

## **Wiltshire Council**

### **Cabinet Capital Assets Committee**

**19 January 2016**

---

**Subject:** Corsham Mansion House - Preferred Delivery Programme

**Cabinet Member:** Cllr Fleur De Rhe-Philippe  
Economic Development, Skills and Strategic Transport

**Key Decision:** Yes

---

#### **Executive Summary**

In January 2015 the Swindon and Wiltshire Local Enterprise Partnership (SWLEP) was awarded a £2.56 million Local Growth Fund (LGF) grant to enable Wiltshire Council to deliver a 'Digital technologies business incubation and learning centre' within redeveloped facilities at the Mansion House site in Corsham. This funding is matched by the value of the land and the building (which Cabinet resolved to withdraw from sale on 20 January, 2015 to ensure that they could be used for this purpose), valued at £1.5 million, giving an overall project value of £4.06 million.

Since approval of the LGF grant fund, officers within Economic Development and Planning directorate have been working with local partners to refine the brief and scope of the project which is due to be delivered between April 2016 and April 2017. On 21 July 2015 Cabinet Capital Assets Committee approved the expenditure of £350,000 to support the forward planning and development of this project ahead of the full LGF grant being made available in May 2016. These funds will be claimed back by the Council once the LGF funds are made available.

This report provides a review of the delivery programme.

#### **Proposals**

That:

- (i) Cabinet considers and approves the suggested delivery programme for the refurbishment and redevelopment of the Mansion House property.
- (ii) Cabinet delegates authority to the Associate Director for Economic Development and Planning, in consultation with the Leader of the Council and the Cabinet Member for Economic Development, Skills and Strategic Transport and with agreement from the SWLEP Board, to implement the delivery programme and ensure the wider vision for Corsham is realised.

**Reason for Proposals**

To ensure that the Corsham Mansion House project, as proposed and developed by Wiltshire Council in collaboration with the SWLEP, is delivered on time and on cost and that the future development of the site is brought forward through a phased and controlled process.

**Dr Carlton Brand**  
**Corporate Director**

## **Wiltshire Council**

### **Cabinet Capital Assets Committee**

**19 January 2016**

---

**Subject: Corsham Mansion House - Preferred Delivery Programme**

**Cabinet Member: Cllr Fleur De Rhe-Philipe**  
**Economic Development, Skills and Strategic Transport**

**Key Decision: Yes**

---

#### **Purpose of Report**

1. This report seeks commitment from the Cabinet Capital Assets Committee to the timing and process for the delivery of the Digital Corsham project.

#### **Relevance to the Council's Business Plan**

2. The following key actions and outcomes in the Council's Business Plan are relevant to this report:

Key Action Two: Stimulate economic growth in partnership with the SWLEP

Outcome One: Wiltshire has a thriving and growing economy

Outcome Three: Everyone lives in a high quality environment

3. The Swindon and Wiltshire Growth Deal provides capital investment towards a range of infrastructure projects that underpin our economy, including highways improvements, urban regeneration and business and economic development.

#### **Main Considerations for the Council**

4. The Corsham Mansion House delivery programme has moved through the design and concept stage and progressed to the detailed costings and early construction phase.
5. Based upon the early costings developed for the Outline Business Case in November 2014 and detailed inspection of the condition of the existing Mansion House property completed in June 2015 the Economic Development team working in conjunction with Procurement and Corporate Build have commenced the more detailed design and build stage.
6. A Design User Group is formulating a design brief to inform the project team to be appointed by Corporate Build.
7. Future stages of development at the Mansion House site, including an extension to the existing Mansion House and development to the rear of the site, will be developed after the initial stage of delivery.

## Background

8. The Swindon and Wiltshire Growth Deal was agreed between Government and the Swindon and Wiltshire Local Enterprise Partnership (SWLEP) between July 2014 and January 2015. In total, £140 million of devolved Government funds were allocated to the SWLEP area to support delivery of several major infrastructure projects. In Wiltshire, over £38 million has been allocated to eight different projects, attracting an additional £39 million of local investment and supporting the creation of over 7,000 jobs locally.
9. The Digital Corsham project received a Local Growth Fund (LGF) grant of £2.56 million from central government in late January 2015. Since approval of the LGF grant fund, officers within the Economic Development and Planning directorate have been working with local partners to further develop the brief and scope of the project which is due to be delivered between April 2016 and April 2017.
10. On 21 July 2015 Cabinet Capital Assets Committee approved the expenditure of £350,000 to support the forward planning and development of this project ahead of the full LGF grant being made available in May 2016. These funds will be claimed back by the Council once the LGF funds are made available.
11. A programme for the delivery of the Digital Corsham project has now been developed which ensures the project vision is delivered whilst also minimising risk to the Council. This report provides a review of this programme as well as other considerations related to the project.
12. The overall cost of the project is fixed in line with the LGF allocation of £2.56 million. Therefore, additional costs incurred through abnormal or unforeseen additional expenses require the Council to diversify the investment mechanism, increase the level of Wiltshire Council investment or reduce the scope of the initial phase of the project in order to remain within the budget allocation. The initial scope of the project was developed in line with Government processes and followed the HM Treasury Green Book methodology for developing projects. This initial review of requirements does not include an in-depth and detailed review of all costs and contingencies and is based on a high-level professional review of requirements.
13. Following approval in July 2015 from the Cabinet Capital Assets Committee, it was agreed to spend up to £350,000 of the LGF allocation ahead of it being available from central government to pursue Full Business Case status.
14. It was raised at the Joint Strategic Economic Committee of 30 September 2015 that in relation to the Digital Corsham scheme the cost of refitting the Mansion House had increased substantially. In response to queries it was stated it was planned for the scheme to receive further Council investment in the Mansion House itself, with a commercial solution for phase 2 of the scheme regarding the land behind the Mansion House and the wider digital offer, and that a paper would be taken through Wiltshire Council's Cabinet Capital Asset Committee and back through the SWLEP Commissioning Group to recommend an option to the SWLEP Board.
15. The reported increase in cost was due to a report by consultants which took a very risk averse approach and costed in a number of contingencies which inflated the budget. This report has been reviewed by officers and in order to

keep the project moving it was initially suggested that the focus be on the refurbishment of the old building. Following more detailed discussion with the project and corporate build teams it has now been ascertained that the total project is deliverable within the budget limitations.

## **Overview & Scrutiny Engagement**

16. The Swindon and Wiltshire Local Enterprise Partnership Joint Task Group considered the core assessment criteria used by the LEP to discover and prioritise schemes at its March meeting and the Swindon and Wiltshire Local Enterprise Partnership (SWLEP) monitoring and evaluation framework to cover its Growth Deal with Government at its August meeting.
17. The Joint Task Group has not yet considered specific projects within the delivery programme but may do so as its work programme for the year includes reviewing how the framework the LEP uses to prioritise its schemes was developed.

## **Safeguarding Implications**

18. There are no safeguarding issues related to this report.

## **Public Health Implications**

19. The local economy is a known contributor to the wider determinants of health. A struggling local economy can lead to higher unemployment throughout the local population. This in turn can impact on the mental and physical health of the population in terms of increasing levels of personal debt and associated mental ill health, fuel poverty, child poverty and homelessness.
20. The work of the SWLEP delivered through nationally competitive Growth Deals, aims to deliver over 25,500 jobs in Wiltshire and attracts over £500 million of private sector investment to our economy. This will help ensure that Wiltshire's economy remains strong and resilient and that employment figures remain high.

## **Procurement Implications**

21. The project development and delivery works discussed in this report will be procured from relevant parties in line with the Wiltshire Council regulations and process pertaining to corporate procurement. Advice and guidance has been sought and will continue to be sought from the Corporate Procurement Unit prior to embarking on any procurement activities.

## **Equalities Impact of the Proposal**

22. The Department for Business, Innovation and Skills published its Equality Impact Assessment (EQIA) for Growth Deals in July 2014. The report concludes that the Growth Deal programme has no adverse impact on any protected group and that the proposed funding decision is neutral in advancing equality of opportunity between persons who share the relevant protected characteristic and persons who do not share it.

23. As projects develop, Wiltshire Council officers will continue to consider the equality implications locally and ensure that there are no negative impacts. This will be done via a local Equalities Impact Assessment and will be consulted throughout the lifetime of their development and delivery.

### **Environmental and Climate Change Considerations**

24. Through the development of the Growth Deal there will be an increase in demand for, and consumption of, energy in Wiltshire. However, these proposed developments also present opportunities for innovative and pioneering solutions in terms of meeting the challenges ahead of rising energy costs and disrupted supply.
25. The Growth Deal offers the chance to support the necessary transition to a low carbon economy which will reduce energy costs and consumption, as well as securing supply for businesses and residents. Through the Growth Deal Wiltshire can develop and grow into a low carbon business destination of choice.
26. The planned housing, road improvements, and business growth and expansion, provide an opportunity to embed the development of a low carbon infrastructure and sustainable building practices. This in turn will also support the local skills agenda, offering opportunities for apprenticeships, up-skilling of the workforce and supporting emerging technologies and patent development.

### **Risk Assessment**

#### **Risks that may arise if the proposed decision and related work is not taken**

27. Delivery will be delayed.

#### **Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

28. The table below captures the risks together with impacts and probability assessments and mitigation suggestions.

<b>Risk</b>	<b>Impact (0-4)</b>	<b>Prob (0-4)</b>	<b>Total</b>	<b>Mitigation</b>
Any potential withdrawal of LGF funds.	4	1	4	Ongoing discussion of project delivery to be pursued through the SWLEP Commissioning Group, Joint Strategic Economic Committee and SWLEP Board to ensure proactive dialogue.
Cost escalation due to unknown/unforeseen construction issues.	2	2	4	A full and detailed condition survey has been carried out to identify the extent of construction risk and required contingency. Ongoing monitoring throughout delivery will ensure further issues and risks are identified early and dealt with efficiently.
Lack of buy-in from local partners.	1	2	2	Ongoing liaison with local partners will continue. A user/design group has been established to ensure the project is delivered to the specifications required by the end

				user.
Delay in the planning process	2	1	2	Pre-application discussions have taken place and work has been undertaken on conservation and transport. Planning application under preparation to be submitted for March.

## Financial Implications

29. Actual Council expenditure on the project to date has been as follows:

- Feasibility assessment by Lacie Hickie Caley Ltd £5,574 (£4,645)
- Order of Cost Estimate and options study by Ward Williams Associates £3,199
- Condition Survey by Faithful and Gould £7,830
- Site hoardings (including design and installation) by LHC and Signs Express - £9,834
- Business Case by DTZ - £4,680

A total of £31,117 has therefore been spent on the project. All expenditure to date is included in the total project budget, which includes the £350,000 commitment made at Capital Assets Committee in July 2015.

30. It is estimated that a further £70,000 expenditure will be incurred to the end of the financial year 2015/16 on construction costs, surveys, architects' fees and project management fees. Total expenditure to financial year end is therefore anticipated to be approximately £100,000.

31. Facilities Management will continue to pick up the running costs for Mansion House until the project is delivered; this is circa £9k per annum and is a budget pressure.

32. The project business case, produced by DTZ, shows that the project will be able to generate sufficient revenue to cover operational costs. This is provided at **Appendix 2**.

33. The provision of 'Big Data' to Mansion House from a marketing approach will require, in relative terms, a small sum. These costs however can be consumed by the Operator or sunk into the overall build contract:

- £17k per annum quote from BT Business to provide a 200 Mbps connection to the internet over a 1 Gbps link. This can be upgraded to a full 1 Gbps, but associated costs would be significant. These costs however would be borne by the Operator.
- Current quotes for providing the IT infrastructure to enable the delivery of these services are approximately £20k, but these costs would be passed on to the contractor and form part of the contract work.

34. Therefore, the delivery programme proposals put forward in this report are supported as there are no revenue consequences, if this were to change the Council, through the delegation, will need to identify how this is funded. At this stage this is seen as a low risk.

## Legal Implications

35. There are no specific legal implications beyond normal procurement regulations. Lead project officers continue to liaise closely with legal services officers to ensure the Growth Deal is successfully managed and implemented in Wiltshire.

## Options Considered

36. Delegate authority to Associate Director and Cabinet Member to allow procurement and letting of contract to allow construction to proceed.

**Table 1: Digital Corsham Delivery Programme**

Task	Completion Date
Define brief and concept design and site surveys	January/February 2016
Detailed design	March/April/May 2016
Planning Approval	May/June/July 2016
Tender and contract	June - September 2016
Pre-construction	August/September 2016
Construction and fit out	September 2016 – June 2017
Handover	June 2017

**N.B.** The above timeline is indicative and based on the levels of information currently available to the lead officers. Through further design and development work a more detailed articulation of the delivery programme will be developed.

37. The project is expected to come within budget and detailed cost analysis is currently being undertaken to understand the cost, expected to be circa £2.56 million, inclusive of professional fees, furnishings and telecommunications.

## Conclusions

38. The preferred option is for Cabinet to delegate authority to allow procurement and letting of contract to allow construction to proceed, with agreement by the SWLEP Board.


**Alistair Cunningham**

**Associate Director Economic Development and Planning**

---

Report Author:  
Angela Hays, Manager, Economic Growth  
[Angela.hays@wiltshire.gov.uk](mailto:Angela.hays@wiltshire.gov.uk)  
01225 718484  
9 December 2015

The following documents have been relied on in the preparation of this report:

Document Name	Document
Cabinet Report 21 July 2015	 15-0611 Cabinet report - Cash Flowing

## Appendices

CM09704/F



**Appendix 1:** Indicative Capital Costs (Part 2 Appendix)  
**Appendix 2:** Mansion House Outline Business Case