

## CABINET CAPITAL ASSETS COMMITTEE

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### DRAFT MINUTES OF THE CABINET CAPITAL ASSETS COMMITTEE MEETING HELD ON 19 APRIL 2011 AT COUNCIL CHAMBER - COUNCIL OFFICES, BROWFORT, DEVIZES.

#### **Present:**

Cllr John Noeken, Cllr Fleur de Rhe-Philipe, Cllr Jane Scott OBE (Chair), Cllr Toby Sturgis and Cllr John Thomson

#### **Also Present:**

Cllr John Brady, Cllr Christopher Cochrane, Cllr Peter Colmer, Cllr Tony Deane, Cllr Richard Gamble, Cllr Lionel Grundy OBE, Cllr Jon Hubbard, Cllr David Jenkins, Cllr Alan Macrae, Cllr Howard Marshall, Cllr Laura Mayes, Cllr Bill Moss, Cllr Sheila Parker, Cllr Dick Tonge and Cllr Stuart Wheeler

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#### 20. **Apologies**

There were no apologies for absence.

#### 21. **Minutes of the previous meeting**

The minutes of the meeting held 7 February 2011 were presented and it was,

#### **Resolved:**

**To approve and sign the minutes as a correct record.**

#### 22. **Chairman's Announcements**

There were no Chairman's announcements.

#### 23. **Declarations of interest**

There were no declarations of interest.

24. **Capital Budget Monitoring 2010-11**

The Cabinet Member, Finance, Performance and Risk, introduced the report and summarised the recommendations made.

Members' attention was drawn to the amendments to the programme since the last Committee update, and Members were briefed that the programme remains on track.

Following discussion regarding the points raised and recommendations made in the officer's report, it was,

**Resolved:**

- a) To note the current position of the 2010-11 capital programme.
- b) To note the budget changes in section 1 of Appendix B of the report.
- c) To note the additional reprogramming of budgets in section 2 of Appendix B of the report.
- d) To note the detailed allocation of Highways spending in 2011/12.

25. **Proposed Revisions to Capital Programme**

The Cabinet Member, Finance, Performance and Risk, introduced the report and summarised the recommendations made.

Members' attention was drawn to the spending plans and the beneficial grant support available in lieu of borrowing.

The Leader questioned whether the grant funding was ring-fenced and it was confirmed by the Cabinet Member that it was not.

Following discussion regarding the points raised and recommendations made in the officer's report, it was,

**Resolved:**

- a) That Members note the impact and intended purposes of the 2011/12 Department for Education schools capital allocations
- b) That a further report on future years should be brought to the Cabinet Capital Assets Committee once the outcome of the national capital review is known.

## 26. **Workplace Transformation Programme Update**

The Interim Programme Director, ICT, IM and The Campus and Operational Delivery Programme provided a brief update on the progress of the Workplace Transformation Programme, making the following key points:

- Programme remains within budget for all major transformation works;
- Currently ahead of schedule in respect of target phase completion dates;
- Contract arrears being monitored, though none exist in respect of major works;
- Current consultation being undertaken through Community Area Boards and by public advertisement for proposals for alternative sites to deliver services within campus programme;
- ICT and systems thinking already being implemented to good effect;
- Recent milestones include the completion and staff migrations to Bourne Hill, Salisbury, and Shurnhold, Melksham; and
- Members' attention drawn to the County Hall remodelling contract award paper contained in Part II of the meeting agenda.

The Cabinet Member, Resources, praised the dedication of those involved in the programme and the progress made so far.

The Leader noted that in undertaking face-to-face staff consultation across the organisation, feedback on ICT provision since this had been moved in-house had improved dramatically, and recognised those responsible.

## 27. **Replacement of Simdell Housing Management IT System**

The Cabinet Member, Economic Development, Planning and Housing, introduced the report and outlined the key reasons for the proposal as follows:

- Audit Commission report identified area as a key weakness, despite generally positive evaluation;
- Current system has certain limitations that point to a strong cost-benefit case for the proposed system replacement;
- Several options considered, and proposal is the result of an extensive assessment of these; and
- Recommended timescale is to implement the new system as soon as possible in the interests of the business.

The Cabinet Member endorsed the proposals to the Members of the Cabinet Capital Assets Committee.

The Leader raised a question in respect of the proposed system's potential interactivity with SAP. The Corporate Director, Resources, confirmed that while

initially the system would serve as a stand-alone and had no need to interact with SAP, this capacity could be built in for any future requirement.

The Cabinet Member, Finance, Performance and Risk, raised a point in respect of the management of the Housing Revenue Account budget, and recommended careful monitoring to ensure that this was not severely depleted by fragmented projects such as this. The Cabinet Member recommended that the proposals be considered as part of a whole package of schemes. In light of this, the Leader requested a report from the Service Director, Housing, to outline the headline budget implications for the Housing Service.

After a discussion regarding:

- The implications of interest rates and the treasury function in respect of housing funding;
- The wide-ranging impacts of Homes and Communities Agency allocations nationwide, creating winning and losing local authorities; and
- The relatively positive condition of the Service in terms of reserves available if necessary, depending on success with grant funding.

It was,

**Resolved:**

- a) That the Cabinet Committee note and endorse this project to improve services within the Housing Management Service, as set out in the report and accompanying business case; and**
- b) That the Cabinet Committee note and approve the funding required for this development.**

And to,

**Request that the Service Director, Housing, provides a report to the Cabinet Capital Assets Committee in July 2011 outlining the Service budget, implications of grant funding and the condition of reserves available.**

**28. 24, 26 and 28 Endless Street Salisbury - Business Case for Use by Wiltshire Coroner**

The Cabinet Member, Resources, introduced the report and outlined the key issues as follows:

- Authority has statutory obligation to accommodate, or fund the accommodation of, the County Coroner;

- Proposal to prepare and dispose of no. 24 Endless Street as an open market capital receipt, retaining nos. 26-28 with slight modifications;
- Limitations to development of adjoining Council-owned car park due to density of habitation surrounding and current operational value;
- Potential benefit of disposing of nos. 26-28 Endless Street outweighed by duty to re-accommodate coroner and implications of listed building consents required to make buildings suitable for disposal;
- Current accommodation satisfies the Salisbury-based nature of the coroner and their ability to remain largely independent of the Council; and
- Proposal to dispose of Trowbridge Town Hall as a capital receipt.

The Cabinet Member drew attendees' attention to the more detailed costs provided at the meeting and endorsed the report proposals to the Cabinet Committee.

The Leader summarised that the proposal was supported by the Coroner's office and emphasised the need to consult with the Trowbridge Area Board over the disposal of Trowbridge Town Hall.

The Cabinet Member, Finance, Performance and Risk, emphasised the importance of monitoring the costs of enabling works to ensure these do not escalate if the proposal is approved. The Programme Director, ICT, IM and the Campus and Operational Delivery Plan, assured members that mechanisms are in place for this and that £50,000 budget is considered sufficient.

After discussion by the Cabinet Committee, it was,

**Resolved:**

- i) To remove 26 and 28 Endless Street, Salisbury from the schedule of capital assets to be disposed of by the Council.**
- ii) To separate 24 Endless Street from number 26 and dispose of 24 on the open market for residential development.**
- iii) To convert 26 and 28 Endless Street, Salisbury, to provide accommodation for the Wiltshire Coroner's service, to include 2 court rooms and office accommodation.**
- iv) To dispose of Trowbridge Town Hall as part of the capital asset disposal programme.**

And,

**That the Cabinet Member, Resources, work with Trowbridge Area Board should an option to transfer Trowbridge Town Hall to community use be identified.**

29. **Old Manor Hospital Site, Salisbury**

The Cabinet Member, Adult Care, Communities and Libraries, introduced the report and outlined the key issues as follows:

- Old Manor Hospital site is of significance, as part of the gateway into Salisbury;
- Site poses several challenges, of which the most significant is the presence of several listed buildings in poor states of repair;
- In light of the above, site is considered only to have significant value as a clear site;
- Potential uses include Primary Care Trust facilities, extra care housing, dementia housing or other sheltered housing stock; and
- At this stage, approval is sought to enter negotiations for the acquisition of the site, and any further decisions will be brought back to the Cabinet Capital Assets Committee.

The Leader emphasised that, given its current condition, the Council should not expect to pay for the site, and that its £2m valuation is based on a clear site. Acquisition could be facilitated through Secretary of State intervention if necessary. This view was endorsed by the Leader of the Opposition, in attendance, who backed an approach to the Secretary of State to this effect.

The Cabinet Member, Finance, Performance and Risk, expressed concerns that the site would only function as a cleared site and therefore viability should be fully investigated before proceeding. The Cabinet Member, Economic Development, Planning and Housing, commented that, whilst this would be undertaken, the site's value as a community asset means that it should be developed as such if practicable, even if funded by asset sales elsewhere.

The Leader raised the issue of Homes and Communities Agency funding and requested that recommendation (b) be amended to stipulate that as high a proportion of the £25,000 requested is obtained through HCA grant as possible.

After discussion by the Cabinet Committee, it was,

**Resolved:**

- a) To approve in principle the acquisition of the Old Manor Hospital and Old Laundry sites in Salisbury from the Primary Care Trust for the development of extra care housing and care home facilities for older people subject to the satisfactory conclusion of negotiation with the trust.**
- b) To authorise the provision of up to £25,000 from the Adult Care capital budget, subject to securing as much of this as possible in HCA grant funding, to undertake further investigations on the site**

**to include surveys and a robust feasibility study. Any grant funding obtained will be deducted from the £25,000 Adult Care budget available for this.**

- c) To delegate authority to the Head of Strategic Property Services, the Service Director for Adult Care Strategy and Commissioning and the Service Director for Economy and Enterprise to progress the negotiations to acquire the site.**
- d) Note that a further report will be submitted to the Cabinet Capital Assets Committee once the negotiations are concluded to seek approval to purchase the site and to identify the capital and revenue resource implications involved.**
- e) To note that a full business case will be presented to Members once the site has been acquired as to the proposed development on the site and the most economically advantageous method to achieve this.**

And that,

**A joint letter from the Leader of the Council and Leader of the Opposition to the Secretary of State should be drafted prior to the Summer Recess in respect of the option to obtain a compulsory purchase order on the site, if necessary.**

**30. Hungerdown Lane Site, Chippenham**

This item was withdrawn prior to the meeting and was therefore not considered by the Committee.

**31. Urgent items**

The Chair agreed to consider two items under urgent business, as follows:

**a) Wiltshire Local Investment Plan**

It was agreed that this item should be considered as an urgent matter on the grounds that there would be no other suitable meeting at which it could be considered prior to the deadline for submissions to the Homes and Communities Agency. It was also noted that a further stage of consultancy would be required prior to the deadline. Consent was granted by the Chairman of the Council to consider this as a key decision not published in the Forward Work Plan on the basis that the final Plan would have a significant effect on communities living or working in an area comprising two or more electoral divisions.

The Service Director, Economy and Enterprise, introduced the report and history of the Local Investment Plan, including its links with the Single Conversation document and Core Strategy. The urgency of the matter was reiterated and the following points made:

- The Homes and Communities Agency require submission of an approved Local Investment Plan detailing priority sites and indicative housing figures prior to issuing grant funding;
- In this instance, the authority has to adhere to the process for funding, despite ongoing changes in central government with the impending Localism Bill; and
- That the draft document requires approval in outline only, with the final version to be considered and agreed by Cabinet / Cabinet Capital Assets Committee at a later date.

A question was received from the Cabinet Member, Leisure, Sport and Culture, in respect of the status of the sites detailed in the Plan. The Service Director clarified that the Plan is currently, in part, a legacy document which is subject to change in respect of further research and the content of the Core Strategy.

The Cabinet Member, Economic Development, Planning and Housing, emphasised the imperative to bid out of responsibility to the county's Registered Social Landlords as well as the demands on housing provision.

After discussion by the Cabinet Committee, it was,

**Resolved:**

**That the Wiltshire (draft) Local Investment Plan is approved for the purposes of identifying affordable housing priorities for the HCA Investment Programme 2011-15 and informing the HCA business planning process. And to,**

**Delegate to the Service Director, Economy & Enterprise, the continued development of the LIP and the further investigation on investment priorities in conjunction with colleagues and partners for consideration at a subsequent Cabinet Capital Assets Committee.**

The Chairman stressed that the approval of this document in its draft form by the Cabinet Committee serves purely to facilitate the submission of the representative figures therein to the Homes and Communities Agency and will not be given regard in the adoption of the final Local Investment Plan or Core Strategy.

It was then,

**Resolved:**

**To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the subsequent business of the meeting because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.**

The Cabinet Capital Assets Committee noted the confidential appendix attached to the report at 12(a).

### **b) Proposed Bid for Grant Funding to Deliver Additional Affordable Housing**

It was agreed that this item should be considered as an urgent matter on the grounds that there would be no other suitable meeting at which the item could be considered prior to the deadline for bids on 3 May 2011.

The Cabinet Member, Economic Development, Planning and Housing, introduced the report and outlined the key issues as follows:

- Report proposals seek only approval to bid for funds, and do not commit the authority to the scheme detailed or any future strategy or plan;
- Site identified is subject to ongoing investigation into its most beneficial use;
- Scheme would enable new revenue source for the Council, as the type of housing proposed would generate 80% of market rental rate; and
- Further consultation with the Tenants' Panel required prior to bid submission, hence urgency of the matter.

The Cabinet Member, Finance, Performance and Risk, voiced support for the scheme and referred back to the earlier point on monitoring the commitment of funds from the Housing Revenue Account. It was agreed that this would be addressed by the report requested at minute no. 27. The value for money of the grant funding available was noted to be limited, but not prohibitive.

The Cabinet Member, Waste, Property and Environment, emphasised concern for considered approach in respect of project risks associated with ground works and cost implications resultant of current building height standards. It was agreed that assessment would be undertaken to ensure a viable scheme in this regard.

After discussion by the Cabinet Committee, it was,

#### **Resolved:**

**That the Cabinet Capital Assets Committee:**

- a) Approves the submission of a bid in line with the Framework guidance, and
- b) Gives Officers the discretion to continue improving and negotiating on the bid, provided that any amendments are approved by the Cabinet Member before submission takes place. Officers will report back to the Cabinet Capital Assets Committee meeting following bid submission of any amendments made, and
- c) Authorises Officers to work up the schemes, including gaining approval to include specific sites in the programme and the submission of planning applications so that by the time the result of the bid is announced, the Council is able to deliver in accordance with the anticipated timescales.

32. **Proposed disposal of Council owned land at Bowerhill, Melksham**

The Cabinet Member, Finance, Performance and Risk, introduced and endorsed the report, outlining the key issues as follows:

- Approval would enable the disposal of an underused facility, which would be re-provided to better effect elsewhere through a Section 106 agreement upon development of the site;
- Redevelopment would provide new link road that would alleviate current access issues, especially for HGVs, in the town; and that
- Proposals offer a common-sense course of action in all respects.

The Leader endorsed the proposals and invited the views of the Leader of the Opposition, also the local member, who made the following points:

- Concerns expressed by Parish Council in respect of the loss of amenity space and in particular the loss of the pavilion on site;
- Recognises that the above would be re-provided through the aforementioned Section 106 agreement, as explained by the Head of Strategic Property Services;
- Agreement that the site is underused and inefficient;
- Proposed new link road welcomed by Member and local people, and would offer environmental benefit; and
- Local economic benefit of redeveloping site also welcomed;

The Cabinet Member, Leisure, Sport and Culture, noted that the redevelopment of the site could attract employment from Bath & North East Somerset, mitigating the negative converse trend usually observed.

The Leader welcomed the proposals and recognised that this solution was the product of several years' work to enable the best possible outcome for the site.

After discussion by the Cabinet Committee, it was,

**Resolved:**

**That the Cabinet Capital Assets Committee:**

- (i) Agree to entering into negotiations to dispose of the running track site at Bowerhill, Melksham at open market value to Herman Miller.**
- (ii) Delegate authority to the Service Director of Economy and Enterprise, in agreement with the Chief Finance Officer and the Head of Strategic Property Service and consultation with the Cabinet Member for Economic Development, Planning and Housing and the Cabinet Member for Finance, Performance and Risk to conduct those negotiations and agree terms with the company.**

**33. Contract Award for the County Hall Remodelling Construction Works**

The Cabinet Member, Resources, introduced the report and outlined the key issues as follows:

- Proposal follows planning permission for the remodelling works, which was granted on 6 April 2011 by the Strategic Planning Committee;
- Preferred contractor is able to commence work immediately upon contractual agreement;
- Project risks, as set out at pt 23 in the report, have been assessed and will be monitored continuously;
- English Heritage have confirmed that listed building consent is not required for the work, removing this potential risk;
- Remodelling works will enable operational benefits through the co-location of services and new working practices;
- Parent company of preferred contractor limits risk by offering guarantees on contract; and therefore the Cabinet Member,
- Recommends delegation of authority to the Director, Resources, to award the contract to the preferred bidder.

The Cabinet Member, Highways and Transport, questioned whether provision would be made in the remodelling works to enable a district heating system. The Head of Strategic Property Services confirmed that the agreed works were future-proofed to facilitate the accommodation of either a district heating system or combined heat and power system in future.

The Cabinet Member, Waste, Property and Environment, expressed approval that plans had achieved a BREEAM “Very Good” standard, and that the works could act as a precedent to improve upon this in future developments such as the campuses.

The Cabinet Member, Resources, commented that the project drew on the recent successes at Bourne Hill and the History Centre and the Leader emphasised that signs were encouraging in respect of the remodelling works.

After discussion by the Cabinet Committee, it was,

**Resolved:**

**That authority be delegated to the Corporate Director, Resources to:**

- a) Award the contract for the remodelling of County Hall to the preferred bidder, as discussed, for the sum proposed.**
- b) Approve a reduced overall project budget of £22,335,000 as part of the existing Campus and Operational Delivery Programme budget allocation. This sum includes a specific project contingency for the County Hall build project of £4,928,000. The budget will be monitored regularly, and contingency released back to the wider programme budget as and when project risk declines over the next twelve months and the revised catering approach is fully developed.**

**34. Purchase of the Former Tisbury Nadder Middle School Site from Thistledown Trust (Plymouth Brethren)**

The Cabinet Member, Resources, introduced the report and outlined the key issues as follows:

- Site is available through a buy-back clause, which it is recommended the Council utilise;
- Local pattern of public sector land use is conducive to occupation by Wiltshire Council;
- Purchase of site is supported in principle by the Community Area Board;
- Authority also has right to refusal on site valuation provided, and therefore the site may be available at below open market value; and therefore,
- Approval sought to commence negotiations for the acquisition of the site, with any further progression in terms of development requiring full Cabinet approval at a later date.

After discussion by the Cabinet Committee, it was,

**Resolved:**

**That, as part of the wider Campus and Operational Delivery Programme, authority to negotiate and complete the purchase of the former Tisbury Nadder Middle School is delegated to the Corporate Director, Resources, so that the property may form part of the development of a Tisbury campus as requested by the Chair of the Area Board.**

(Duration of meeting: 11.00 am - 12.40 pm)

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