Health & Safety, Commercial.

For these reasons, the alternative option of reverting back to the reactive approach was rejected in the preparation of this paper.

### **3. Background Papers**

- 3.1. None

## Capital Investment Programme 2018/19 Financial Information

### Annual Scheme Request

	2018/19 £
<b>Total Cost of Scheme (a)</b>	725,000
<b>Revenue Contribution (b)</b>	0
<b>Third Party Funding (c)</b>	0
<b>Required SCC Resources (a-b-c)</b>	<b>725,000</b>

Enter the **full cost** of the proposed scheme in the year it is expected to start, along with details of any potential revenue or third party contributions.

**Do not** include any capital receipts in the funding options.

### Breakdown of Third Party Funding

	2018/19 £
<b>ERDF</b>	0
<b>LEP</b>	0
<b>Others (e.g. District Councils)</b>	0

### Estimated profile of Scheme (when the spend will be incurred)

#### **Total Capital Outlay (a)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	725,000	0	0	0

#### **Total Revenue Contributions (b)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

#### **Total Third Party Contributions (c)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0



**2018/19 Capital Investment Programme  
Proposal Form**

**County Hall A Block – Priority 1 Improvements**

Cabinet Member(s): Cllr David Fothergill – Cabinet Member for Strategy, Customers and Communities  
Cllr David Hall – Cabinet Member for Resources and Economic Development

Division and Local Member(s): Cllr Simon Coles (Taunton East);  
Cllr Guiseppe Fraschini (Taunton North);  
Cllr James Hunt (Upper Tone);  
Cllr John Hunt (Bishops Hull and Taunton West);  
Cllr Hazel Prior-Sankey (Taunton South)

Lead Officer: Claire Lovett, Head of Property, Commercial and Business Services

Author: Joanna Mickens, Property Programme Manager

Contact Details: 01823 357018; [JMMickens@somerset.gov.uk](mailto:JMMickens@somerset.gov.uk)

<b>Summary of Proposed Investment:</b>	<p>This proposed scheme is part of the Corporate Property priority repairs and maintenance programme, and will provide a sustainable future for County Hall’s historic A Block.</p> <p>The proposal recommends investment in A Blocks infrastructure to enable a refurbishment project to create fit for purpose back office accommodation for existing SCC satellite offices and other public sector partners.</p> <p>A Block is in poor condition, requiring urgent investment to repair and replace critical infrastructure. The A Block boiler also supplies C Block and Shire Hall and there is currently a significant risk of failure to all three buildings, which would impact on business continuity for both SCC and the council’s lease obligation to the Ministry of Justice and other tenants.</p> <p>The minimum priority works that are required to mitigate the risk of failure and ensure compliance with regulations are:</p> <ul style="list-style-type: none"> <li>• Replacement of the boiler and heat distribution to A Block, C Block, B Ground and Shire Hall</li> <li>• Replacement of the electrical infrastructure</li> <li>• Asbestos removal work</li> <li>• Replacement of the lift</li> </ul> <p>This proposal enables the delivery of the proposed One Public Estate (OPE) Taunton back office hub project, which encourages public sector partners to create shared hubs to reduce overall costs in the public sector and to deliver surplus sites for growth and regeneration opportunities, creating new jobs in Somerset. The OPE proposal heavily supports Somerset’s Sustainability and Transformation Plan (STP) priorities by enabling the co-location and integration of Health</p>
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	<p>and Social Care commissioning and provider services.</p> <p>The funding associated with the Taunton OPE refurbishment project is the topic of a separate CIP Proposal Form which should be read in conjunction with this one.</p>
<p><b>Reasons for Investment:</b></p>	<p>Investment is required to significantly reduce a severe risk of building failure to the organisation. The current budget of £1.7m for all corporate property repairs and maintenance is insufficient to address high cost repair needs for any individual properties.</p> <p>This proposal will bring A Block up to a modern standard of accommodation and ensure compliance with current building and health and safety regulations. Replacement of the heating system will deliver a 15-20% improvement in energy efficiency.</p> <p>The scheme will ensure continued use of A Block for local government services, protecting a heritage building in Taunton as a legacy.</p> <p>Delivery of these priority repairs will provide the robust services infrastructure and facilitate the additional proposal to refurbish A Block to modern office accommodation standards and enabling SCC to achieve strategic objectives through accommodating additional staff from 2019, located in 8 satellite buildings around the town, and freeing these sites up for alternative uses.</p>
<p><b>Links to Priorities and Impact on Service Plans:</b></p>	<p>These proposals have links to the County Plan priorities to <b>‘reduce the number of buildings we operate to free up funding for frontline services’</b> and <b>‘Living within our means’</b>, ensuring that properties are fit for purpose by undertaking a programme of urgent planned maintenance works. Associated benefits include reducing the amount of costly day to day maintenance and repairs as well as reducing running costs.</p> <p><u>Council’s Corporate Social Responsibility Statement</u></p> <ul style="list-style-type: none"> <li>• Lead by example though managing our own activities to become more socially responsible in our business relationships. (As a service provider, procurer, landlord and employer), we are also uniquely positioned to influence our partners to do the same;</li> <li>• Encouraging our customers, communities and employees to behave in more environmental ways;</li> <li>• Reducing waste generation, water and energy consumption;</li> <li>• Measuring and reporting greenhouse gas (GHG) emissions annually.</li> </ul> <p><u>A sustainable Council</u></p> <ul style="list-style-type: none"> <li>• Reducing property portfolio. SCC can reduce its portfolio across Taunton by implementing this proposal</li> </ul>

	<p>to enable the opportunity to optimise use of its main HQ building.</p> <p><u>Council's Energy Policy</u> The following Energy Policy objectives will be met by the proposal:</p> <ul style="list-style-type: none"> <li>• Reduce the impact of rising energy costs</li> <li>• Manage and reduce bottom line spend on energy</li> <li>• Unlock savings by reducing demand and improving energy efficiency;</li> <li>• To enhance Somerset County Council's reputation as a socially responsible organisation.</li> </ul>
<p><b>Consultations undertaken:</b></p>	<p>The following stakeholders have been briefed in relation to the outline of these proposals, on the understanding that the project will not be implemented until relevant approvals are given:</p> <p>OPE Partnership Board – 3 July 2017 OPE SCC Board – 12 July 2017 Team managers located in A Block County Hall in relation to decant requirements – July 2017</p> <p>To date no conflicts of interest have been declared from Cabinet or Council Members in relation to these proposals.</p>
<p><b>Financial Implications:</b></p>	<p>The costs contained within this proposal are pre-tender, and therefore subject to change as scope and detailed design is developed.</p> <p>The funding for the County Hall priority repairs and maintenance works for A Block will be secured through a capital bid. The project is expected to have a capital cost of approximately £6.441 million. This figure includes the cost of decants &amp; furniture clearance.</p> <p>The identified costs represent the minimum investment required to bring the services infrastructure and building facilities up to a reasonable standard, including replacement of heating systems, lighting and electrical re-wiring to improve energy efficiency. Should the additional refurbishment bid not be approved then further improvement works such as decorating, repairing or replacing windows, doors, floor covering, etc. would need to be managed by future annual maintenance investment.</p> <p>Energy efficiency savings: Replacement of the existing heating systems with a more energy efficient system could deliver revenue savings to running costs in the region of 15-20%, or £4,000-£6,000 p.a.</p>

<p><b>Legal Implications:</b></p>	<ul style="list-style-type: none"> <li>• Adherence to appropriate Contract and Standing Orders when appointing a contractor and letting the contract for the refurbishment works</li> <li>• Compliance with Health and Safety legislation for landlords (Landlord &amp; Tenant Act) and employers (Health and Safety at Work Act)</li> <li>• Listed building consent will be required to enable the delivery of this scheme</li> <li>• Delivery of a new heating system that supplies Shire Hall requires the Ministry of Justice to agree the contribution required under the terms of their lease</li> </ul>																
<p><b>HR Implications:</b></p>	<ul style="list-style-type: none"> <li>• Decant 200 staff out of A Block to C Block to enable works</li> <li>• A clear communication strategy and plan will be established to ensure appropriate engagement with staff and members</li> <li>• Well maintained buildings ensure the health and well-being of building occupants. Poorly maintained working premises create a barrier to increased productivity.</li> </ul>																
<p><b>Risk Implications:</b></p>	<p>There is a high business continuity risk if the existing time-expired centralised boiler in A Block fails. If essential replacements are carried out piecemeal when individual components fail, the risk increases that services will not be able to operate from either A Block, C Block or Shire Hall.</p> <p>Furthermore, due to the age of the existing systems, repairs are further impaired (for example heating system components become obsolete, and cannot be quickly repaired when they fail, resulting in a greater risk that buildings may have to close or services relocate whilst works are undertaken).</p> <p>Contractual obligations under tenancy agreements with the Ministry of Justice and others may not be met if the heating system fails, and lead to higher costs through legal claims.</p> <p>There is also a risk of reputational damage to the Authority through a failure to meet our obligations.</p> <ul style="list-style-type: none"> <li>• Disruption to services during works and move periods</li> <li>• Identifying suitable decant options</li> <li>• Scope creep impacts on affordability</li> <li>• SCC are unable to fund and resource the project</li> </ul> <p>Mitigations for each of the above risks have been identified to reduce the likelihood of the risk occurring.</p> <table border="1" data-bbox="552 1957 1465 2101"> <tr> <td><b>Current Likelihood</b></td> <td><b>5</b></td> <td><b>Current Impact</b></td> <td><b>4</b></td> <td><b>Current Risk Score</b></td> <td><b>20</b></td> </tr> <tr> <td><b>Projected Likelihood</b></td> <td><b>2</b></td> <td><b>Projected Impact</b></td> <td><b>2</b></td> <td><b>Projected Risk Score</b></td> <td><b>4</b></td> </tr> </table>					<b>Current Likelihood</b>	<b>5</b>	<b>Current Impact</b>	<b>4</b>	<b>Current Risk Score</b>	<b>20</b>	<b>Projected Likelihood</b>	<b>2</b>	<b>Projected Impact</b>	<b>2</b>	<b>Projected Risk Score</b>	<b>4</b>
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<b>Projected Likelihood</b>	<b>2</b>	<b>Projected Impact</b>	<b>2</b>	<b>Projected Risk Score</b>	<b>4</b>												

**Other Implications  
(including due regard  
implications):**

**Sustainability Implications**

There will be positive impacts as a result of implementing these proposals on improvements to utility services and thermal efficiency of A Block as a result of the Priority 1 R&M element of the refurbishment.

Effective maintenance contributes to the realisation of an energy efficient property estate by ensuring the efficient operation of systems and equipment (HVAC, controls, lighting etc.) and by minimising heat loss through the building fabric. Effective maintenance prolongs the useful life of plant and also protects/enhances the value of a building and its equipment.

Points to consider

- Adequate investment can have a positive impact on sustainability as the risk of failure of HVAC and lighting systems and deterioration in the building fabric resulting in heat loss will be minimised if maintenance of plant and building fabric is prioritised and funded properly;
- The Council has made a commitment to lead by example. Maintenance encompasses servicing plant and equipment to maintain optimum efficiency and repairing faults that cause energy wastage. Inadequately funding the repairs and maintenance budget could have a negative impact on the Council meeting its carbon reduction objectives and future legislative requirements.
- Inadequate funding of the repairs and maintenance budget may also result in a negative impact on the Council's energy budget. For example, facilities in which proper HVAC maintenance is completed will use at least 15-20% less energy than those where systems are allowed to deteriorate. In addition, wasted energy could be eliminated, before any investments are made simply by careful maintenance of equipment. Energy costs are likely to increase therefore it is important to ensure optimum efficiency.
- In addition, well maintained buildings have further benefits of increasing the well-being and productivity of building occupants.

**Health and Safety Implications**

These proposals do not create a greater risk to SCC of Health and Safety implications. All H&S implications will be delivered by the contractor appointed to deliver the fit for purpose accommodation during the works period and appropriate records will be handed back to Facilities Management at the end of the refurbishment period.

By undertaking planned maintenance works, risks to health and safety of employees, tenants and members of the public will be reduced, whereas waiting for components to fail rather

	<p>than addressing them when first identified as requiring attention, will carry a greater risk of injury or ill-health and potential breach of H&amp;S legislation.</p> <p>Compliance with certain legislation such as that related to fire safety is mandatory and will have to be undertaken therefore the implications here are more likely to be financial as improvements to comply with legislation will have to be funded from revenue budget if no capital is agreed.</p> <p><b><u>Privacy Implications</u></b> There are no specific community safety implications to manage as a result of these proposals. Personal data of staff collected to enable the decanting of teams will be treated in compliance with appropriate regulations and guidance.</p> <p><b><u>Health and Wellbeing Implications</u></b> These proposals are expected to have positive impacts on staff and member health and wellbeing following the conclusion of creating fit for purpose accommodation at County Hall. Proposals to create suitable space/s to promote health and wellbeing will be included in the space design</p>
<p><b>Scrutiny comments / recommendation (if any):</b></p>	

## Capital Investment Programme 2018/19 Financial Information

### Annual Scheme Requests

	2018/19 £
<b>Total Cost of Scheme (a)</b>	6,441,500
<b>Revenue Contribution (b)</b>	0
<b>Third Party Funding (c)</b>	0
<b>Required SCC Resources (a-b-c)</b>	<b>6,441,500</b>

Enter the **full cost** of the proposed scheme in the year it is expected to start, along with details of any potential revenue or third party contributions.

**Do not** include any capital receipts in the funding options.

### Breakdown of Third Party Funding

	2018/19 £
<b>ERDF</b>	0
<b>LEP</b>	0
<b>Others (e.g. District Councils)</b>	0

### Estimated profile of Scheme (when the spend will be incurred)

#### **Total Capital Outlay (a)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	6,441,500	0	0	0

#### **Total Revenue Contributions (b)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

#### **Total Third Party Contributions (c)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

**2018/19 Capital Investment Programme  
Proposal Form**

**Business Growth Fund**

Cabinet Member(s): Cllr D Hall – Cabinet Member for Resources and Economic Development  
 Division and Local Member(s): All  
 Lead Officer: Paul Hickson/Strategic Commissioning Manager, Economy and Planning  
 Author: Paul Hickson/Strategic Commissioning Manager, Economy and Planning  
 Contact Details: 07977400838; [PHickson@somerset.gov.uk](mailto:PHickson@somerset.gov.uk)

<p><b>Summary of Proposed Investment:</b></p>	<p>Capital investment of £400,000 is sought for SCC’s Business Growth Fund for 2018/19, with indicative requirements of £400,000 in each subsequent year until 2021/22. This Fund is used to finance capital infrastructure investment that supports the growth, diversification and productivity improvement in Somerset’s economy, with a particular focus on investment in workspace for businesses, targeted at areas of Somerset and sectors of the economy where returns are too low or investment too risky for the private sector to invest.</p> <p>The main focus of the fund is SCC’s programme of start-up and early growth enterprise centres (comprising high quality workspace available on flexible terms, common services and dedicated business support) in locations across Somerset. Recent completed examples have included schemes in Highbridge enterprise centre phase one (Sedgemoor), Wheddon Cross enterprise centre (West Somerset) and the Somerset Energy Innovation Centre (SEIC) phase one.</p> <p>In addition SCC has a current programme of enterprise centre schemes (Highbridge phase 2, Wells and Wiveliscombe phases 1) which are being financed through a combination of internal capital allocations to the Business Growth Fund and resources leveraged from external sources to the fund. SCC has been very successful at leveraging external investment based on the commitment of our own funds to these schemes – circa £1.7 million of SCC capital investment via the Business Growth Fund has leveraged the remaining funds from Growth Deal and EU sources to enable a £4.3 million programme across the three schemes.</p> <p>Continued investment will enable this programme to be sustained in line with the priorities set out in SCC’s County Plan, the outline business case from the “Business Parks” vision volunteer’s project and 2017 Economy and Planning Commissioning Intentions Plan. The pipeline includes the completion of the Wells and Wiveliscombe centres, potential future schemes in South Somerset (potential locations</p>
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	including Chard/Ilminster and Castle Cary) and adaptation of surplus SCC premises identified via the One Public Estate programme to create “work hubs”.
<p><b>Reasons for Investment:</b></p>	<p>The reasons for the recommendation above are as follows:</p> <ul style="list-style-type: none"> <li>• SCC’s County Plan prioritises economic prosperity as an objective of SCC. Somerset has a high proportion of small businesses and access to flexible workspace and effective business support are barriers to their growth in a number of localities where the private sector is not willing to invest. This investment priority is highlighted in the updated Somerset Growth Plan adopted by SCC in June 2017</li> <li>• Business Growth Fund investment in workspace by SCC has proven effective in addressing these gaps in market provision in a number of locations in Somerset and further areas needing intervention have been identified in the Economy and Planning Commissioning Intentions Plan</li> <li>• Business Growth Fund investment in workspace will also assist with the adaptation of surplus property with potential for business use identified via the Somerset OPE programme and contribute to the implementation of the outline business case from the “Business Parks” vision volunteers project</li> <li>• investment financed via the Business Growth Fund programme is a sustainable intervention as it provides a long term asset supporting economic growth, which, through operational surpluses, provides a recurring revenue income to resource business support services and, potentially, to contribute to offsetting MTFP revenue pressures.</li> </ul> <p>This form of investment will contribute to SCC’s 2020+ financial strategy by generating business rate income growth – this will be maximised by ensuring that there is rolling occupation of centres and the multiplier effects resulting from the growth of businesses directly supported.</p>
<p><b>Links to Priorities and Impact on Service Plans:</b></p>	<p>Investment through the Business Growth Fund supports delivery of the following 2016-2020 SCC County Plan focus on developing a thriving Somerset economy and in particular the targets to support small businesses and attract inward investment. The proposals in this report will also contribute to delivery of the ambitions in the outline business case from the vision volunteers “Business Parks” project.</p> <p>By enabling the continuation of SCC’s programme of enterprise centre development, this proposal also assists the delivery of income generation targets approved for the Economy and Planning service via the MTFP process. Operating surpluses generated will enable offsetting revenue base budget reductions for the Economy and Planning service to be achieved.</p>

	<p>The Fund's role in investing in new workspace is also consistent with the priorities of the Somerset Growth Plan endorsed by SCC and partners and will enable the delivery of schemes outlined in the 2016 Economy and Planning Commissioning Intentions Plan.</p> <p>Finally in line with the priorities of SCC's Social Value Policy, this investment proposal will enable the development of skills and employment for vulnerable people (via contractors local workforce commitments) and to supporting local small businesses. Enterprise centres can also become part of the local social infrastructure of individual Somerset communities, hosting events and activities. An example is provided by the use of the Highbridge enterprise centre to host events related to the anniversary of the Somerset and Dorset railway.</p>
<p><b>Consultations undertaken:</b></p>	<p>SCC's Asset Strategy Group is consulted and informed on an on-going basis about the planning and implementation of SCC's enterprise centre programme, including proposals for investment via the Business Growth Fund. Individual schemes progressed through the programme are subject to detailed local consultations with Local County Councillors, District and Local Councils and the business community.</p> <p>No Cabinet Member conflicts of interest identified.</p>
<p><b>Financial Implications:</b></p>	<ul style="list-style-type: none"> <li>• This proposal involves an allocation of £400,000 in SCC's capital investment programme in 2018/19 for SCC's Business Growth Fund, with indicative requirements of £400,000 per annum also in later years.</li> <li>• This proposed SCC capital investment will assist SCC to leverage additional capital investment funds from Government and local partner sources towards our on-going programme through of workspace development in areas of market failure in Somerset. The Government's plans for a UK Shared Prosperity Fund will provide a source of funding to continue to leverage funds into this programme in replacement of Structural Funds after the UK's exit from the EU.</li> <li>• SCC's investment in workspace through the Fund will directly result in future revenue streams to SCC via operational surpluses.</li> <li>• It will also increase significantly SCC's local income base through expanding Somerset's business rate income base, thereby contributing to SCC's 2020+ financial strategy.</li> </ul> <p>The business model for SCC workspace provision involves the management of space created through an externally commissioned operating partner. This means that all revenue implications and risks are transferred to this operator.</p>
<p><b>Legal Implications:</b></p>	<p>No significant legal implications identified concerning this investment proposal.</p> <p>Individual schemes may require legal input during project</p>

	development and delivery – examples may include land acquisition where this is necessary and state aid advice as part of scheme design and business cases for external funding.
<b>HR Implications:</b>	Staffing capacity is required to commission and provide project management to the delivery of SCC’s workspace programme. This programme is included in the commissioning intentions plan for Economy and Planning, meaning that it is an identified priority for the allocation of staff time and that there are no additional staff implications of this proposal.
<b>Risk Implications:</b>	<p>The main risks associated with this proposal are:</p> <ul style="list-style-type: none"> <li>• Failure to secure high levels of economic impact from investments made i.e. workspace not fully occupied, low turnover of businesses limiting growth outcomes from the workspace). This is being mitigated by ensuring that there is strong economic evidence to investment business cases and operationally through managing the effectiveness of SCC’s partnership with the operator of our enterprise centres (<b>Risk score 4</b>)</li> <li>• Failure to secure sufficient external funding meaning that scale of overall delivery and the leverage value of SCC investment is not maximised. This is mitigated by the knowledge and expertise of the Economy and Planning team in securing external funding. (<b>Risk score 4</b>)</li> </ul>
<b>Other Implications (including due regard implications):</b>	<p><b>Equalities Implications</b> Impact assessment of this proposal indicates that there are likely positive equalities implications. This is because the scheme will facilitate additional local employment through the growth and development of Somerset small businesses, in areas of the county where the economy is least resilient. It will also enable the creation of new and high value jobs within Somerset, particularly in rural areas and market towns, where access to these opportunities are lower.</p> <p>Fuller assessment of impacts will be established as part of business cases for individual developments financed via the fund.</p> <p><b>Sustainability Implications</b> Impact assessment of this proposal indicates that there are likely positive sustainability implications. This is because the scheme will facilitate the growth and development of Somerset small businesses, particularly in rural and market towns, thus increasing the economic resilience of rural Somerset. It will also enable the creation of new and high value jobs within Somerset, increasing the resilience of Somerset’s economy and reducing the need for commuting outside of Somerset for better quality employment. Workspace will developed to high environmental standards – schemes developed by SCC are targeted at “very good” or “excellent” ratings under the BREEAM system.</p>

	<p>Fuller assessment of impacts will be established as part of business cases for individual developments financed via the fund.</p> <p><b>Other Implications</b>  There are no identified implications for access, human rights, community safety, health and well-being, freedom of information / data protection issues, privacy or health and safety.</p>
<b>Scrutiny comments / recommendation (if any):</b>	Not applicable.

## 1. Background

**1.1.** The Business Growth Fund is part of SCC's capital investment programme and is used to finance workspace infrastructure investments that support growth, productivity improvement and diversification of Somerset's economy. The Fund has a particular focus on supporting the growth and development of small businesses, and investment is targeted at geographical areas of Somerset where returns are too low or at business sectors where investment too risky for the private sector. SCC's programme of enterprise centres (comprising high quality workspace available on flexible terms and dedicated business support financed by the income streams generated by these facilities) in locations across Somerset. Recent examples have included schemes in Highbridge (Sedgemoor), Wheddon Cross (West Somerset) and SEIC phase 1.

Monitoring of take up provides strong evidence of the need and positive economic impact of these facilities. The Business Growth Fund is managed so that SCC investment typically leverages accompanying investment from other sources including EU, Central Government, LEP and local sources. The early commitment via the Fund of SCC funding contributions to workspace schemes that the authority is promoting has acted as a strong incentive to lever investment from other sources. This is illustrated by the fact that across the three schemes that SCC is progressing to implementation in 2017/18 have a combined cost of circa £4.3 million of which only circa £1.7 million is being financed by the Business Growth Fund.

**1.2.** SCC's Economy and Planning team manages the Business Growth Fund and deploys this resource to commission a targeted programme of investment in new enterprise centres and improvements to existing centres. This commissioning activity includes a high level of capability in ensuring the leverage of funds from external sources, including Government/LEP capital funds. The Government's plans for a UK Shared Prosperity Fund to support local growth post the UK's departure from the EU will provide a renewed source of external funding to continue this programme in future, building on our success in securing Local Growth Funds via the Growth Deal process for schemes in Highbridge, Wells and Wiveliscombe.

Subject to future allocations to the Business Growth Fund as part of SCC's capital planning process, the future pipeline for SCC's enterprise centres

programme outlined in the 2017 Economy and Planning Commissioning Intentions Plan includes final phases of the Wells and Wiveliscombe centres and potential future schemes at locations including Ilminster/Chard and Castle Cary. These schemes would also utilise land assets held or available to SCC. Future allocations to the Fund will also enable investment needs linked to adapting surplus SCC premises identified via the One Public Estate programme to “work hubs” for small businesses.

- 1.3. The financial annex to this report indicates potential leverage from EU, LEP, Government and other sources. Assets created through investment via the Fund will generate additional revenue income to SCC by the operational surpluses resulting from their rental streams and extending the business rate income base of Somerset.

## 2. Options considered and reasons for rejecting them

2.1. The alternatives to the approach set out in this report are as follows:

- **Reliance on external sources of public funds to deliver objectives of SCC Business Growth Fund** – this option has been discounted as there is a need for funds to deliver SCC’s enterprise centre programme, identified at a strategic level via the Somerset growth plan and at a local level via the evidence of unmet business need in a number of locations in Somerset. This programme cannot be delivered via reliance on external funds as both EU and Growth Deal sources require the commitment of local public funds
- **Reliance on private sector to deliver objectives of SCC Business Growth Fund** – this option has been discounted as there is market failure in a number of locations in Somerset requiring investment packages enabled by SCC’s Business Growth Fund
- **Greater level of allocation for Business Growth Fund** – discounted as not considered a realistic option.

## 3. Background Papers

3.1. Economy and Planning Commissioning Intentions Plan 2017

## Capital Investment Programme 2018/19 Financial Information

### Annual Scheme Requests

	2018/19 £
<b>Total Cost of Scheme (a)</b>	800,000
<b>Revenue Contribution (b)</b>	
<b>Third Party Funding (c)</b>	400,000
<b>Required SCC Resources (a-b-c)</b>	<b>400,000</b>

Enter the **full cost** of the proposed scheme in the year it is expected to start, along with details of any potential revenue or third party contributions.

**Do not** include any capital receipts in the funding options.

### Breakdown of Third Party Funding

	2018/19 £
<b>LEP/ Central Government</b>	300,000
<b>ERDF</b>	100,000
<b>Others (e.g. District Councils, Private)</b>	0

### Estimated profile of Scheme (when the spend will be incurred)

#### **Total Capital Outlay (a)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	800,000	0	0	0

#### **Total Revenue Contributions (b)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

#### **Total Third Party Contributions (c)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	400,000	0	0	0

**2018/19**  
**Capital Investment Programme**

**FP/17/08/16**

**Library Service Redesign**

Link to Decision

<http://democracy.somerset.gov.uk/ieDecisionDetails.aspx?ID=566>

## 2018/19 Capital Investment Programme Proposal Form

### Corporate ICT Investment Programme

Cabinet Member(s): Cllr Anna Groskop  
 Division and Local Member(s): All  
 Lead Officer: Sarah Moore, Service Manager ICT Transformation  
 Author: Sarah Moore, Service Manager ICT Transformation  
 Contact Details: 07584407977

<b>Summary of Proposed Investment:</b>	<p><u>Hardware/Infrastructure Refresh</u>          The annual refresh of hardware is an on-going requirement on a rolling basis as devices reach the end of their life cycle. This is particularly relevant with the new ICT strategy which is implementing new technology to staff based on their need and work style.</p> <p>The significant laptop refresh programme has been brought forward to 2017/18 to ensure users receive devices and tools that are fit for purpose to improve productivity as early as possible.</p> <p>Investment in our wide area network (WAN) and Wi-Fi network are also critical to improve performance and stability of these services. This includes our Corporate and Guest Wi-Fi networks.</p> <p>Re-integrating the operational ICT function back into Somerset County Council (SCC) means that SCC inherit the infrastructure that runs all our systems and stores our data. Though the move to a cloud strategy will mean reducing our on-site infrastructure. There is an on-going need for ad-hoc purchases to replace ageing hardware.</p> <p><u>Transforming the ICT Landscape</u>          Somerset County Council is on a Journey to modernise the technology used across the organisation to build in greater resilience and availability of our core systems and data, and provide a platform that enables new ways of working, collaboration with our partners and greater engagement with our customers. Microsoft is working alongside SCC to achieve the ICT vision through defined work packages that provide specific deliverables. Further capital investment is required for the next stages of the transformation as part of the 3 year programme plan to deliver resilience, compliance and productivity benefits for the organisation. The focus of packages in this period will be on threat defence, OpenScape replacement and data analytics.</p>
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### Digital

As part of the emerging Digital strategy there is an opportunity to move forward with a personalised, single view of the customer across systems, enabling new ways of commissioning services.

As more transactions also become enabled through on-line methods there is a need for a modern fit for purpose web platform. This would save money in the long term by also replacing the need for additional portals and software.

### Core System Replacements

#### Adults Case Management

There is a requirement to replace the Adults case management system as the existing one is being discontinued and heading towards the end of the existing contract.

### Libraries

People's Network Hardware – There are currently 246 public access computers due for upgrade across the Library Service. Expected spend £160,000.

Staff PC replacement – currently 182 staff PCs refresh during 2018/19 at a cost of £145,600.

Self Service Kiosks – current contract expires at the end of December 2018. Kiosks installed from 2012-2014 will require replacement as part of a rolling programme from 2018-2020. a capital investment of £250,000 spread over 2 years 2018/19 (£175,000) and 2019/20 (£75,000)

Property Atrium system replacement (£30,000)

### Post SWOne Contingency

Though due diligence has taken place, there is high probability that SCC will continue to incur costs post end of contract. This may be due to a number of reasons, such as a lack of subject matter expertise and the requirement to buy in support packages from 3<sup>rd</sup> party suppliers. Increased cost of contract and licencing renewals and the requirement to procure and implement replacement software that is fit for purpose.

### Information Security

There is a statutory need to meet our obligations under Article 25 of the EU-General Data Protection Regulation (2018) for Privacy by design and by default

### Capitalisation of Transforming services

In order to continue to modernise the technology used across the organisation and support the existing Core Council Programmes and MTFP targets there is a need to capitalise the project resource working specifically on the delivery of this ICT Transformation, enabling new ways of working. During

	<p>the SWOne contract this was funded directly by business areas and so no budget transferred at the end of the contract.</p> <p>Capitalisation of productivity licence packages that deliver new ways of working.</p> <p><u>Summary</u> This proposal is therefore for the additional requirements as part of the ICT Capital Programme:</p> <ul style="list-style-type: none"> <li>• Hardware Refresh – tools to do the job and replace ageing infrastructure and vulnerability</li> <li>• Transforming the ICT estate – Microsoft programme delivery and Digital strategy</li> <li>• Core System replacement – Adults Case Management, Customer Relationship Management, Web Platform, Libraries replacement, Atrium replacement, Health Integration, Web filtering renewal</li> <li>• Post SWO Contingency – Inevitable costs from a returning contract</li> <li>• Statutory EU-GDPR compliance</li> <li>• Capitalisation of Transforming Services – essential funding to continue to modernise technology and enable service re-design benefits</li> </ul>
<p><b>Reasons for Investment:</b></p>	<p>The main reasons for the investments outlined above are:</p> <ul style="list-style-type: none"> <li>• To continue the existing transformation of ICT building in resilience, reducing risk and enabling new ways of working</li> <li>• To replace ageing hardware with modern fit for purpose equipment improving resilience and reducing vulnerability</li> <li>• To meet procurement requirements for renewal of software contracts and implement new solutions as part of Core Council Programmes</li> <li>• Provide contingency for expected costs following the exit of the SWO contract</li> <li>• To ensure statutory compliance with the EU-GDPR (2018)</li> </ul>
<p><b>Links to Priorities and Impact on Service Plans:</b></p>	<p>This investment strategy supports the County and Business Plan as well as a number of key MTFP saving targets and Core Council programmes;</p> <ul style="list-style-type: none"> <li>• To deliver improved integrated customer service;</li> <li>• To reduce the cost of customer delivery through increased digital services and call demand management.</li> <li>• Deliver in partnership with key partners including District Councils and Health Providers</li> <li>• Reduce asset costs over time</li> <li>• To enable the benefits of the Technology and People Programme (TAP)</li> <li>• To support the objectives of the Adults Transformation agenda</li> <li>• To support the priorities of the Children’s Improvement programme</li> </ul>

	<ul style="list-style-type: none"> <li>• To support the objectives of the Sustainability and Transformation Plan (STP)</li> <li>• To support the delivery of the One Public Estate (OPE) programme</li> </ul>
<b>Consultations undertaken:</b>	<p>ICT investment and development impacts on the whole organisation and its partners. In pulling together this capital bid discussions have been had across the organisation through the ICT strategy development and approval.</p> <p>Consultation with partners tends to come through the programme boards where partners are involved in achieving shared goals.</p>
<b>Financial Implications:</b>	<p><b>Hardware Refresh – tools to do the job and replace ageing infrastructure removing vulnerability</b></p> <ul style="list-style-type: none"> <li>- Device refresh £100,000</li> <li>- Wifi upgrade £300,000</li> <li>- ECX replacement - WAN phase 2 £35,000</li> </ul> <p><b>Transforming the ICT estate – Microsoft programme delivery and Digital strategy</b></p> <ul style="list-style-type: none"> <li>- Microsoft work packages £650,000</li> <li>- Web platform £150,000</li> <li>- Customer Relationship Management system £500,000</li> </ul> <p><b>Core System replacement</b></p> <ul style="list-style-type: none"> <li>- Adults Case Management £1,500,000</li> <li>- Libraries replacement - £480,600</li> <li>- Health Integration (HSCN) - £50,000</li> <li>- Web Filtering renewal - £150,000</li> <li>- Property Atrium system replacement - £30,000</li> </ul> <p><b>Post SWO Contingency – Inevitable costs from a returning contract</b></p> <ul style="list-style-type: none"> <li>- £500,000</li> </ul> <p><b>Capitalisation of Transforming Services – essential funding to continue to modernise technology</b></p> <ul style="list-style-type: none"> <li>- Transformation resources £600,000</li> <li>- Productivity E5 licence packages £1,100,000</li> <li>- Azure cloud and software licencing £650,000</li> </ul> <p><b>Total: £6,794,600</b></p>
<b>Legal Implications:</b>	<p>Any procurement will take place in consultation with the Corporate Procurement Team so that correct protocol is followed.</p> <p>The Authority has a statutory duty to provide services and continuous access to data and systems is critical in the provision of those services.</p> <p>There is a statutory duty under EU-GDPR Article 25 to provide Privacy by design and by default.</p>
<b>HR Implications:</b>	<p>At this stage there are no specific HR implications to consider as a result of taking this decision.</p>

<p><b>Risk Implications:</b></p>	<p>Failure to invest in ICT presents significant risk to the organisation as hardware and software failures result in loss of productivity or complete service failure, which carry serious risks for our residents.</p> <p>There is significant additional risk to the ability to deliver high priority programmes and required MTFP and improvement outputs if ICT investment is not continued.</p> <ul style="list-style-type: none"> <li>- TAP</li> <li>- Adults Transformation</li> <li>- Children’s Improvement</li> <li>- STP</li> <li>- OPE</li> </ul> <table border="1" data-bbox="564 629 1457 667"> <tr> <td><b>Likelihood</b></td> <td><b>5</b></td> <td><b>Impact</b></td> <td><b>4</b></td> <td><b>Risk Score</b></td> <td><b>20</b></td> </tr> </table>	<b>Likelihood</b>	<b>5</b>	<b>Impact</b>	<b>4</b>	<b>Risk Score</b>	<b>20</b>
<b>Likelihood</b>	<b>5</b>	<b>Impact</b>	<b>4</b>	<b>Risk Score</b>	<b>20</b>		
<p><b>Other Implications (including due regard implications):</b></p>	<p><b><u>Sustainability Implications</u></b></p> <ul style="list-style-type: none"> <li>• Positive impact on travel choices that do not rely on the car. Through ability for staff and service users to connect remotely to services</li> <li>• Continues investment in ICT service such as guest wifi support service users and local economy</li> </ul> <p><b><u>Privacy Implications</u></b></p> <p>The EU-GDPR, which comes into force in May 2018, places a statutory duty on the Council to ensure privacy is built into all new processes by design and as a default.</p> <p>Particular emphasis must be placed on ensuring that new technologies, and changes to processes, that involve the use of personal data from customers or employees have privacy as a principle concern</p> <p>The ICT capital Investment programme proposes several significant changes which must accommodate Article 25 the principle of privacy by default and by design.</p> <p>The investment must include financial provision for the following:</p> <ul style="list-style-type: none"> <li>• Cloud Storage – ensure contracts with cloud suppliers and application providers are robust.</li> <li>• Threat defence – emphasis on ensuring personal data is secure</li> <li>• The single view of the customer must not compromise the “need to know” principle</li> <li>• The new web-platforms must be secure</li> <li>• The replacement Adult Social Care system must prioritise access controls and the privacy of the clients on the system</li> <li>• Health Integration must ensure Health and Social Care data is processed and shared securely</li> </ul>						
<p><b>Scrutiny comments / recommendation (if any):</b></p>	<p>Not applicable.</p>						

## **1. Background**

- 1.1.** This is a refresh of the first capital bid submitted since the technology service returned to SCC control after a period of 9 years. At the end of this 9 year period the majority of the ICT hardware and infrastructure estate is due for upgrade and investment. This is being delivered through our Transformation and Refresh programmes in line with the ICT strategy to build additional resilience through a cloud first approach.

It is important to note that the reliance on technology in every aspect of our lives and work has changed considerably over that timescale, as have the opportunities to work in more productive ways. There will always be a need to update and invest in replacement hardware and latest technologies to protect the organisation from threats, provide resilience of services and enable the organisation to work effectively, meeting customer expectation and demand and enable a modern innovative workforce.

The law is changing, the repeal of the Data Protection Act 1998 and the adoption of the EU-General Data Protection Regulation (GDPR) in May 2018 place additional statutory responsibilities in the Council to ensure all new systems and processes are based on privacy by design and by default

Technology investment is a fundamental enabler for the transformation and improvement themes across the organisation focussed on improving the outcomes for the people of Somerset.

## **2. Options considered and reasons for rejecting them**

- 2.1.** Not Applicable

## **3. Background Papers**

- 3.1.** None

## Capital Investment Programme 2018/19 Financial Information

### Annual Scheme Request

	2018/19 £
<b>Total Cost of Scheme (a)</b>	6,794,600
<b>Revenue Contribution (b)</b>	0
<b>Third Party Funding (c)</b>	0
<b>Required SCC Resources (a-b-c)</b>	6,794,600

Enter the **full cost** of the proposed scheme in the year it is expected to start, along with details of any potential revenue or third party contributions.

**Do not** include any capital receipts in the funding options.

### Breakdown of Third Party Funding

	2018/19 £
<b>ERDF</b>	0
<b>LEP</b>	0
<b>Others (e.g. District Councils)</b>	0

### Estimated profile of Scheme (when the spend will be incurred)

#### **Total Capital Outlay (a)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	4,794,600	2,000,000	0	0

#### **Total Revenue Contributions (b)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

#### **Total Third Party Contributions (c)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

## 2018/19 Capital Investment Programme Proposal Form

### Tennyson Extra Care Scheme

Cabinet Member(s): Cllr David Huxtable  
 Division and Local Member(s): All (if county wide) or name specific councillors & their Divisions  
 Lead Officer: Steve Veevers, Strategic Commissioning Manager  
 Author: As above  
 Contact Details: [sveevers@somerset.gov.uk](mailto:sveevers@somerset.gov.uk) 07977413588

<b>Summary of Proposed Investment:</b>	<p>The Tennyson Court Extra Care and Supported Housing schemes represent an outstanding opportunity to expand the supply of affordable housing and flexible care in the Taunton Dean and surrounding areas, for people with support requirements. It will meet the needs of vulnerable older people who would otherwise have very limited options, mainly residential care.</p> <p>The scheme will also have a positive impact on the local area through the creation of jobs, community resources (open café and dining space, hair dressing studio, meeting spaces); generate cost avoidance and savings opportunities for the local authority and better life outcomes for the residents.</p> <p>The provision of 12 flats for people with a learning disability will provide much needed high quality supported accommodation, meet a need in the borough, generate significant savings and contribute to the direction of travel on learning disability commissioning.</p> <p>Somerset County Council has already approved the capital business case for the recycling of £100,000 from the disposal of a learning disability property into the 12 flats.</p> <p>This business case is for £70,000, to allow necessary changes during the build of the extra care scheme to meet the necessary standards, over and above the provision of general needs housing which is the current situation.</p> <p>The proposal is on a basis of an invest to save, as the provision of a full extra care model, with a 24/7 staffing, will allow people who would have gone to residential care to be diverted and potential moves for people who are inappropriately placed in residential care, both of which will be at lower cost in Extra Care.</p>
<b>Reasons for Investment:</b>	<p>The investment is required for the housing association and developer to make significant changes to the design of the building, primarily around the provision of a suite of rooms for a care provider to be based in the scheme, a commercial kitchen to be able to offer a meal provision within the scheme</p>

	<p>and a fully accessible bathroom for people with complex physical needs.</p> <p>It is estimated that the costs of the above changes will be in excess of £70,000 (the bath and kitchen design is over £50,000 alone) but through negotiation the provider will accept a maximum and fixed threshold for contribution.</p> <p>Without this investment the scheme would be unsuitable for use as a fully integrated extra care scheme and therefore the types of support delivered within it and therefore the people that could make use of it would be correspondingly lower and certainly not a viable alternative to people who may otherwise need to consider residential care.</p>
<p><b>Links to Priorities and Impact on Service Plans:</b></p>	<p>This investment would positively impact on the medium term financial planning for adult social care, in reducing the long term impact of numerous high cost residential care placements, where people could be better and more cost effectively supported in an extra care setting.</p> <p>From a national perspective, in “A Vision for Adult Social Care –Capable Communities and active citizens” central government stresses the priorities of Prevention, Personalisation and Partnership and specifically states in paragraph 7.13:</p> <p>“Supported housing and extra care housing offer flexible levels of support in a community setting, and can provide better outcomes at lower costs for people and their carers than traditional high cost nursing and residential care”</p> <p>National Affordable Housing Programme 2011 -15. The HCA prospectus made clear reference to the need for extra-care/supported housing and the support from key partners led to confirmed HCA approval of the schemes.</p> <p>Lifetime Homes, Lifetime Neighbourhoods: A National Strategy for Housing in an Ageing Society The Strategy focuses on increasing and improving choice and quality for housing and support services for older people. The Strategy highlights the need for accessible, socially inclusive, economically and environmentally sustainable solutions to older persons housing needs. The Taunton Extra Care proposal will allow older people to remain in their own homes, whether owner occupiers or tenants, at a cost they can afford and in a secure environment with access to on site facilities and the opportunity to mix with older people within the development.</p> <p>From a local policy perspective, Somerset County Council is working with the housing authorities to produce a county wide housing “state of the nation”, where the importance of suitable housing for older people is put forward as of paramount importance, certainly in the context of Somerset’s aging</p>



	<p>population.</p> <p>This strategy will be published late Autumn 2017 and will be supported by a strategy for specialist housing in Somerset, which will also assert the need for a better and wider range within all areas of the county.</p>
<b>Consultations undertaken:</b>	<i>None</i>
<b>Financial Implications:</b>	<p>There is a requirement for the council to fund £70,000 of capital investment in the scheme to allow the above changes to occur.</p> <p>The funding will allow a fully integrated extra care model to be put into place and a care provider appointed to deliver in the scheme and have a full presence day and night, responding flexibly to people's needs.</p> <p>This will allow the people to have a choice, other than residential care when their needs increase. The cost avoidance, on average for each person that avoids residential care is between £100 and £174 per week alongside a national data set indicating that people that live in residential care stay well for longer and have a lower long term cost requirement on the local authority.</p> <p>When up scaled across the 56 units of accommodation and a very conservative estimation that only 20% of the people that move in would have gone into residential care, this would still produce a cost avoidance of £78k per annum. It is the view of commissioners that we would want a higher percentage of people who would have considered residential care going into the scheme, so the figure may actually be around the 35% mark once the scheme is fully occupied.</p> <p>From a person centred point of view, this is also much more positive for people, who can retain their independence for longer and have better outcomes in their life, meaning a lower need for health and other statutory services and therefore, lower cost base to the whole health and social care system.</p>
<b>Legal Implications:</b>	<i>None</i>
<b>HR Implications:</b>	<i>None</i>
<b>Scrutiny comments / recommendation (if any):</b>	Not applicable.

## **1. Background**

1.1 The development of Extra Care Housing for Older People has been a national and local priority to expand choice and provide a cost effective alternative to residential care. In response to growing demographic pressures the flexible model of housing and care maximises independence and provides a range of facilities on site.

1.2 Transforming Care and Returning Home are two of the national policy documents among many for people with a learning difficulty that identifies the priority to increase the range of housing and support options available and reduces the reliance on residential care. The strategy reflects the government's Valuing People Now policy to enhance the life opportunities of people with learning disabilities as active citizens.

It is planned to build a separate block of 12 flats for people with learning disabilities on the site to meet identified local need, together with communal areas for tenants and staff facilities.

1.3 Knightstone Housing, a Register Provider (RP) established in Somerset had already identified this site to develop on the edge of Taunton town centre. They are a housing association specialising in the provision of Extra Care Housing and other specialist housing and already manage other schemes within the county.

1.4 The scheme also represents a strategic priority for Taunton Dean Borough Council and its plan for the Town Centre regeneration. TDBC worked with Knightstone in the early conception of this scheme and identified the site, which was a former sheltered housing scheme that was in a poor state. At the time, Somerset County Council officers declined to be part of the planning and development of the scheme as ECH, hence the decision then to progress with it as sheltered housing.

1.6 The coalition government has adopted a radically different approach to the provision of social housing via its funding body, the Homes and Commission Agency (HCA). The provision of public subsidy via grants has been significantly cut and registered providers are expected to meet the funding gap by:

- Charging “affordable rents” which represent 80% of the market rent
- Converting new lettings from social to affordable rents in existing stock
- Disposing of properties via an asset management strategy

Careful consideration has been given to evaluate the viability of this development for tenants and ensure service charges are affordable under changes to Housing Benefit regulations.

### **1. Options considered and reasons for rejecting them**

1.1. Although Somerset County Council could choose to not make this investment,

and the physical build of the scheme would go ahead, the minor but significant infrastructure changes that would allow this to be a suitable extra care, rather than a sheltered housing scheme.

- 1.2.** All other usual funding streams, for example Homes and Communities Agencies grant, have already been maximised by Knightstone and the developer and the changes that are required are an enhancement to make the scheme suitable for Adult Social Care use. The option for doing nothing would seem illogical in this context of the savings potential and the relatively modest investment required.

## Capital Investment Programme 2018/19 Financial Information

### Annual Scheme Request

	2018/19 £
<b>Total Cost of Scheme (a)</b>	6,900,000
<b>Revenue Contribution (b)</b>	0
<b>Third Party Funding (c)</b>	6,830,000
<b>Required SCC Resources (a-b-c)</b>	70,000.00

Enter the **full cost** of the proposed scheme in the year it is expected to start, along with details of any potential revenue or third party contributions.

**Do not** include any capital receipts in the funding options.

### Breakdown of Third Party Funding

	2018/19 £
<b>HCA</b>	1,200,000
<b>Other</b>	5,630,000
<b>District Councils</b>	0

### Estimated profile of Scheme (when the spend will be incurred)

#### **Total Capital Outlay (a)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	70,000	0	0	0

#### **Total Revenue Contributions (b)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	0	0	0	0

#### **Total Third Party Contributions (c)**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
<b>2018/19</b>	6,830,000	0	0	0

### Revenue Implications

	2018/19 £
<b>On Going Savings</b>	-107,842.73
<b>One off Savings</b>	0
<b>On Going Pressure</b>	0
<b>One off Pressure</b>	0

Please enter all savings as a negative.