

## Cabinet

Minutes of a meeting held at County Hall,  
Colliton Park, Dorchester on 17 December 2014.

### Present:

Robert Gould (Chairman)

Toni Coombs, Peter Finney, Jill Haynes, Colin Jamieson and Rebecca Knox.

John Wilson, Chairman of the County Council, attended under Standing Order 54(1).

### Members attending:

Margaret Phipps, County Council Member for Commons


Paul Kimber, County Council Member for Portland Tophill

William Trite, County Council Member for Swanage

Officers Attending: Debbie Ward (Chief Executive), Richard Bates (Chief Financial Officer), Nicky Cleave (Assistant Director of Public Health), Catherine Driscoll (Director for Adult and Community Services), Mike Harries (Director for Environment and the Economy), Jonathan Mair (Monitoring Officer), Sara Tough (Director for Children's Services), Sarah Johnstone (Communications Team Leader) and Lee Gallagher (Democratic Services Manager).

### For certain items, as appropriate

Mike Garrity (Planning Policy Team Leader), Paul Leivers (Head of Community Services), Dugald Lockhart (Superfast Dorset Senior Project Manager), Patrick Myers (Head of Business Development) and Phil Rook (Adult and Community Services – Group Finance Manager).

- (Notes:(1) In accordance with Rule 16(b) of the Overview and Scrutiny Procedure Rules the decisions set out in these minutes will come into force and may then be implemented on the expiry of five working days after the publication date. Publication Date: **23 December 2014**.
- (2) The symbol (  ) denotes that the item considered was a Key Decision and was included in the Forward Plan.
- (3) These minutes have been prepared by officers as a record of the meeting and of any decisions reached. They are to be considered and confirmed at the next meeting of the Cabinet to be held on **14 January 2014**.
- (4) **RECOMMENDED** in this type denotes that the approval of the County Council is required.)

### **Apologies for Absence**

460. No apologies for absence were received.

### **Code of Conduct**

461. There were no declarations by members of any disclosable pecuniary interests under the Code of Conduct.

### **Minutes**

462. The minutes of the meeting held on 19 November 2014 were confirmed and signed.

**Public Participation**Public Speaking

463.1 There were no public questions received at the meeting in accordance with Standing Order 21(1).

463.2 There were no public statements received at the meeting in accordance with Standing Order 21(2).

Petitions

463.3 There were no petitions received in accordance with the County Council's petition scheme at this meeting.

**Draft Cabinet Forward Plan**

464. The Cabinet considered the Draft Forward Plan, which identified key decisions to be taken by the Cabinet and items planned to be considered in a private part of the meeting on or following the Cabinet meeting on 14 January 2014. The draft plan was published on 16 December 2014.

**Noted****Panels and Boards**

465.1 The minutes of the following Panels and Boards were submitted:-

- (a) Executive Advisory Panel on Pathways to Independence – 12 November 2014
- (b) Health and Wellbeing Board – 12 November 2014
- (c) Executive Advisory Panel on the Care Act and Future Social Care Policy – 26 November 2014

465.2 In relation to the minutes of the Health and Wellbeing Board, the Cabinet Member for Children's Safeguarding and Families, as the new Chairman of the Health and Wellbeing Board, highlighted recent consideration in relation to Olympic legacy funding, which would be submitted to the Cabinet in due course. She also outlined the progress in respect of the Better Together Fund bid, which had now been submitted.

465.3 In relation to the minutes of the Executive Advisory Panel on the Care Act and Future Social Care Policy, the Cabinet Member for Adult Social Care summarised the work by the Panel and the far reaching considerable impact to the way the Council would work in the future. It was noted that a final report of the Panel would be considered by the Cabinet in February 2015.

**Resolved**

466. That the minutes be received and recommendation 100 of the Health and Wellbeing Board be approved.

*Recommendation 100 - Governance Agreement between Dorset Health and Wellbeing Board and Dorset Safeguarding Adults Board*

*100. That the Cabinet approve the governance agreement which identifies the distinct roles and responsibilities of the Dorset Health and Wellbeing Board and the Dorset Safeguarding Adults Board.*

*Reason for Decision*

*101. The relationship between the Health and Wellbeing Board and the Dorset Safeguarding Adults Board was vital to improving outcomes for vulnerable adults in Dorset.*

### **Forward Together Update**

467.1 The Cabinet considered a report by the Leader of the Council, as the Cabinet Member for Corporate Resources, on the progress being made through the Forward Together Programme across the County Council.

467.2 The Leader of the Council introduced the report and highlighted the significant and challenging timeline and budget pressures which were being addressed through transformation of services and culture change across the Council. He explained that a number of workshops would be arranged early in 2015 to engage with members in order to take account of local knowledge and provide updates on progress.

467.3 It was recognised that the workshops would include a lot of information and it was key that members were engaged in Forward Together activity. The first workshop would be held following the County Council meeting on 12 February 2015 in order to maximise attendance, and further workshops would be designed to encourage proactive engagement by members. It was suggested that IT be used where possible to maximise participation through technology.

### **Resolved**

468.1 That the progress outlined in the report be noted.

468.2 That the implementation of member workshops to maintain good communication with the wider County Council be supported.

### **Reason for Decision**

469. To ensure the Forward Together programme was fully implemented to secure both the organisational benefits and financial savings necessary to deliver a balanced budget up to and beyond 2016/17.

## **The County Council's Budget and precept for 2015/16:**

470. The Cabinet considered the following reports by the Cabinet Member for Corporate Resources:

### **Medium Term Financial Plan Update**

471.1 The Cabinet considered a report by the Leader of the Council, as the Cabinet Member for Corporate Resources, on the third update of the national and local issues impacting on the County Council's finances that would need to be taken into account in finalising the next three-year financial plan.

471.2 It was reported that an analysis of the Local Government Finance Settlement was not yet available, but the report included a broad interpretation of the Autumn Statement, and that the direction of travel would not change for the foreseeable future. It was also noted that a further update would be considered by the Cabinet on 14 January 2015.

471.3 The Cabinet acknowledged the latest projected overspend of £4.1m for 2014/15 which included overspends in Adult and Community Services (£2.9m), Children's Services (£1.9m), Dorset Waste Partnership (£1.6m), and underspends in Environment and the Economy (£0.3m), Chief Executive's Department (£0.2m) and central services (£1.7m). In particular, attention was drawn to the work to address the Dorset Waste Partnership (DWP) overspend by the DWP Joint Committee which included a range of measures to tackle the issue and avoid a recurrence in future years.

471.4 A detailed account of the financial considerations contained within the report was provided, which included the adult social care, children in care, employers pay offer,

social fund reforms, children's social work, council tax referendum threshold assumption of 2% per year, and members divisional budgets. An overview was then provided in relation to the savings identified in the following year in order to meet the targets of the Forward Together Programme, which still required an additional £1.7m to be identified.

### **Resolved**

472.1 That the strategy for Council Tax for the MTFP period, which assumed a 2% increase in each of the three years, be confirmed.

472.2 That the additional savings proposals set out in paragraphs 3.20 – 3.25 of the Leader's report be taken forward for consultation with Service Overview Committees, staff and Trade Unions in accordance with established compacts as appropriate.

472.3 That the request for additional Social Work staff, Legal Services costs and learning and development costs in 15/16 and 16/17, set out in paragraphs 3.12 – 3.16 of the report, be approved.

472.4 That the request for funding for Deprivation of Liberties, estimated to be £419k, set out in paragraphs 3.5 – 3.8 of the report, be approved.

472.5 That consideration be given to what approach should be taken to balancing the 2015/16 budget by delivering further savings of £1.7m.

### **Reason for Decision**

473. To enable work to continue on refining and managing the County Council's budget plan for 2014/15 and the three years of the MTFP period, and beyond.

### **Quarterly Asset Management Report**

474.1 The Cabinet considered a joint report by the Leader of the Council, as the Cabinet Member for Corporate Resources, and the Cabinet Member for Environment and the Economy on the progress in relation to the County Council's Asset Management Plan.

474.2 The Leader of the Council introduced the report and highlighted the continued target to reduce the Council's property estate, which required on-going focus to realise as much reduction as possible through the Council's baseline property approach which included the rollout of flexible and new ways of working.

474.3 In relation to the Purbeck Schools Reorganisation Programme, it was recognised that the extensive programme had delivered £39.2m of capital alternations to all schools in the educational pyramid, and had provided enough underspend on projects to fund the rebuild of a new school in Bere Regis. It was noted that the work would continue in order to maximise the outcomes of the programme and that the forecasted overspend on the programme of £750k would continue to be addressed in order to minimise the budget impact where possible.

474.4 The Cabinet congratulated Dorset Property for efforts in relation to the new school hall at Corfe Castle Primary School which had received an award as 'Civic Building of the Year 2014' (small projects category) by the Society of Construction and Architecture in Local Authorities.

474.5 Concern was raised in relation to the involvement of local members in asset management issues, and it was noted that there was a set process for report authors to engage with local members on matters affecting their electoral divisions at the earliest stage. Officers confirmed that the concern would be addressed. At this point it was noted that one of the County Council Members for Verwood and Three Legged Cross (Spencer Flower) had expressed the need for the Springfield Distributor Road scheme to be progressed as soon as possible as seasonal changes could impact on the opportunities to deliver the scheme in a timely way.

474.6 A statement was received from the County Council Member for Hambledon in relation to the significant issues regarding Dinah's Hollow, and the widespread disruption that had ensued since the landslips. In particular, she raised concern regarding the level of restorative funding to address the adjoining road network due to the impact of the closure. It was reported that a sum had been included in the capital bid for completion of the works, which may need to be revised depending on how the project was managed. However, it was clarified that there would not be the opportunity to seek additional funds.

### **Resolved**

475.1 That the creation of a limited liability company for the management of North Dorset Business Park, the appointment of up to two officers as Director(s) of this company and for the common areas at North Dorset Business Park, and the freehold interest of plots that have been disposed of on long leases to be vested into this company (para 3.1.1 of the Cabinet Members' report) be approved.

475.2 That delegated authority be granted to the Director for Adult and Community Services for the administration and payment of the grant funding allocated for a Weymouth Recovery Hub in line with grant conditions, including authorisation to take an option to secure a suitable property or provide grant funding to BCHA to acquire a suitable property for the recovery hub on terms to be agreed by the Director for the Environment and Economy and the Chief Financial Officer. (para 3.1.2 of the Cabinet Members' report).

475.3 That delegation of authority be granted to the Director for Children's Services, after consultation with the Cabinet Member for Education and Communications and the Chief Financial Officer, to over-commit the current Purbeck Schools Reorganisation Programme budget should it become unavoidable, but on the understanding that everything practicable will be done to contain costs within the current approved budget (para 3.1.3 of the Cabinet Members' report).

475.4 That retaining ownership of Lamb House Bridge and entering into a long lease agreement with North Dorset Railway Trust (Shillingstone Railway Project) upon terms to be agreed by the Director for the Environment and Economy (para 4.1.1 of the Cabinet Members' report) be approved.

475.5 That the overall revised estimates and cash flows for projects as summarised and detailed in appendices 1 and 2 (para 8.2 of the Cabinet Members' report) be approved.

475.6 That the compensation settlement in respect of the Weymouth Relief Road (para 4.2.4 of the Cabinet Members' report) be noted.

475.7 That the emerging issues for each asset class be noted.

### **Reason for Decision**

476. A well-managed Council would ensure that the best use was made of its assets in terms of optimising service benefit, minimising environmental impact and maximising financial return.

### **Asset Management Capital Priorities**

477.1 The Cabinet considered a report by the Leader of the Council, as the Cabinet Member for Corporate Resources, in relation to asset management capital priorities, which included capital bids for 2015/16 in line with the Capital Funding Policy of the Council.

477.2 It was recognised that additional funding for carriageway maintenance of £2m would focus on 'priority one' issues, and that efforts would be made to increase funding in future years as this had been impacted on by the need for capital funding to resolve the issues at Dinah's Hollow. It was noted that highway maintenance was a clear priority in the recent Ask Dorset consultation with the public.

477.3 In relation to the deferral of the School's Basic Need Programme, further work would be undertaken to strategically revise provision to meet needs of schools and reduce the impact on the Council's budget.

477.4 A concern was expressed that the reduction in the Council's property portfolio had not been recognised as quickly as it should have, and that there was a need to progress the reduction as far as possible.

### **RECOMMENDED**

478.1 That the County Council be asked to approve capital programme for 2015/16 to 2017/18, attached as the Annexure to these minutes.

478.2 That the policy of moving towards a position where the underlying need to borrow does not increase unless funded from other sources be endorsed.

### **Reason for Recommendation**

479. The available resources after taking account of committed projects were insufficient to meet all the new bids in their entirety. It was therefore necessary for the Cabinet to confirm priorities for inclusion in the capital programme.

## **Formation of a pan-Dorset Local Authority Trading Company (LATC) for Adult Provider Services**

480.1 The Cabinet considered a joint report by the Cabinet Members for Adult Social Care and Corporate Resources on the formation of a pan-Dorset Local Authority Trading Company (LATC) for Adult Provider Services with Bournemouth Borough Council and Borough of Poole, following Cabinet approval of the creation of a LATC for Dorset County Council on 22 October 2014. The notes of the Executive Advisory Panel on Pathways to Independence meeting held on 11 December 2014 were also circulated for information.

480.2 The Chairman of the Executive Advisory Panel on Pathways to Independence addressed the Cabinet to explain that the Panel had examined and discussed the report at length at its meeting held on 11 December 2014. Although there was not a unanimous view at the end of the discussion, the weight of feeling was in line with the recommendations in the report.

480.3 The Cabinet Member for Adult Social Care outlined the business plan and benefits of a pan-Dorset LATC which outweighed the benefits of a Dorset County Council only LATC. However, it was noted that public consultation would be required before the final decision was made. It was noted that Bournemouth Borough Council and the Borough of Poole had, in principle, approved the pan-Dorset LATC business case and agreed that this would be the most sustainable option for Adult Provider Services in Dorset.

480.4 Although it was recognised that the establishment of a pan-Dorset LATC would have some risks, it was felt that this approach would provide a more financially viable model with better workforce capacity, and less competition between the local authorities in Dorset. In relation to the financial position, it was reported that the projected saving of £7.5m was a prudent and conservative forecast.

480.5 The Leader of the Labour Group asked if it was possible to open an annual meeting to the members of all three authorities to receive a report on the LATC. The Cabinet Member for Adult Social Care confirmed that this would give all members the opportunity to be engaged. It was agreed that this arrangement would be incorporated into the governance model.



**Resolved**

481.1 That, in principle, the business case for a pan-Dorset Local Authority Trading Company and further work to develop proposed governance and operational arrangements including a proposed draft implementation plan be approved, subject to a further decision of the Cabinet in light of the outcome of public consultation.

481.2 That, in principle, the proposed governance arrangements for the Executive Shareholder Group and pan-Dorset LATC Board as set out in the Cabinet Member's report and accompanying business plan be approved, subject to a further decision of the Cabinet in light of the outcome of public consultation.

481.3 That a further report be presented to the Cabinet in February 2015, updating members on the results of public consultation, overall progress made with Bournemouth and Poole councils and seeking formal approval to establish a pan-Dorset LATC.

481.4 That an annual engagement exercise for members of all partner authorities be incorporated into the LATC governance arrangements.

**Reason for Decision**

482. The decision reflected the agreed vision and principles of:

- Better Together Programme and Principles
- Pathways to Independence programme
- Forward Together objectives (greater independence, smarter services, empowered people)
- Medium Term Financial Plan and Budget 2014/15 to 2016/17

## **The future of the arts service and Dorset Arts Education Development Agency – Final Business Case**

483.1 The Cabinet considered a report by the Cabinet Member for Communities and Public Health on the final business plan for the formation of a Community Interest Company (CIC).

483.2 The Cabinet Member for Communities and Public Health introduced the report and provided an outline of the progress to date in formulating the business case, together with clarification regarding the VAT status of the CIC. He reported that consultation had now taken place and that it had demonstrated full support for the formation of the CIC.

483.3 The Leader of the Labour Group supported the report, but asked if it would be possible to introduce a mechanism for any members to be involved in the CIC. The Leader of the Council indicated that it would be interesting to see how the CIC developed, and that the comment would be taken on board.

483.4 The Cabinet thanked the team for their hard work which provided a sustainable future which impacted on the quality of life of many people.

**Resolved**

484.1 That the business plan for the new Community Interest Company be received and the arrangements for transfer the Arts Service to the Community Interest Company (CIC) following on from the previous Cabinet decisions in July 2013 and July 2014 be approved.

484.2 That delegated authority be granted to the Chief Executive and the Director for Adult and Community Services in consultation with the Chief Financial Officer (s151 Officer) and Monitoring Officer, and after consultation with the Cabinet Member for Public Health and Community Services and the Cabinet Member for Corporate Resources, to agree the detailed implementation plans, including the proposed relationship between the CIC and the Council.

484.3 That the leasehold transfer of The Little Keep to the CIC at an undervalue, using the Council's General Powers of Competence and otherwise on terms to be agreed by the Director of Environment and Economy, and for the CIC to receive the rental income from the Little Keep, be approved.

484.4 That the award of a contract for services to the CIC for a term of four years on terms to be agreed by the Acting Director for Corporate Resources be approved.

484.5 That Dorset County Council meet any unmet pension liabilities of the existing staff if the CIC body is wound up.

#### Reason for Decision

485. The proposal relates to the County Council vision 'Working together for a strong and successful Dorset' and the two areas of focus; Enabling Economic Growth, and Health, Wellbeing and Safeguarding.

### **Navitus Bay Wind Park – Update and Turbine Mitigation Option**

486.1 The Cabinet considered a report by the Cabinet Member for Environment and the Economy in relation to an update and turbine mitigation option in respect of the Navitus Bay Wind Park, and an update on the progress of the application.

486.2 The Cabinet Member for Environment and the Economy introduced the report and explained that a significant intervention had arisen through the introduction by the applicant of a Turbine Area Mitigation Option, which reduced the number of turbines and increased their distance from the shore. He also informed the Cabinet the report would also be considered by the Regulatory Committee on 18 December 2014.

486.3 The County Council Member for Commons expressed concern that the mitigation option presented a significant material change to the original planning application and that a new application should be submitted so that the appropriate amount of public consultation could be undertaken, especially given that the original consultation received 97-98% opposition to the application. At present the mitigation option only provided 21 days of consultation over the Christmas holiday period. She then explained that in her opinion no view should be expressed about the adverse impact or otherwise of the option as this was for the examining authority to determine.

486.4 The County Council Member for Swanage echoed the comments made in relation to the need for a fresh application to be submitted. He felt that the addition of the mitigation option would be a significant concession for the applicant which should not be supported.

486.5 The Leader of the Labour Group supported both the original application and the mitigation option, and stated that there was a need to keep the lights on and meet international commitments, which would also help to keep electricity cheap. He felt that at some point the Council should sit down with the applicant to see what benefits Dorset would receive as a result of the wind park.

486.6 The Cabinet agreed to reiterate its previous decision to not support the proposal for the wind park, which also included the mitigation option. It was acknowledged that although the mitigation option would provide less of a visual impact, it would also reduce the benefit of energy production due to the reduced size of the wind park, and the economic advantages of having a wind park development. It was also recognised that the on-shore environmental impact of the application would be the same even if the mitigation option was considered. However, significant concerns were expressed about the need for the mitigation option to undergo appropriate public consultation and it was for the examining authority to consider if the mitigation option should require a fresh application.



486.7 Members recognised that although the position of the Council was to oppose the application, there was a need to provide a response to the consultation which would then enable the Council to participate in further discussions at a later date if the application was to progress.

486.8 The Director for Environment and the Economy explained that the points raised within the discussion would be reflected within the consultation response, and that the final wording would be agreed after consultation with the Cabinet Member for Environment and the Economy and the Chairman of the Regulatory Committee.

#### **Resolved**

487.1 That the position of the County Council be reiterated, that it is opposed to wind farm development in the allocated zone.

487.2 That the Turbine Mitigation Option put forward by the applicant raises significant issues as to the adequacy of public consultation and the examining authority should therefore consider carefully whether the applicant should be required to submit the mitigation option as a fresh application

487.3 That whilst the County Council recognises that the Turbine Mitigation Option appears to have less adverse impact off-shore, it would have the same on-shore impact.

487.4 That the final wording of the response to the Examining Authority's question be delegated to the Head of Economy, after consultation with the Cabinet Member for Environment and the Economy and the Chairman of the Regulatory Committee.

#### **Reason for Decision**

488. To convey to the Examining Authority the views of Dorset County Council on the Turbine Area Mitigation Option introduced by the Applicant.

### **Dorset Minerals and Waste Development Scheme – Updated Milestones**

489. The Cabinet considered a report by the Cabinet Member for Environment and the Economy on the need to update the milestones in the Dorset Minerals and Waste Development Scheme 2013-16 which had been developed with Bournemouth Borough Council and the Borough of Poole.

#### **Resolved**

490.1 That the proposed milestones for the Minerals and Waste Development Scheme be agreed, and that the Scheme, as revised, would take effect on 1 January 2015.

490.2 That the Director for Environment and the Economy be granted delegated authority, after consultation with the Cabinet Member for Environment and the Economy, to make minor changes to the written contents of the Local Development Scheme including any changes needed to reflect the revised milestones.

#### **Reason for Decision**

491.1 To ensure the scheme was compliant with legislative requirements in the Planning and Compulsory Purchase Act 2004 (as amended).

491.2 To ensure that the interests of the County Council as set out in the Corporate Plan (in particular the aim to enable economic growth) were reflected the continued commitment to deliver up-to-date minerals and waste development plans.

### **Questions from Members of the Council**

492. No questions were asked by members under Standing Order 20.

## Exempt Business

### Exclusion of the Public

#### Resolved

493. That in accordance with Section 100 A (4) of the Local Government Act 1972 to exclude the public from the meeting in relation to the business specified in minutes 494-499 because it was 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 1 of Schedule 12A to the Act and the public interest in withholding the information outweighed the public interest in disclosing the information to the public.

### The Sir John Colfox School, conversion to Academy Status

494.1 The Cabinet considered an exempt report by the Director for Children's Services regarding the conversion of The Sir John Colfox School to become an academy.

494.2 The Cabinet Member for Education and Communications explained that the transfer process was complicated by it being a Private Finance Initiative school (the first in the Country) and issues had arisen towards the end of the conversion process with regard contractual options at the end of the PFI contract in 2029. She provided a detailed account regarding legal matters, contractual issues and the use of the reserved fund associated with legislative changes or repairs and maintenance of the school.

#### Resolved

495. That the all the sub paragraphs as set out in paragraph 1.6 of the Director for Children's Services report, be agreed.

#### Reason for Decision

496. To assist in the transfer process to academy status. If the recommendation was not approved, conversion to academy status would have to stop. The Department for Education were very likely to put pressure on the County Council to enable conversion and there could be reputational damage to both the County Council and the school.

### The Extension Programme for Superfast Broadband in Dorset

497.1 The Cabinet considered a report by the Cabinet Member for Environment and the Economy in relation to the extension of universal provision of superfast broadband across rural parts of Dorset to deploy infrastructure into some of the rural areas not served by the first contract.

497.2 The Cabinet Member for Environment and the Economy explained that the decision related to the further provision of superfast broadband to rural and hard to reach areas of Dorset after the completion of the current contract, together with the associated procurement activity deadlines.

497.3 A specific concern was raised in relation to the amount of funding that could be reclaimed by the authority as a result of greater take up than expected, especially given the increased cost of supplying hard to reach areas. It was noted that any funding claimed would be reinvested into broadband provision in the first instance as it was imperative to deliver the best possible coverage for the people of Dorset.

497.4 Members were also briefed in relation to the on-going development of broadband and mobile internet technology which could also reduce the funding opportunities. It was also acknowledged that the Leaders' Growth Board had received a report which suggested that the strategic position regarding broadband delivery should be monitored and updated where necessary, and to take account of industry convergence.

**Resolved**

498.1 That £939,400 of capital funding, previously approved in principle, subject to a satisfactory conclusion of the tender evaluation process, be confirmed.

498.2 That the Superfast Dorset team undertake procurement activity to call off a new contract through the Broadband Delivery UK (BDUK) national framework.

498.3 That the Chief Executive be granted delegated authority after consultation with the Leader of the Council to award a call-off contract from the BDUK National framework, following the satisfactory conclusion of the tender evaluation process.

498.4 That an additional revenue commitment of £95,000 to £283,000 to fund present team resources, funded from the Council's contingency budget, be agreed.

**Reason for Decision**

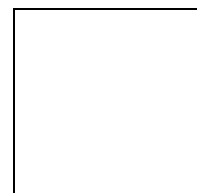
499.1 To further the County Council's corporate plan focus on Enabling Economic Growth through maximising the level of external funding drawn into Dorset to extend the provision of superfast broadband services to rural areas.

499.2 Central government commissioned research suggested that a £1 investment in Next Generation Access broadband returns a £20 increase in Gross Value Added for the local economy.

Meeting Duration: 10.00am – 12.10pm

ANNEXURE

# Cabinet



## Dorset County Council



Date of Meeting	17 December 2014
<p><u>Cabinet Member</u> Robert Gould – Cabinet Member for Corporate Resources</p> <p><u>Lead Officer(s)</u> Richard Bates – Chief Financial Officer</p>	
<b>Subject of Report</b>	<b>Asset Management Capital Priorities</b>
Executive Summary	<p>The report seeks to identify the priorities for capital spending over the next three years.</p> <p>Capital Bids for 2015/16</p> <p>In spring 2012 the Cabinet agreed the latest Asset Management Plan 2012/15. The plan outlined the capital investment strategic goals for the authority and agreed that the County Council would take account of the following principles in determining its capital investment priorities. The council's aim would be principally to invest only in its core properties and not in its non-core estate except in exceptional circumstances, ensuring that statutory obligations are met and focusing on Invest to Save, including maximising external funding.</p> <p>In autumn 2014 members attended a seminar in respect of the draft Asset Management Plan 2015/18. Members ratified continuing with the capital investment priorities currently agreed whilst agreeing to increase the categories from two to four. In adhering to these principles, capital projects have now been given an indicative ranking based on the following categories, Priority 1: Statutory Obligations, Priority 2: Invest to Save, Priority 3: Maintenance and Infrastructure, Priority 4: Other Items.</p> <p>The projects listed in Appendix 2 represent all the new bids for</p>

	<p>capital funding submitted for consideration in this round. As can be seen the available resources after taking account of committed projects are insufficient to meet all the new bids. Under the agreed assessment process, all bids are divided by the Asset Management Group (AMG) into their priority groups – Statutory Obligations, Invest to Save, Maintenance and Infrastructure and Other Items. Some bids can be a combination of these priorities. The projects are then given an indicative ranking or deferred, appendix 3, after taking into account the capital investment strategic goals, service needs and priorities as referred to in the Asset Management Plan (AMP). Members are invited to consider the bids and identify which bids are to be included in the capital programme.</p> <p>The strategic goals for capital investment and the corporate priorities are based on service needs which take into account consultation feedback with the community, property users and stakeholders at both corporate as well as service delivery level. The goals and priorities are revised periodically by elected members and incorporated into the Asset Management Plan.</p> <p>In section 4 of the Asset Management Plan 2012-2015 the County Council’s approach to prioritising capital bids is explained. In particular, the factors that the Cabinet may wish to take into account in considering the Asset Management Group’s recommended priorities are set out in paragraphs 4.4 to 4.5 of this report.</p> <p>The Capital Funding Policy</p> <p>The capital programme has grown significantly over the past decade and the estimated gross spend for 2014/15 is in excess of £122M and £81M for 2015/16.</p> <p>The cost of financing this spend depends partly on how much is funded by grants and contributions. These currently stand at £68M for 2014/15 and £52M for 2015/16. The remaining spending is predominantly funded through prudential borrowing.</p> <p>Previously the Cabinet has reaffirmed its decision to move to a new capital funding policy. This policy will limit the cost of borrowing impacting on the revenue account each year which will therefore control the overall level of borrowing. The aim of the policy is to get to a position where the underlying need to borrow does not increase unless funded from other sources. This effectively limits the size of the Capital Programme to grant funding, capital receipt funding, Revenue Contributions to Capital Outlay (RCCO), plus a sum equivalent to the amount of debt repaid each year e.g. the Minimum Revenue Provision.</p>
<p>Impact Assessment:</p>	<p>Equalities Impact Assessment:</p> <p>The capital bid assessment process, strategic goals and corporate</p>

	<p>priorities are set out in the Asset Management Plan which is reviewed regularly, with an updated version being published on an annual basis. In the event that the process, goals or priorities are revised upon review then an assessment of the impact on equalities and diversity issues is undertaken. The Asset Management Plan 2012-15 took into account the outcome of the latest consultation with the Citizen’s Panel on asset management and capital investment strategy. The plan also reflects revisions to the capital programme and the implications on bid assessments agreed by the Cabinet last year. After the Asset Management Plan was finalised equality impacts assessment were undertaken.</p>
	<p>Use of Evidence:</p> <p>The Asset Management Plan incorporating the capital investment strategy, makes use of the following sources of evidence:</p> <ul style="list-style-type: none"> <li>• The Budget and Corporate Plan</li> <li>• Medium Term Financial Strategy</li> <li>• Periodic public consultation at a corporate level via the Citizens’ Panel</li> <li>• Ongoing consultation with partners, stakeholders, users and the community at service level</li> <li>• National property performance data and indicators</li> </ul> <p>Service asset management plans, including whole life costing and cost-in-use information.</p>
	<p>Budget:</p> <p>The report provides an update on the County Council’s capital budget position and funding changes for 2015/16 and the following two years. Years 2 and 3 are limited at present as they are subject to a new Spending Review which the next Government will need to deliver after the general election, currently timetabled for 7 May 2015.</p> <p>This year’s funding position will not be confirmed until the provisional grant settlement for local government is published in December. A consequence of this is that assumptions will have to be made as to any potential capital funding that will be received for 2015/16 and onwards. The impact of these assumptions will be considered by the Cabinet when setting the Medium Term Financial Strategy.</p> <p>Last year it was clear that the pressure being exerted on the revenue budget to finance the capital programme had reached a critical level. The Cabinet reaffirmed its decision that due to the implications on the revenue budget of the capital programme a move towards no increase in the underlying need to borrow unless funded from other sources was agreed. Appendix 1 gives details of the current capital programme and the flexibility available to get to a position where the underlying need to borrow does not increase unless funded from other sources.</p>



	<p>Risk Assessment:</p> <p>Major risks that influence the development of the capital financing strategy include:</p> <ul style="list-style-type: none"> <li>• the level of capital grant funding, inflation rates, demographic and other pressures and income from the council tax;</li> <li>• success in delivering the savings anticipated from the reduction in the size of the property estate by 25% and the rationalisation of the remaining estate to reduce the property maintenance backlog and to better manage the ‘core’ longer-term portfolio;</li> <li>• the anticipated amount of capital receipts to be generated and included in the capital programme;</li> <li>• judgement of the appropriate amount for revenue contributions to the capital programme;</li> </ul> <p>Having considered the risks in this paper, using the County Council’s approved risk management methodology, the level of risk has been identified as:  Current Risk: MEDIUM  Residual Risk: MEDIUM</p>
	<p>Other Implications:</p> <p>None.</p>
<p>Recommendation</p>	<p>The Cabinet is asked to recommend to the County Council:</p> <p>(i) the bids to be included in the capital programme 2015/16 to 2017/18</p> <p>(ii) to continue with the policy of moving towards a position where the underlying need to borrow does not increase unless funded from other sources.</p>
<p>Reason for Recommendation</p>	<p>The available resources after taking account of committed projects are insufficient to meet all the new bids in their entirety. It is therefore necessary for the Cabinet to confirm priorities for inclusion in the capital programme.</p>
<p>Appendices</p>	<p>Appendix 1 Capital Expenditure Estimates  Appendix 2 Summary of New Capital Projects  Appendix 3 Proposed New Capital Projects after AMG  Appendix 4 Outline of New Capital Projects</p>
<p>Background Papers</p>	<p>Asset Management Report – Cabinet, December 2014;  Treasury Management Strategy Statement and Prudential Indicators for 2014/15 – Cabinet, February 2014;  Asset Management Plan 2012/2015 – Cabinet, March 2012.</p>
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## **1. Background**

- 1.1 As there continues to be limited resources to address the capital bids, as set out in Appendix 2, it remains necessary for there to be clear corporate priorities for capital investment. The Asset Management Group (AMG) has assessed each bid shown in Appendix 3, by reference to the corporate priorities in accordance with the principles contained in the Asset Management Plan 2012/15. During the autumn members were invited to a seminar to discuss the draft Asset Management Plan 2015/18. At the seminar members ratified continuing with the capital investment priorities currently agreed whilst agreeing to increase the categories from 2 to 4. In adhering to these principles, capital projects have now been given an indicative ranking based on the following categories, Priority 1: Statutory Obligations, Priority 2: Invest to Save, Priority 3: Maintenance and Infrastructure, Priority 4: Other Items.
- 1.2 In accordance with normal practice, this year's capital funding bids have been examined by the Property Management Group, (PMG), from a technical viewpoint to ensure that the proposed schemes are sound and feasible. Once assessed the bids were examined by AMG against the current corporate capital investment priorities as set out in the Asset Management Plan 2012/15 as well as the proposed priorities for the draft Asset Management Plan 2015/18, Appendix 3. These are drawn from directorate statements and analysis of property performance/condition data, with reference to the strategic goals for capital investment.
- 1.3 As can be seen in Appendix 3 the bids have been given an 'Indicative ranking' by the Asset Management Group. Members are invited to consider the bids and identify which bids are to be included in the capital programme or deferred. Appendix 1 details the budget flexibility that is available for new bids until the end of 2017/18.

## **2 Financial Summary and Capital Control Totals**

- 2.1 Three year planning is made even more difficult this time around as only the first year of the three included in appendix 1 is covered by a spending review. Years 2016/17 and 2017/18 will be covered by a fresh review following the next general election. The financial planning climate for Local Government is therefore hugely uncertain. However, the previous Spending Review 2013 (which now effectively only covers 2015/16) and the consequences have been reported in the latest Medium Term Financial Plan. This year's funding position is expected to be confirmed around mid-December. A consequence of this is that assumptions will have to be made as to any potential capital funding that will be received for 2015/16 and onwards.
- 2.2 The approval of the revised capital control totals implies gross capital expenditure of £123M in 2014/15, £81.3M in 2015/16, £54.9M in 2016/17 and £49.4M in 2017/18. These control totals include utilisation of the budget flexibility. Provision for the revenue implications arising from the new projects, including capital financing and running costs, is included as a commitment in the Medium Term Financial Strategy (MTFS).
- 2.3 The revised control totals and anticipated commitments against them indicate that if the assumptions for 2017/18 regarding new capital financing are included this would provide a maximum of £11.183M towards new projects and requests for additional Annual Provision Total (APT). It must be remembered that previously the Cabinet agreed to move towards a policy of no increase in the underlying need to borrow unless funded from other sources which effectively will limit the cost of borrowing impacting on the revenue account each year and will therefore control the overall level of borrowing. The aim of the policy is to get to a position where the underlying need to borrow does not increase unless funded from other sources. This effectively

limits the size of the Capital Programme to grant funding, capital receipt funding, Revenue Contributions to Capital Outlay (RCCO), plus a sum equivalent to the amount of debt repaid each year e.g. through the Minimum Revenue Provision.

### **3 Capital Programme – Effects of the borrowing policy**

- 3.1 The capital programme has grown very significantly over the past decade. The estimated gross spend for 2014/15 is in excess of £122M and £81M for 2015/16.
- 3.2 The cost of financing this spend depends partly upon how much is funded by grants and other contributions. These stand at around £68.095M for 2014/15 and £51.988M for 2015/16. The remaining spending is predominantly funded through prudential borrowing. Capital financing costs currently stand at almost £20M which is around 7.5% of the net revenue budget.
- 3.3 The borrowing costs are twofold – firstly the interest payable on the loans, currently around 4%, which is payable once the loan is drawn down, often towards the end of the year. The other element is the Minimum Revenue Provision which is 4% of the capital financing requirement as at the end of the previous year. There is therefore a delay of up to a year in most of the costs feeding through. This effectively means that the cost of the significant 2014/15 capital programme feeds through mainly into the 2015/16 revenue budget.
- 3.4 Looking forwards at the capital programme, there are a large number of schemes to which the Council is already committed (e.g. Purbeck Review / Bridport Household Recycling Centre / Superfast Broadband etc). It will therefore take a number of years to reduce the burden on the revenue budget without seriously affecting the existing programme.
- 3.5 As the Cabinet were informed previously, the capital programme for 2016/17 and beyond would still be around £40 to 45M per annum, dependant on levels of grant funding by the government, but would require no additional borrowing. Effectively, this would be made up of approximately £10M LTP structural maintenance, £2.5M LTP integrated transport, £7M DfE Schools Capital, £10M Buildings structural maintenance, £3M APTs plus around £12.5M towards other capital schemes, assuming grants remain at around the current level.
- 3.6 This could be supplemented if the assumed grants were higher, additional grants were obtained, capital receipts generated above the level assumed and developer contributions obtained.

### **4 New Projects**

- 4.1 The projects listed in Appendix 2 represent all the new projects submitted for consideration in this round. Under the agreed assessment process, all bids are then divided by the Asset Management Group (AMG) into their priority groups and then listed in an indicative ranking order or deferred after taking account of the County Council's capital priorities referred to in the Asset Management Plan 2012-15 and proposed priorities in the draft Asset Management Plan 2015-18. These are detailed in Appendix 3. The corporate priorities are based on service needs which take into account consultation feedback with the community, property users and stakeholders at both corporate as well as service delivery level.
- 4.2 Members are asked to examine all the projects in order to establish priorities for inclusion in the capital programme 2015/16 to 2017/18. It is open to members to

decide which projects should be included in the capital programme, subject to the overall level of resources available.

4.3 In section 4 of the Asset Management Plan 2012-2015 the County Council's approach to prioritising capital bids is explained. In particular, the factors that the Cabinet may wish to take into account in considering AMG's recommended priorities are set out in paragraph 4.7 to 4.11 of the Asset Management Plan and are detailed below in paragraphs 4.4 and 4.6. The capital investment priorities also take into account members views from the draft Asset Management Plan 2015/18 seminar held in the autumn.

4.4 The County Council's strategic capital investment priorities are:

- i) ensuring that statutory obligations are met;
- ii) investing to save

These priorities are further detailed as follows:

#### **Priority 1: Statutory Obligations**

- to meet mandatory legal requirements e.g. health and safety, fire prevention, disabled access, road safety and public Health
- to keep core assets in use, provide sufficient school places and maintain essential business continuity

#### **Priority 2: Invest to Save**

- to meet identified financial targets and achieve savings e.g. as set out in the Forward Together Transformation programme
- to reduce running costs and/or the need for replacement
- to generate net income
- to optimise the availability and application of external funding (including developer contributions)
- to develop premises in order to achieve savings through co-location and joint shared use

The draft Asset Management Plan 2015-18 capital priorities also include

#### **Priority 3: Maintenance and Infrastructure**

- Roads – to provide an efficient and safe road network through the delivery of the planned and reactive maintenance programmes in accordance with agreed performance
- Buildings – specifically to eliminate the backlog of priority work (i.e. in condition categories C and D as defined)

#### **Priority 4: Other items**

- All other bids that do not fall into one of the priorities above

- 4.5 In assessing recommendations on capital investment bids, the Asset Management Group and the Cabinet apply the following criteria which are not listed in any order of priority but are considered in the round to achieve a balance between:

the imperative of capital investment priorities

v

the attractiveness in respect of the investment or value for money

- 4.6 The criteria used are as follows

- Affordability and in particular the return from the investment in terms of revenue savings and/or capital receipts – the target being to exceed 9% return
- New assets should be multi-use and fit for purpose
- Value for money – including the extent of ‘gearing’ i.e. the ratio of any external/partnership funding to County Council funding
- Investments which promote economic growth within the County should be supported acknowledging that the payback period may be longer
- Any risks relating to the delivery of the project
- The availability of resources and the potential scope for redeployment
- Other directorate or service spending requirements
- The extent to which the recommendations are consistent with the capital investment priorities set down by members

- 4.7 At the October meeting the Cabinet agreed for the County Council to act as the host agency for a Dorset wide health and social care partnership for the management and monitoring of an integrated digital care fund. As a result the Cabinet agreed to match fund up to £400K of capital budget towards delivering an integrated health and social care record in accordance with the bid submission.

- 4.8 At the same meeting the Cabinet were also presented with a report outlining Dorset’s Growth Deal, which subject to a satisfactory conclusion of the funding agreement, has secured £66.4M from the Government’s Local Growth Fund to support economic growth in the area. The bulk of funding is directed towards transport schemes that will improve road access to the Bournemouth Airport and the Port of Poole. Of which £35.7M has been allocated to schemes in Dorset and the Strategic Economic Plan further identifies local funding comprising of s106, Community Infrastructure Levy (CIL), and County Council corporate funding. This requires a further contribution of £400k towards scheme implementation from corporate capital funds plus a further £2.025m in forward funding of s106 and CIL obligations (that will be returned to the authority over time). The £2.425M will need to be met from the Corporate Capital budget initially



- 4.9 During October the Asset Management Group, (AMG), received a number of new bids which required funding in excess of £44M, Appendix 2. AMG reviewed these bids to see which met the current capital investment priorities, Asset Management Plan 2012/15, as well as the proposed capital investment priorities in the draft Asset Management Plan 2015/18.
- 4.10 On review of these bids AMG proposed that three bids be deferred and re-submitted next year when further information would be available to support these bids as well as two bids where an allocation for funds would be made available in 2015/16 but future years would be deferred.
- 4.11 The bids deferred included a bid for School Access Initiative funds in 2017/18 where the previous years already had allocations set aside. AMG felt that currently there were sufficient funds to allow the authority to react to adaptations and improvements when they are required. In terms of the Schools Basic Need bid for learning centres and special schools it was felt further work was required to update the Cabinet on the basic need issue in relation to the learning centres and special schools to enable the Cabinet to be updated on the whole issue. AMG also agreed to defer the property maintenance backlog bid as it was felt that this bid related to priority 3 schemes.
- 4.12 Of the proposed bids AMG confirmed that the authority had a statutory responsibility to re-open Dinah's Hollow and Church Slope, Melbury Abbas as soon as possible and as soon as funds permitted. The scheme is required to re-open the C13 at Dinah's Hollow due to the risks of landslips as well as the lifting of the single way restriction on the C13 adjacent to the Melbury Abbas Church due to the risk of rock falls on to the road.
- 4.13 In terms of the Additional Funding for Carriageway Maintenance AMG bid for £25M over 4 years, AMG agreed that it was all a 100% priority 1 bid but there were insufficient funds. An allocation of £2M in 2015/16 is proposed to reflect the funding available which would address the higher priority works as well as re-prioritising the 2015/16 programme to ensure only priority 1 schemes were undertaken. It must be recognised this will put further pressure on the revenue budget and the highway maintenance backlog will increase. As a result of insufficient funds years 2, 3 and 4 will have to be deferred until next year.
- 4.14 The property High Priority Maintenance bid to address only urgent maintenance works in property to deal with potential health and safety issues and reduce the risk of unexpected component failure whilst ensuring that operational assets remain in use and secure business continuity was agreed.
- 4.15 The bid for the County Hall Masterplan – the Workspaces Project delivers a refurbishment of the workspaces accommodation over a three year period and rolls out flexible working across the whole of County Hall. It would create capacity for a further 475 staff in County Hall, enabling the County Council to relocate the majority of its Dorchester workforce into County Hall as and when leases expire on outlying buildings, generating a cost saving of £560,000 per annum by 2021. This is an important strand of the Way We Work transformation programme, which has a revenue savings target of £4.0m within the Forward Together programme. AMG

agreed that the bid for 2015/16 should be agreed but years 2 and 3 should be deferred until next year.

- 4.16 As can be seen in appendix 3 the proposal put forward by AMG totals £11.125M for the period 2014/15 to 2017/18 against the available funds of £11.183M
- 4.17 It should be noted that there are also potential but diminishing risks arising from specific large projects which are not as yet addressed in the proposed capital programme. These include potential risks in large projects such as Queen Elizabeth School, the Weymouth Relief Road and the Superfast Broadband Project. It is felt prudent to continue to retain some funds for these risk items.

## **5 Conclusion**

- 5.1 As referred to in paragraph 2.3 and Appendix 1, if the assumptions for 2017/18 regarding new capital financing are included, the provisional control totals and anticipated commitments indicate that there would be £11.183M available towards new projects, additional APT and projects agreed by the Cabinet in October. It must be remembered that due to the new policy agreed by the Cabinet in previous years if this is all allocated this year there would be no new money available in the forthcoming two years. It is therefore imperative that as much flexibility as possible is retained for 2016/17 and 2017/18 to deal with any new issues that may occur.
- 5.2 The Cabinet is invited to set the final control totals as detailed in Appendix 1 and approve the projects for inclusion in the capital programme for 2015/16 to 2017/18.

**Richard Bates,**  
**Chief Financial Officer**  
December 2014

**APPENDIX 1****DCC CAPITAL PROGRAMME 2014-15 to 2017/18 : EXPENDITURE ESTIMATES (GROSS)**

DIRECTORATE	2014-15 £'000	2015-16 £'000	2016-17 £'000	2017-18 £'000
ENVIRONMENT	47,115	20,423	14,599	17,377
CHILDRENS	31,496	19,216	17,952	3,300
ADULT & COMMUNITY	2,496	2,679	1,535	285
CORPORATE RESOURCES	18,488	12,355	7,552	8,550
CABINET	4,206	5,195	585	350
DORSET WASTE PARTNERSHIP	6,481	9,239	1,790	0
VEHICLES	1,874	2,602	1,736	1,235
STRUCTURAL MAINTENANCE	8,183	8,510	8,260	8,010
<b>TOTAL</b>	<b>120,339</b>	<b>80,219</b>	<b>54,009</b>	<b>39,107</b>
Contingency re Risk Items	2,641	1,117	0	0
Remaining flexibility (to meet target)	0	0	868	10,315
<b>Gross Predicted Capital Spend</b>	<b>122,980</b>	<b>81,336</b>	<b>54,877</b>	<b>49,422</b>
Grants / Contributions	(48,446)	(30,201)	(26,290)	(20,268)
Capital Receipts	(1,675)	(2,526)	(1,000)	(1,000)
Vehicle Capital Receipts	(344)	(653)		
RCCO	(8,869)	(8,869)	(8,869)	(8,869)
Vehicles RCCO	(1,530)			
Contribution from R&M Revenue Reserve	(750)	(500)	(250)	0
DWP Contributions	(6,481)	(9,239)	(1,790)	0
<b>Additional Capital Financing Requirement</b>	<b>54,885</b>	<b>29,348</b>	<b>16,678</b>	<b>19,285</b>
Borrowing Brought Forward	213,871	207,840	219,875	223,558
MRP	(11,165)	(12,314)	(12,995)	(13,142)
UNFINANCED CAPITAL B/FWD	65,249	100,000	105,000	105,000
anticipated slippage	(15,000)			
UNFINANCED CAPITAL C/FWD	(100,000)	(105,000)	(105,000)	(105,000)
<b>BORROWING REQUIREMENT</b>	<b>207,840</b>	<b>219,875</b>	<b>223,558</b>	<b>229,700</b>
ADDITIONAL BORROWING REQUIRED	(6,031)	12,034	3,683	6,143
Underlying Borrowing Requirement B/FWD	279,120	307,840	324,875	328,558
Underlying Borrowing Requirement C/FWD	322,840	324,875	328,558	334,700
MRP	11,165	12,314	12,995	13,142
INTEREST	8,363	8,486	8,803	8,999
	19,528	20,800	21,798	22,141

**APPENDIX 2**  
**RESTRICTED**

**CAPITAL PROJECTS**  
**SUMMARY OF NEW CAPITAL PROJECT BIDS AS AT DECEMBER 2014**  
**ORIGINAL PROPOSED NEW BIDS**

	Total Payments £'000	Estimated Payments					After 2017-2018 £'000
		Before 2014-2015 £'000	2014-15 £'000	2015-16 £'000	2016-17 £'000	2017-18 £'000	
<b><u>For start in 2015-2016 &amp; later</u></b>							
<b>Environment</b>							
Dinahs Hollow and Church Slope, Melbury Abbas	4,000			3,680	320		
<b>Children's Services</b>							
Schools Access Initiative (SAI)	500					500	
<b>Children's Services</b>							
School's Basic Need Programme - including Learning Centres and Special Schools	9,000				3,000	3,000	3,000
<b>Cabinet/Whole Authority</b>							
High Priority Maintenance	1,300			1,300			
<b>Environment</b>							
Additional funding for carriageway maintenance	25,120			6,280	6,280	6,280	6,280
<b>Cabinet/Whole Authority</b>							
County Hall Masterplan - The Workspaces Project	3,000			1,000	1,000	1,000	
<b>Cabinet/Whole Authority</b>							
Maintenance Backlog	1,400			1,400			
<b>Total 2014-2015 Starts &amp; later</b>	<b>44,320</b>	<b>0</b>	<b>0</b>	<b>13,660</b>	<b>10,600</b>	<b>10,780</b>	<b>9,280</b>

**SUMMARY OF RECENTLY APPROVED CAPITAL PROJECT BIDS AS AT OCTOBER 2014**

<b>Adult &amp; Community Services</b>							
October 2014	Integrated Digital Fund Bid	400		400			
<b>Environment</b>							
October 2014	Dorset Growth Deal - Transport Scheme Funding	2,425	250	650	1,525		
<b>Total 2014-2015 Starts &amp; later</b>		<b>2,825</b>	<b>0</b>	<b>250</b>	<b>1,050</b>	<b>1,525</b>	<b>0</b>
<b>Total schemes 2014-2015 to 2017-2018</b>		<b>47,145</b>	<b>0</b>	<b>250</b>	<b>14,710</b>	<b>12,125</b>	<b>9,280</b>

**Draft Quarterly Asset Management Report 17 December 2014**

<b>Resources available 2014-15 to 2017-18</b>	<b>11,183</b>			<b>868</b>	<b>10,315</b>	<b>-</b>	
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## APPENDIX 3

RESTRICTED

**CAPITAL PROJECTS  
SUMMARY OF NEW CAPITAL PROJECT BIDS AS AT DECEMBER 2014  
REVISED PROPOSED NEW BIDS**

AMG interpretation of Asset Management Plan ranking				Estimated Payments							
1	2	3	4	Total Payments	Before	2014-15	2015-16	2016-17	2017-18	After	
%	%	%	%	£'000	2014-2015	£'000	£'000	£'000	£'000	2017-2018	
					£'000					£'000	
<b>For start in 2015-2016 &amp; later</b>											
				<b>Environment</b>							
100	-	-	-	Dinahs Hollow and Church Slope, Melbury Abbas	4,000			3,680	320		
				<b>Environment</b>							
100	Deferred yrs 2, 3 & 4			Additional funding for carriageway maintenance	2,000		2,000			Deferred yrs 2, 3 & 4	
				<b>Cabinet/Whole Authority</b>							
75	-	25	-	High Priority Maintenance	1,300			1,300			
				<b>Cabinet/Whole Authority</b>							
-	100	Deferred yrs 2 & 3			County Hall Masterplan - The Workspaces Project	1,000		1,000		Deferred yrs 2 & 3	
				<b>Children's Services</b>							
	Deferred			Schools Access Initiative (SAI)	0					-	
				<b>Children's Services</b>							
	Deferred			School's Basic Need Programme - including Learning Centres and Special Schools	0				-	-	
				<b>Cabinet/Whole Authority</b>							
	Deferred			Maintenance Backlog	0			-			
				<b>Total 2014-2015 Starts &amp; later</b>	8,300		0	7,980	320	0	0

## SUMMARY OF RECENTLY APPROVED CAPITAL PROJECT BIDS AS AT OCTOBER 2014

<b>Adult &amp; Community Services</b>											
October 2014	Integrated Digital Fund Bid				400			400			
<b>Environment</b>											
October 2014	Dorset Growth Deal - Transport Scheme Funding				2,425		250	650	1,525		
				<b>Total 2014-2015 Starts &amp; later</b>	2,825		250	1,050	1,525	0	0
				<b>Total schemes 2014-2015 to 2017-2018</b>	11,125		250	9,030	1,845	0	-

## Draft Quarterly Asset Management Report 17 December 2014

				<b>Resources available 2014-15 to 2017-18</b>	11,183			868	10,315	-
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**APPENDIX 4**

Indicative ranking assessed against the AMP

**CAPITAL PROJECTS  
SUMMARY OF NEW CAPITAL PROJECT BIDS AS AT DECEMBER 2014**

- Environment**
- Dinahs Hollow and Church Slope, Melbury Abbas**
- 1 The proposed project is to mitigate the risk of landslips at Dinahs Hollow, Melbury Abbas and the risk of rockfalls at the slopes adjacent to Melbury Abbas Church.  
The reasons for this project are:
- To allow the C13 to be re-opened at Dinahs Hollow. The C13 is currently closed to all traffic at Dinahs Hollow due to the risk of landslip .
  - To allow the single way restriction to be lifted on the C13 adjacent to the Melbury Abbas Church slopes. This restriction is currently in place due to the risk of rockfalls on to the road.
  - To restore the resilience of the wider highway network. The C13 provides a viable alternative route to the A350 between Blandford and Shaftesbury. Continued closure displaces traffic onto the A350 and other less suitable routes.
- Environment**
- Additional funding for Carriageway maintenance**
- 2 This project is linked to findings arising from the Highways Asset Management Plan for carriageways, which documents a significant reduction in capital funding to structural maintenance, and the need for increased corporate capital funding with effect from 1st April 2015.  
A number of investment options have been 'modelled' with an illustration of the potential impacts associated with each option. The main objectives of this bid for increased capital funding are to:
- improve or maintain current carriageway condition
  - improve highway safety (reducing road traffic collisions)
  - reduce revenue liabilities associated with reactive defects, arising from a network in conditional decline
  - reduce the potential risk of third party claims
  - to maintain a network to a standard required of the Dorset residents who have identified carriageway condition as one of the most important issues, and also the issue most in need of improvement.
- These objectives support a condition that is safe, and fit for purpose. They are also linked to key factors documented in the Corporate strategies intended to fulfil statutory obligations to maintain the public highway.
- Cabinet / Whole Authority**
- High Priority Maintenance**
- 3 Addressing high priority maintenance needs to deal with potential health and safety issues and reduce the risks of unexpected component failure and ensure that operational assets remain in use and secure business continuity. Supports delivery of corporate aims: to enable economic growth and promote health, wellbeing and safeguarding by buying goods and services from local businesses, promoting an energy efficient, low carbon economy, and supporting services to provide other corporate objectives. Failure to progress these works will increase the risk of unforeseen component failure leading to potential health and safety issues and/or breaks in the continuity of service due to building closures. Works will be procured and delivered through the Repairs and Maintenance and Minor Works Framework by the maintenance team of property surveyors supported by other specialist in house personnel.
- Cabinet / Whole Authority**
- County Hall Masterplan - The Workspaces Project**
- 4 In June 2014 a vision for the future of the Colliton Park Campus was presented to CLT. This identified three distinct workstreams to improve the main building and the campus:  
The Colliton Park Campus Project  
The Front of House Project  
The Workspaces Project
- The business case sets out the rationale for undertaking the Workspaces Project, which entails the refurbishment of all the offices and common areas within County Hall. It identifies the anticipated costs and the projected savings. It demonstrates that by improving the office accommodation and diversifying the workspace areas an additional 475 staff can be accommodated within County Hall and the working environment for staff would be greatly improved. Furthermore, this project will act as an enabler for the adoption of flexible working across the whole authority, adopting the principle of 'our space not my space'. This would lead to a significant reduction in the overall amount of office space that the authority occupies with the aim to generate total revenue savings across the whole estate of in excess of £3.0m.



Indicative ranking assessed against the AMP

**CAPITAL PROJECTS  
SUMMARY OF NEW CAPITAL PROJECT BIDS AS AT DECEMBER 2014**

**Children's Services  
Schools Access Initiative (SAI)**

**Deferred** Funding is required to meet the statutory requirements placed on the Local Authority to meet the cost of adaptations and improvements to allow disabled pupils and others, access to school premises. Funding is targeted for pupils with specific needs, but where possible it should also allow a programme of works to be drawn together to start looking at those schools which have no, or limited, disabled access generally.

**Children's Services  
School's Basic Need Programme - Including Learning Centres and Special Schools**

**Deferred** It is the responsibility of the local authority to ensure that there are sufficient school places - any shortfall is referred to as 'basic need'. Funding is required to meet the statutory requirements placed on the Local Authority to meet the 'Basic Need' of provision of sufficient school places. Pupil numbers in Dorset are continuing to rise and this is now having an impact on the Learning Centre and Special Schools within the County. The rate of increase in these sectors particularly is higher than anything previously experienced. In the Learning Centres they are now having to create dedicated space for a primary cohort, where as previously they have been secondary focussed. This is due to the number of primary age pupils who are now being directed to Learning Centres, who cannot be contained in mainstream primary schools any longer.

Special schools are also struggling to be able to offer suitable provision to pupils who require a placement at a Special School and so alternative provision, sometimes out of County are having to be provided and funded.

As has already been stated in previous bids all LA's are experiencing great difficulty in providing the number of places at the required rate and the government funding falls far short of the requirements. Children's Services have suspended all other capital works (except committed projects and legal obligations i.e. urgent health and safety and SAI works) in order to focus all capital on Basic Need as the key issue.

However, to now have to add additional pressure to the already overstretched Basic Need Budget to try to accommodate works to deal with the problems arising in Learning Centres and Special Schools will only compound the problems faced in the mainstream sector unless additional funding is identified to support this requirement. As previously stated the Basic Need programme is the major focus of the Children's Services capital programme for the foreseeable future (excepting urgent Health & Safety and SAI works). No new MSP projects are presently under development.

There is a significant risk that there will be insufficient school places in Dorset as the growth in pupil numbers impacts on schools.

The MSP budget is fully committed to 2018/2019 (and this assumes a base funding at £7.5m per annum).

There is presently insufficient budget to provide for the identified basic needs.

With regard to the overall Basic Need programme there remains no certainty as to how much housing will be provided, or how quickly, in order to accurately predict developer contributions, or the further impact on basic need of inward migration and from housing growth, and what impact this will have on the already identified programme covering the mainstream sector.

**Cabinet / Whole Authority  
Maintenance Backlog**

**Deferred** Reduction of the maintenance backlog in accordance with Asset Management Plan (6th year of 10 year plan of which 3 years (£4.0 million) has been awarded to date resulting in a decrease in the backlog from £80.00 per m2 to just over £57.00 per m2 over 5 years) of a 550,000 m2 estate.occupies with the aim to generate total revenue savings across the whole estate of in excess of £3.0m. Supports delivery of corporate aims: to enable economic growth and promote health, wellbeing and safeguarding by buying goods and services from local businesses, promoting an energy efficient, low carbon economy, and supporting services to provide other corporate objectives. Failure to fund these works for another year is likely to result in failure to achieve backlog reduction targets for the year and increase the likelihood of unexpected component failure leading to closure of buildings and interruptions to services from those buildings. Works will be procured and delivered through the Repairs and Maintenance and Minor Works Framework by the maintenance team of property surveyors supported by other specialist in house personnel

Indicative ranking  
assessed against  
the AMP

**CAPITAL PROJECTS  
SUMMARY OF NEW CAPITAL PROJECT BIDS AS AT DECEMBER 2014**

**Adult & Community Services  
Integrated Digital Fund Bid**

**October 14** At the October meeting the Cabinet agreed for the County Council to act as the host agency for a Dorset wide health and social care partnership for the management and monitoring of an integrated digital care fund. As a result the Cabinet agreed to match fund up to £400K of capital budget towards delivering an integrated health and social care record in accordance with the bid submission.

**Environment  
Dorset Growth Deal - Transport Scheme Funding**

**October 14** At the same meeting the Cabinet were also presented with a report outlining Dorset's Growth Deal, which subject to a satisfactory conclusion of the funding agreement, has secured £66.4M from the Government's Local Growth Fund to support economic growth in the area. The bulk of funding is directed towards transport schemes that will improve road access to the Bournemouth Airport and the Port of Poole. Of which £35.7M has been allocated to schemes in Dorset and the Strategic Economic Plan further identifies local funding comprising of s106, Community Infrastructure Levy (CIL), and County Council corporate funding. This requires a further contribution of £400k towards scheme implementation from corporate capital funds plus a further £2.025m in forward funding of s106 and CIL obligations (that will be returned to the authority over time). The £2.425M will need to be met from the Corporate Capital budget initially