

Cabinet

Dorset County Council



Date of Meeting	Cabinet: 7 March 2018
<p><u>Cabinet member(s)</u> Tony Ferrari – Cabinet Member for Community and Resources</p> <p><u>Local Members</u> All members (local members affected have been consulted/engaged separately)</p> <p><u>Lead Officer(s)</u> Richard Bates - Chief Financial Officer Mike Harries – Corporate Director for Environment and Economy</p>	
Subject of Report	Quarterly Asset Management Report
Executive Summary	<p>This report is a quarterly report which sets out key issues relating to the various asset classes of Property, Highways, ICT, Fleet and Waste.</p> <p>Some of the key items to note are as follows:</p> <ul style="list-style-type: none"> • An update is provided on the disposal of Bovington Park site to the Delta Education Trust, which is now proposing to construct a 160 place school for children with Autistic Spectrum Condition and Social Emotional and Mental Health needs. Consequently, it will require more land, but it is anticipated that there will still be some surplus land available for disposal (Para 3.1). • Due to the need to construct a larger school, the Delta Trust has requested the use of the former Bere Regis Primary School site until 2020 to enable it to open its school in September 2019 as planned. It is proposed to grant Delta a short term lease of that site (para 3.2). • An update is provided on the transfers of the former Youth Centre buildings to various community groups. Unfortunately, a number of these transfers are still outstanding and it is proposed to agree a final timetable with each body to bring the transfers to completion (Para 3.3). • A proposal has been received from Portland Town Council to acquire the former Brackenbury Infant School site at an undervalue to enable the Town Council to relocate its offices to the building and to create a community hub in the remainder of the site (Para 3.4).

	<ul style="list-style-type: none"> The Cabinet is asked to note progress with several highway projects (Para 4). 		
Impact Assessment:	<p>Equalities Impact Assessment:</p> <p>The most recent equalities impact assessment was undertaken on the Asset Management Plan and identified the need to ensure that the interests and needs of the nine equality groups are addressed at service level as part of the service asset management planning process, including consultation with users.</p> <hr/> <p>Use of Evidence:</p> <p>The Asset Management Plan makes use of the following sources of evidence:</p> <ul style="list-style-type: none"> The Corporate Plan and Community Strategy Medium Term Financial Strategy Outcomes from a Members Seminar on 25 September 2014 Periodic public consultation Local and National property performance data Service (property) asset management plans Highways asset management planning data Corporate IT strategy <hr/> <p>Budget:</p> <p>If all the recommendations in the report are approved there will remain a capital sum of £0.5m unallocated up to the end of 2020-21.</p>		
	<p>Risk Assessment:</p> <p>Specific project risk registers are in place. None of the recommendations relate to or create high or medium risks.</p> <p>Having considered the risks associated with this decision using the County Council's approved risk management methodology, the level of risk has been identified as: Current Risk: LOW Residual Risk: LOW</p>		
Recommendations	It is recommended that the Cabinet:		
	<table border="1"> <tr> <td data-bbox="505 1693 596 2074">(i)</td> <td data-bbox="596 1693 1398 2074"> <p>Approves the use of the County Council's general powers of competence to permit it to grant a 125 year lease to the Delta Education Trust of as much land comprising the former Bovington Middle School site as is reasonably required for the provision of a school for children with Social Emotional and Mental Health needs and Autistic Spectrum Condition and otherwise on terms to be agreed by the Chief Financial Officer and the disposal of the residue of the site at its market value on terms to be agreed by the Chief Financial Officer (para 3.1.4)</p> </td> </tr> </table>	(i)	<p>Approves the use of the County Council's general powers of competence to permit it to grant a 125 year lease to the Delta Education Trust of as much land comprising the former Bovington Middle School site as is reasonably required for the provision of a school for children with Social Emotional and Mental Health needs and Autistic Spectrum Condition and otherwise on terms to be agreed by the Chief Financial Officer and the disposal of the residue of the site at its market value on terms to be agreed by the Chief Financial Officer (para 3.1.4)</p>
(i)	<p>Approves the use of the County Council's general powers of competence to permit it to grant a 125 year lease to the Delta Education Trust of as much land comprising the former Bovington Middle School site as is reasonably required for the provision of a school for children with Social Emotional and Mental Health needs and Autistic Spectrum Condition and otherwise on terms to be agreed by the Chief Financial Officer and the disposal of the residue of the site at its market value on terms to be agreed by the Chief Financial Officer (para 3.1.4)</p>		

	(ii)	Approves the lease of the former Bere Regis Primary School site to the ESFA / Delta Education Trust on a short term basis at a peppercorn rent and otherwise on terms to be agreed by the Chief Financial Officer (para 3.2.4)
	(iii)	Approves that a firm and final timetable is agreed with the occupants of the Bridport, Dorchester, Gillingham, Southill, Verwood and Wareham youth centre buildings and the STEPS youth centre in Weymouth for completion of each transaction, and unless a clear and rational reason exists as to why a transfer has not been completed within the agreed timescale, the offer from the County Council to gift the building to them will be withdrawn (para 3.3.3)
	(iv)	Notes that a proposal has been received from Portland Town Council to sell the Former Brackenbury Infant School site to it at an undervalue, and that further discussions will take place to examine the proposal in more detail (para 3.4.5)
	(v)	Approves the overall revised estimates and cash flows for projects as summarised and detailed in Appendix 1 (para 8.2)
	(vi)	Notes the emerging Highways issues (Para 4).
Reason for Recommendation	A well-managed Council ensures that the best use is made of its assets in terms of optimising service benefit, minimising environmental impact and maximising financial return.	
Appendices	Appendix 1 Financial Summary and Capital Control Totals	
Background Papers	The Property Asset Management Plan 2015-18 The Highways Asset Management Plan (Vol. 1/Vol. 2)	
Officer Contact	Name: Peter Scarlett, Estate & Assets Service Manager Tel: (01305) 221940 Email: p.scarlett@dorsetcc.gov.uk Name: Tony Diaz, Senior Finance Manager Tel: (01305) 224950 Email: t.diaz@dorsetcc.gov.uk	

1 Background

- 1.1 This report provides an update on key issues relating to various assets, including progress in property asset reduction and rationalisation. It also seeks approval for a number of transactions and project matters.
- 1.2 This report covers all the County Council's asset classes: Property, Highways, ICT, Fleet and Waste (via DWP).

2 Assets / Whole authority performance

- 2.1 The Asset Management Plan (AMP) sets out the key property priorities and strategies of the County Council over a three year period. There are 10 performance indicators detailed within the AMP which highlight the progress that the County Council is making in delivering those priorities. Progress against the KPIs is reported on Dorset for You, via this link: <https://www.dorsetforyou.gov.uk/dorset-property/asset-management-plan>
- 2.2 Works to adapt the countywide office estate are progressing well. The refurbishment of the Ferndown Local Office was completed in January, which enabled the County Council to surrender its lease on a satellite office building at Peverill House in Ferndown saving running costs of £21,300 per annum. The refurbished local office provides office space with far greater flexibility and a much-improved ambience. The County Council also surrendered its lease on Top o'Town House in Dorchester after 21 year of occupation saving annual running costs of £105,600 per annum. A new training facility has been created in Princes House to replace the facilities in Top o'Town House.

3 Dorset Property Asset Management

3.1 Bovington Park

- 3.1.1 In September 2017 the Cabinet approved the use of the County Council's general powers of competence to permit it to grant a 125 year lease of the 10 acre site comprising the former Bovington Middle School site to the Delta Education Trust (Delta) for the provision of a school for children with Special Educational Needs and Disabilities, and the retention of the remaining 7 acre playing field site at Bovington Park whilst further options for the site are explored. Since that decision discussions have been ongoing regarding additional educational provision for children with Social Emotional and Mental Health (SEMH) needs. These discussions have involved Delta, Poole and Bournemouth Councils, and the Education and Skills Funding Agency (ESFA).
- 3.1.2 The ESFA have now confirmed that it is able to increase its capital funding to enable the construction of a larger school that will be able to meet the needs of children with SEMH and also Autistic Spectrum Condition (ASC). The new school will accommodate 160 places, rather than the original plan of 60 places.
- 3.1.3 This means that Delta will require some additional land (in excess of the 10 acres previously approved) at Bovington Park, but will not need the entire site. The ESFA and Delta are expected to finalise their plans for the site by the end of June 2018, at which time they will confirm how much of the overall site they will need. It is anticipated that there will be a few acres of land available for disposal to generate a capital receipt.
- 3.1.4 The Cabinet is requested to approve a revision to the recommendation approved in September 2017, for the use of the County Council's general powers of competence to permit it to grant a 125 year lease to the Delta Education Trust of as much land comprising the former Bovington Middle School site as is reasonably required for the provision of a school for children with SEMH and ASC and otherwise on terms to be agreed by the Chief Financial Officer and the disposal of the residue of the site at its market value on terms to be agreed by the Chief Financial Officer (**Recommendation i**).

3.2 Former Bere Regis Primary School site

- 3.2.1 Due to the delay in securing the larger school through negotiations with the ESFA above, the new school will need to open in temporary accommodation in September 2019. It has been suggested that the children would be better served by being in buildings away from the construction of the new school, and the former Bere Regis Primary School site has been identified as a suitable option. Site visits have taken place and the ESFA has confirmed that it would be willing to invest in the existing buildings to open them on a temporary basis, and continue to occupy them until September 2020, when the new school on the Bovington Park site would become operational. At that point the site would be sold for re-development.
- 3.2.2 It is therefore proposed to grant of a short term lease at a peppercorn rent to the ESFA / Delta Educational Trust. This would ensure that the children who require specialist provision in Dorset can be accommodated and educated as soon as possible, without the need to go out of the county to receive appropriate education. The ESFA, Delta Education Trust and County Council Property Team are working closely together to ensure these works are completed successfully, and will continue to support each other through the construction and capital works.
- 3.2.3 The grant of this lease to Delta Educational Trust will delay the potential for a capital receipt from the sale of the former Bere Regis Primary School which is currently projected for the 2018/19 financial year. However, it will give the County Council time to seek an outline planning consent on the site with a view to marketing it for residential development and facilitating a swift sale upon expiry of Delta's lease in September 2020. The Delta Educational Trust will bear all the operating costs during the lease period, and there will be no additional cost to the County Council from this proposal.
- 3.2.4 The Cabinet is requested to approve the lease of the former Bere Regis Primary School site to the ESFA / Delta Education Trust on a short term basis at a peppercorn rent and otherwise on terms to be agreed by the Chief Financial Officer (**Recommendation ii**).

3.3 Youth Centres – Update on asset transfers

- 3.3.1 In September 2017 an update on the position of the transfers or disposal of the 22 Youth Centres was provided. It suggested that a deadline be set for completion of the outstanding freehold and leasehold transfers (transfers) since if they continued to drag on the County Council would remain liable for the buildings and the principle of divesting the Council of the running costs would not be achieved.
- 3.3.2 Unfortunately, despite the County Council's best efforts to complete these transfers, seven remain outstanding for no significant reason (with the exception of Gillingham and Wareham which have had complex title difficulties) and the County Council continues to remain liable for those premises. The seven Youth Centres are: Bridport, Dorchester, Gillingham, Southill, STEPS in Weymouth, Verwood and Wareham. All these premises have been occupied by community groups on tenancies at will and solicitors have been instructed to undertake the freehold transfers since September 2016.
- 3.3.3 It is recommended that a firm and final timetable for completion of each transaction is agreed with each of the occupants of these seven properties and unless a clear and rational reason exists as to why a transfer has not been completed within the agreed timescale, the offer from the County Council to gift former youth centre buildings to those community bodies will be withdrawn (**Recommendation iii**). It is proposed that this message is communicated to the individual leading the negotiations on each of the seven properties, their solicitor and the local County Councillor(s).
- 3.3.4 A further report will be brought to the Cabinet in June updating on the matter.

3.4 Former Brackenbury Infant School, Fortuneswell, Portland

3.4.1 The Brackenbury Infant School building has been vacant since 2013, when the infant school moved out of the premises to the newly constructed Chesil Cove School. The building is still in relatively good order and the County Council held back from disposing of it whilst it ascertained whether there might be any community uses that the building could be put to. Initially no proposal came forward and therefore at its meeting on 7th June 2017 the Cabinet approved the disposal of the site. During the marketing process a Community Right to Bid application was registered on the building and subsequently the County Council received a proposal to transfer the site to the Portland Town Council at an undervalue, which would necessitate the use of the County Council's general powers of competence.

3.4.2 A comprehensive business case has been put forward by Portland Town Council and in summary it proposes to create a Community Hub which will provide:

- Offices, storage and hall and car park use for Portland Town Council
- A new larger location for Allsorts Nursery Brackenbury, including 4 large classroom areas, a larger play area, access to the hall so that children can participate in shared activities for example with the elderly, give performances etc, enabling Allsorts to expand their provision to include day-care for babies and toddlers and parent and toddler sessions linking with parenting skills activities and courses
- A new home for the food bank which needs to move from its current location
- A venue in Fortuneswell for activities for older residents, including lunches
- An internet café, with assistance, providing computer and scanning facilities for residents who do not have these facilities to enable them to make applications, submit documents etc
- Adult education courses in skills for the workplace (IT, literacy, numeracy etc)
- A hall and a studio/classroom for hire to the community and service providers
- Other spaces for rent/hire to the community and service providers as need arises.

3.4.3 The proposal that the Town Council has put forward is to purchase the site at less than its market value, but it would also free up land to the rear of the site which is currently occupied by Allsorts Nursery, who would otherwise remain in situ if the site was sold on the open market.

3.4.4 It should be noted that the County Council has also received a further proposal to sell the site at an undervalue to two individuals who would like to use the building to create an Arts and Education space, working with B-side (a CIC). However, PMG ruled out that proposal as the transfer would not be to a charity or community body. Furthermore the overall monetary value to the County Council would be lower than the Town Council's proposal and the community benefits were considered to be far less tangible.

3.4.5 It is proposed that further discussions take place with the Portland Town Council to examine its proposal in more detail and to establish what benefits (if any) the County Council might derive from this proposal. A further report and recommendation will be brought back to the Cabinet thereafter. The Cabinet is requested to note that this proposal has been received (**Recommendation v**).

4 Highways Asset Management

4.1 Bridge Issues – To Note

4.1.1 Wareham Railway Footbridge Ramps

The planning and listed building consent documents for the above scheme were submitted on schedule. Purbeck Planning Committee met to determine the listed building consent application on 31 January 2018. The application was unexpectedly turned down by the committee against the advice of the Purbeck officers and there being no objection from Historic England. The reason given was that the public benefit did not outweigh the damage caused to the listed building. The decision was made despite there being a previous consent being granted for a more damaging application made by Network Rail. The planning process is effectively on hold. The position will be reported to Cabinet on 4 April 2018. Cabinet will be asked for decision on whether to pursue, or withdraw, the planning application that would be determined by Dorset County Council Regulatory Committee.

4.2 Highway Improvements Schemes - To Note

4.2.1 Dorchester Transport and Environment Plan (DTEP)

The High West Street/Trinity Street scheme was completed on 19 January 2018. There is likely to be an underspend of £85,000 from the South Street paving and High Street Schemes. As these elements were largely funded by WDDC and DTC and as the contributions were conditional on them only being used for enhancement works, it is the wish of these Authorities' that the monies be used for further enhancement works in those areas.

The remaining DTEP capital budget for 2018/19 is likely to be £630,000, largely reserved for the Williams Avenue/Damers Road junction improvement which is programmed to commence in June 2018 now that land negotiations with Network Rail have commenced.

The final element of DTEP is the Maumbury Cross scheme which is currently unfunded. On 24 February 2016 the Cabinet resolved to construct a partial improvement which avoided taking land from WDDC's Fairfield car park. A report is to be taken to MOAG to seek funding sufficient to design the partial improvement during 2018/19 and construct it during 2019/20 including forward funding of developer contributions.

4.2.2 Springfield Road

Construction is currently taking place with a revised completion date programmed for May 2018. The budget is currently close to forecast, subject to the final cost of statutory undertakers' work, particularly Bournemouth Water, whose delayed works have seriously impacted on the original scheme programme.

4.2.3 A350/C13 Route Management Scheme

Funding of £2.42m has been provided by the Department for Transport (DfT) through the National Productivity Investment Fund to be used on community issues, which has enabled the County Council to take forward a route management strategy to deal with a number of highways issues along the route corridor between Blandford Forum and Shaftesbury. It is estimated that approximately £1.6m of the funding will be spent in 2017/18 with the remainder to be spent in 2018/19 on traffic management and highway improvements.

As recommended by the Cabinet on 6 December 2017 design work is proceeding on the mitigation measures in Melbury Abbas to accommodate the advisory routing for HGV's. It is anticipated that this work will be implemented in autumn 2018. Carriageway patching has been completed at various locations on the C13 along with restructuring and resurfacing on the A350 covering the villages of Stourpaine, Iwerne Minster, Sutton

Waldron and Fontmell Magna. Traffic Management measures including speed limit changes and gateway signing are moving forward and will be delivered in Spring 2018.

4.3 Proposed Capital Programme for 2018/19 – Highway Infrastructure

- 4.3.1 Following the Cabinet approval of the capital investment strategy for highway infrastructure assets, the proposed programme for 2018/19 is now documented in the members Sharepoint page (link to the homepage below). This also includes an interactive map, showing the sites where works are proposed.
<https://dorsetcc.sharepoint.com/sites/highways-working-together/SitePages/default.aspx>
This Sharepoint page provides 'live' information to reflect any changes that are made by project leads.

This list includes:

- Carriageway resurfacing / surface dressing
- Footway resurfacing
- Bridge / Structures
- Highway Improvement Schemes

Programmed patching and drainage sites are still being assessed and will be updated on the site in due course. Any members not able to log into the Sharepoint page can contact Mike ODonovan on 01305 228690 who will be able to assist.

4.4 2018/19 Budgets

- 4.4.1 We are still awaiting final confirmation of our budget allocations from the Department for Transport (DfT) for 2018/19. This includes the approximate £2.3million incentivised element of funding linked to the self-assessment questionnaire, which was completed and returned to the DfT at the beginning of February. We assessed ourselves as being in Band 3 (the highest scoring category), with 21/22 questions in Band 3 (up from 19/22 the previous year), which would secure 100% of this funding. We await confirmation of this status and subsequent budget allocations.
- 4.4.2 Following the announcement by the Roads Minister before Christmas, additional Pothole Funds were awarded to Dorset for 2017/18 equating to £747,995. However, permission has been granted to carry those funds into 2018/19.

5 ICT Asset Management

- 5.1 No key issues to report.

6 Fleet Asset Management

- 6.1 No key issues to report.

7 Waste Asset Management

- 7.1 No key issues to report.

8 Financial Performance

8.1 Financial Summary and Capital Control Totals

- a) The overall financial position is summarised in Appendix 1. Over the next three years the total sum available is £0.5m up to the end of 2020-21.

8.2 Executive Summary of Approved Projects, including significant changes

- a) Details of the approved schemes are set out in the schedule situated on Dorset for You, accessed via the following link: <https://www.dorsetforyou.gov.uk/dorset-property/asset-management-plan>
- b) The Cabinet is requested to approve the overall revised capital expenditure estimate and cash flows as summarised in Appendix 1 (**Recommendation v**).

Richard Bates
Chief Financial Officer

Mike Harries
Corporate Director for Environment and
Economy

March 2018

CAPITAL PROGRAMME - CABINET
MARCH 2018

DIRECTORATE	EXPENDITURE ESTIMATES (GROSS)			
	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000
CHILDRENS	14,170	27,581	3,934	3,988
ENVIRONMENT	27,485	29,350	17,643	13,156
ADULT & COMMUNITY	701	850	4,611	2,838
CABINET / WHOLE AUTHORITY	5,848	15,759	5,182	1,893
DORSET WASTE PARTNERSHIP	2,829	5,114	6,991	5,798
CAPITAL FLEET REPLACEMENTS	1,921	621	786	774
CAPITAL R & M	5,767	5,967	5,967	5,967
TOTAL	58,721	85,242	45,114	34,414
Anticipated Slippage	(5,000)	(15,000)	5,000	5,000
Contingency re Risk Items	0	2,279	0	0
(Overcommitted) / Remaining flexibility (to meet target)	0	473	0	0
Gross Predicted Capital Spend	53,721	72,994	50,114	39,414