



AGENDA ITEM: 11

SUMMARY

Report for	Cabinet
Date of meeting:	25 June 2013
PART:	1
If Part II, reason:	

Title of report:	CAPITAL STRATEGY STEERING GROUP REPORT REQUEST FOR CAPITAL APPROVAL
Contact:	Cllr Nick Tiley, Portfolio Holder for Finance & Resources. Sally Marshall, Corporate Director (Finance & Governance). Author: James Deane (Group Manager, Financial Services)
Purpose of report:	To seek approval of capital provisions within the Capital Programme 2012/13-2016/17 and amendments to the Capital Programme approved by Council on 29 February 2012.
Recommendations	<ol style="list-style-type: none"> 1. Cabinet is asked to recommend to Council that the Capital programme is updated to include the following schemes detailed within the report. <ul style="list-style-type: none"> Structural Works at Bennetts End House (St Nicholas Children's Nursery) £60,000 Entropy Management System Software £38,242 2. Cabinet is asked to authorise the increase in budget for the following schemes, already within the approved Capital Programme: <ul style="list-style-type: none"> Hot Water/Heating Plant replacements to Commercial Properties £56,718 Queens Square Shopping Centre £72,926 Legal Case Management System £27,210 3. Cabinet is asked to approve the allocation of the following S106 monies

	Play Areas (details of S106 schemes in body of report)	£100,521
Corporate objectives:	Capital investment is important to the achievement of the Council's objectives.	
Financial Implications:	All recommendations within this report are consistent with the principles stated within the Council's Capital Strategy for approval in-year.	
Monitoring S151 Comments	Officer/ Officer	<p>Monitoring Officer</p> <p>No further comments to add to this report.</p> <p>Deputy Section 151 Officer</p> <p>This is a S151 officer report.</p>
Consultees:	Capital Strategy Steering Group	
Background papers:	CSSG files	

BACKGROUND REPORT

1. The Capital Strategy Steering Group (CSSG) has been tasked by Cabinet with operating the control and evaluation processes over the Council's capital funds and the application of Section 106 funding as required.
2. This includes receiving requests from departments for evaluation of proposed capital schemes. Once evaluated by CSSG, those proposed schemes are brought to Cabinet by CSSG for determination. CSSG subsequently has a remit of monitoring the performance and progress of the approved schemes.
3. CSSG have considered the following proposed scheme, which was approved for consideration by Cabinet to recommend to Council to amend the capital programme to include the following schemes.
4. **Structural Works at Bennetts End House (St Nicholas Children's Nursery)**
 - 4.1 DBC own St Nicholas Nursery, which is a Grade 2 Listed building. The property is leased to a children's nursery operator for £22k pa on a 15 year lease from 2009. DBC has structural repairing obligations for the building. The repair works identified were unforeseen and are on a health and safety nature; as such it is recommended the Council undertakes the work as soon as possible.
 - 4.2 Upon a report of an unlevel floor to the Grasshopper Room on the ground floor at St. Nicholas Nursery it was discovered that the floor is of suspended timber joist construction which is sitting on a single brick course on earth. Shortly after it also discovered by the tenant whilst undertaking some maintenance in the Dragonflies Room which is also

on the ground floor, that the floor construction in the room was sheet vinyl flooring on a screed sitting on quarry tiles laid on earth.

- 4.3 The tenant lifted the vinyl floor and the screed exposing the quarry tiles. The quarry tiles are uneven, providing a possible trip hazard, also this construction has no insulation and could be affected by rising damp.
- 4.4 Following discussions with both the Council's Planning and Building Control department a solution of an insulated Limecrete floor was selected as the best solution as that floor construction does not have a damp proof membrane like a concrete floor which could dampness to drawn to the external walls of the building, but instead the floor is breathable like the original floor constructions. The floors will be insulated and where possible, current Building Regulation insulation levels will be met.
- 4.5 Due to existing external ground levels and poor ventilation a new timber suspended floor is not suitable.
- 4.6 Whilst the works are being undertaken in the building, temporary accommodation will be required to provide space for the nursery children
- 4.7 This project links to the Council's strategic objectives as follows:-

Building Community Capacity

Allows the nursery to continue to provide nursery places to local children.

Safe and Clean Environment

Use of natural materials and implementing traditional construction methods to maintain the existing building.

Regeneration

Improves the Council's assets

Dacorum Delivers

Ensures that the nursery is not forced to close.

- 4.8 If the scheme does not go ahead the following issues will arise:
 - In the Grasshopper Room, should only a temporary a repair be undertaken to the suspended timber floor, then the rest of the floor will continue to decay which could cause the floor to collapse. The floor to the Dragonflies Room could susceptible to become damp and is a trip hazard as it is uneven.
 - If the works are not done then the tenant would need to be moved to a new building. Dacorum Borough Council will lose rental income and the rooms will remain unsafe. Should the

nursery need to move location, the nursery would incur cost to relocate and involve OFSTED which could be charged back to the Council. These will have a detrimental effect on the Council's reputation.

4.9 The capital cost of the project is £60,000 to be funded through capital receipts.

4.10 There are no ongoing revenue costs associated with this project.

5. Entropy Management System Software

5.1 Environmental Management

The Council has ISO14001 accreditation for its environmental management at 13 of its operational sites. This is certified by BSi to ensure continued accreditation a number of processes must be undertaken regularly and documented. The software system would reduce officer time spent on administering the system, by making a lot of the processes automated. This in turn would free up more time to spend on projects and environmental improvement initiatives, which is the overall purpose of the system. The system will also empower staff and ensure that they take more responsibility for their roles in the Council's environmental management, reducing the reliance on one officer. Specifically the software would provide:

- The automation of the administration of the internal audit programme – ensuring that auditors and auditees
- an automated method to capture non-conformities as they are identified, report them to the relevant manager and request corrective action. Automatically follow up the corrective action and escalate it when not completed. With the ability to automatically generate reports
- set up an automatic programme for reviewing documents within the system to ensure continued relevance and controlled use.
- the ability to develop training needs matrices for whole teams/services with at a glance access to training/refresher needs of staff.

5.2 Quality Management

The Council's Housing department currently has the ISO9001:2008 accreditation for Quality Management with BSi. This system is managed manually and is very resource and labour intensive, meaning that there is a limited to the number of process checks and audits that can be facilitated on an annual basis. Specifically the software would provide:

- the ability for more process checks and internal audits to be undertaken, ensuring that all of the objectives around the Quality Standard are being met.
- the electronic management of policies and procedures and the manual review framework, reducing the margin for human error

(currently the Policies and Procedure for the Housing department are controlled via spread-sheets and a manual review framework).

- automation of the management of the audit process that ensures that the Council adheres to the ISO9001:2008 standards (currently managed manually with emails sent and received by the Quality Management Representative).

5.3 The Entropy software would not only simplify the current processes in place that support the ISO9001:2008 Quality accreditation, but it would also ensure that the Council is meeting all aspects of the standard and is compliant, minimizing the risk of non-conformance. Once the software is in place, there is the potential for its use for quality management more widely across the Council if it is desired.

5.4 **Health and Safety Management**

Presently, the Council's accident reporting is paper based and the lack of an electronic system carries the risk that forms could be lost and this could lead to emerging risks not being identified and controlled. The purpose of developing a robust Safety Management System (SMS) is to prevent the occurrence of injury and ill health as a result of the organisation's undertaking. Specifically the software would enable the development of an SMS that could provide:

- a robust, accessible method to identify hazards within each part of the organisation and determine the level of the risk presented by each hazard.
- a process of systematic analysis for each hazard to determine the appropriate method of control.
- the ability to monitor the application of the controls to determine their continued appropriateness and effectiveness and include a feedback system to allow an effective response to the monitoring.

5.5 This system will ensure that health and safety is fully embedded into projects and service delivery – allowing the Health, Safety & Wellbeing Officer to devote the available time to advising and supporting managers, developing policy and procedures and delivering the necessary programme of health, safety & wellbeing learning and development activities as required.

5.6 **Integration of management systems**

By using the same software tool for all three systems it would ensure that there is a consistent approach across the organization making it easier for all staff involved to comply with both the system requirements and legal requirements. For example, an environmental incident would be treated in the same way as a health and safety incident with regards to reporting, root cause analysis and corrective action reducing the number of forms required.

5.7 **Council-wide improvements**

The use of Entropy would support Dacorum Anywhere; data could be input and accessed remotely by those with access to the system,

improving efficiency. This would enable desktop audits, corrective actions, automatic escalation of issues and the production of reports at the touch of a button and on screen; rather than having to visit departments to view their paper based files and producing forms and reports manually.

5.8 Entropy would provide the important ability to capture the training needs analysis and training records of every employee in one logical and accessible place. This information is vital especially when the employer is asked to demonstrate that training is taking place (e.g. when defending personal injury claims and/or given as evidence to enforcing bodies). This system will ensure that health and safety is fully embedded into projects and service delivery – allowing the Health, Safety & Wellbeing Officer to devote the available time to advising and supporting managers, developing policy and procedures and delivering the necessary programme of health, safety & wellbeing learning and development activities as required.

5.9 This project links to the Council's strategic objectives as follows:-

Safe and Clean Environment

The ISO14001 standard for the Council's EMS requires that there are policies and procedures in place to manage its environmental impact and that it sets environmental objectives and targets to continually improve its environmental performance. Through Entropy's support in improving the efficiency of the EMS, this project will contribute indirectly to this objective.

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Affordable Housing

The ISO9001:2008 Quality standard supports the objective to achieve good social housing as it ensures that we have policies and procedures in place that fit for purpose and useable, as well as ensuring that they are subject to regular review.

Dacorum Delivers

The standards of accreditation operate as continuous improvement framework that constantly looks at ways of doing things better thus

pushing efficiencies as a standard operating process across the activities in which they operate.

Entropy will improve the efficiency in which these standards are managed within the Council, reducing officer time, repetition of work and streamlining the Council's approach to managing quality, environmental and health and safety issues.

Entropy would support the Council's Dacorum Anywhere and EDRMS projects through the web-based access of the tool for all staff required to use it.

ISO9001:2008 supports the need to address value for money by using the audits as a self assessment tool to continually improve the effectiveness of the service for our customers.

Entropy will reduce the administrative burden of officers, saving time and therefore associated costs.

By widening the scope of use of the software to cover all three systems (quality, environment and H&S) the purchase is better value for money as it has a wider use.

As continuous improvement tools:

- *ISO9001:2008 seeks to improve the quality outputs of the department ensuring that non-conformance is kept to a minimum; and*
- *ISO14001 seeks to continual improvement in environmental performance of the organization and ensure that at a minimum the Council is compliant with all applicable environmental legislation.*
- *It would enable the Council to control the H&S practices of its contractors and its supply chain; ensuring legal compliance, that risk is adequately controlled and that the Council meets its moral obligations.*

Having externally accredited, robust and effective management systems in place, such as ISO9001:2008 and ISO14001 helps to maintain our image and reputation

- *For ISO9001:2008, this is achieved by analysing the data that we hold to develop the right corrective and preventative actions to ensure a good customer service.*
- *For ISO14001, this is achieved through the reporting of continued improvement in our use of natural resources and remaining legally compliant.*
- *For health and safety, this would be gaining and accredited management system, demonstrating our commitment to high standards of health and safety for both our staff and our community.*

5.10 If the project does not go ahead, the following issues would arise

- a significant proportion of officer time will remain spent on administering the management systems rather than making improvements.
- Not enable efficiencies to be made through the shared use of documents and procedures for health and safety, environment and quality
- The continuation of the Council's ISO14001 accreditation for its EMS would be at risk. This would not only have reputational consequences but also cost implications in relation to Cupid Green's environmental permit to operate.
- The ability to develop a fully functioning, systematic approach to corporate health and safety would be limited.

5.11 The capital cost of the project is £38,242, to be split between the HRA and General Fund receipts.

5.12 There are no ongoing revenue costs associated with this project.

6. Hot Water/Heating Plant Replacements to Commercial Properties

6.1 Building Services are responsible for heating & hot water plant to its commercial assets. Plant that has come to the end of its useful life or has been deemed too inefficient to maintain effectively needs to be replaced to ensure the buildings meet at the very least minimum standards for energy efficiency and complies with building regulations.

6.2 A rolling programme of replacements is taking place, but there are 2 sites that require more funding to achieve the work:

- i. Leverstock Green Community Centre
- ii. Tring Sports Centre

6.3 Under the lease conditions for these properties Dacorum Borough Council is responsible for major plant replacement.

6.4 Current funds in the capital programme are:

- Leverstock Green £30,000 (8030 BC207)
- Tring Sports Centre £20,000 (8030 BB408)

6.5 The reason for the shortfall in the budget is due to original data being taken from out of date stock condition surveys, inflation of material and labour costs and the complexity of the work required.

6.6 This project links to the Council's strategic objectives as follows:-

Building Community Capacity

Improvement of the community centre

Safe and Clean Environment

By reducing carbon emissions

Regeneration

Improvement of the Council's assets

Dacorum Delivers

Efficiency improvements to reduce carbon output and future maintenance revenue costs.

Maintain a good reputation amongst the council's commercial tenants

- 6.7 If this scheme did not ahead, we would not meet current standards of building efficiency, the community partners who run the buildings would not be able to sustain business with the rising costs of gas & electric. The plant that is currently in use having reached the end of their useful life, if not replaced will become more unreliable to the point that cost effective repairs cannot be carried out or a total breakdown will occur and the community partners would not be able to deliver their services, would find user groups not committing to hiring of rooms and halls due to lack of heat etc. for Tring, the boilers heat the pool, if they fail this would force closure.
- 6.8 The capital cost of this project is 56,718 to be funded through capital receipts.
- 6.9 There are no ongoing revenue costs associated with this project.

7. Queens Street Shopping Centre

- 7.1 DBC own shops and maisonettes at Queen's Square shopping Centre where we have problems with rainwater leaks from the canopies.
- 7.2 Due to a number of leaks to the shops beneath canopies and the slumping of the asphalt surfacing on their underside it was determined that remedial works is required to walkways and balconies. These works are a landlord's responsibility. The construction of the walkways and balconies is concrete decks coated with asphalt with glass reinforced cement tiles bedded on the asphalt. This construction can provide problems when investigating defects to the walkway construction as any cracks to the asphalt are hidden beneath the tiles. It is proposed that the tiles are taken up, asphalt made good and is coated in a liquid applied coating. This system can be repaired and has reduced health and safety risks.
- 7.3 The works tendered includes the resurfacing of two of the four blocks at the Queens Shopping Centre and the provision of new stair treads to all of the stairwells to the four blocks.
- 7.4 The works have been tendered at a value of £67,926 with a contingency sum of £5,000. At present there are two capital budgets set aside for this scheme which are BB707 with a budget of £35,000 and BB702 with a budget of £20,000. Therefore there is a shortfall of £17,936, it is requested that savings achieved on the Capital Projects for the drainage works at Little Hay Golf Course (BC208) of £13,000

and Walkway Refurbishment at The Heights Shopping Centre (BB708) of £11,000 are used to cover the additional funding required.

- 7.5 This project links to the Council's strategic objectives as follows:-

Safe and Clean Environment

By providing a clean and safe environment for the residents of Queens Square

Regeneration

By improving the Council's assets and ensuring these are kept weather tight thus ensuring commercial tenants stay in the shop units.

Dacorum Delivers

By maintaining a good reputation amongst the council's commercial tenants

- 7.6 If the project does not go ahead, the tenants in the affected shop units will leave the units leaving vacant units which cannot be let which will lose Dacorum Borough Council rental income and could affect the amount of footfall to the shopping precinct which affects the other business in the precinct.
- 7.7 The capital cost of the project is £72,926, to be funded through capital receipts.
- 7.8 There are no ongoing revenue costs associated with this project.

8. Legal Case Management System

- 8.1 CSSG may recall agreeing a capital spend request for a Legal Case Management system at November's meeting. The capital bid was submitted in advance of a full technical assessment and market testing to ensure that some budgetary provision was made for a system in the 2013/14 accounts. A sum of £13,000 was agreed and provision is made in the 2013/14 capital programme.
- 8.2 The Legal Governance team have subsequently carried out a technical compatibility review of the proposed Lexis Nexis ("Visual Files") system. The team has been unable to obtain satisfactory responses to technical aspects of the system relating to its compatibility with existing Council systems (Northgate Information@Work and Outlook) and there were also concerns over the technical support provided for the system, accordingly, further market testing was carried out.
- 8.3 This included a visit to North Herts District Council to view an in-house product which they had developed and a presentation from the market leading in-house Local Government legal case management system IKEN.
- 8.4 The in-house system was very basic and not sufficiently developed to meet the needs of the service, however, the IKEN system is a bespoke

case management system used by over 150 local authorities and meets all the requirements of the service.

Business Case

- 8.5 As set out in the report to November's meeting, Legal Governance is seeking to purchase a case management system to integrate with EDRMS (Northgate Information @ Work) and to fully enable flexible working and the Dacorum Anywhere project.
- 8.6 The IKEN case management system will allow for files to be stored and managed on-line and thus move towards a paperless/light office environment. Real time – time recording is also available on the new system and will enable effective and reliable time recording for external billing and internal recharges. Whilst the system is more expensive than the Visual Files system, there are some key benefits to highlight which were not part of the Visual Files system.

These include:

- Integrated Freedom of Information workflow programme. In last year's budget there was a sum of £17,500 for a standalone FOI database. This sum was never utilised as there were discussions around the development of an in-house system which never materialised and Legal Governance was trying to find an integrated system, which IKEN now achieves.
 - Court Bundling system – This programme is available within IKEN and allows automatic court bundling which will achieve considerable time savings for the Litigation Team.
 - Automated e-mail, letter and document processing linked to initial case set-up.
 - IKEN can be integrated with Northgate Information@Work or as a standalone system and IKEN's technical advisers will work with the Council's IT team to achieve the optimum solution.
 - Over 200 standalone reports which will enable effectively performance monitoring and reporting.
 - Dedicated Technical Support team.
 - Automated document disposal to be linked to the Council's document retention scheme.
 - Fully integrated to meet the Lexcel accreditation which Legal Governance currently holds.
 - Access to user groups to input into future developments for the system.
- 8.7 The full details of the functionality of the system are set out in the system information document from IKEN attached as Appendix 1.
- 8.8 Why is Northgate Information@Work not sufficient for the needs of the Legal Governance team as a standalone product?
- Information @ Work does not have the intricate workflow required by Legal Governance in respect of case management, nor does it have a time recording module, and therefore charging would be difficult to extract.

- Without automated time recording, there would still require a manual input by officers into a separate time recording system, which would need to be procured following the cessation of the current system "Click-Clock".
- IKEN integrates to Information@Work, and comes with a suite of reports provided bundled. Information @ Work would need those reports to be created by the Northgate development team at a cost.
- Other councils are using IKEN as an FOI system. Information @ Work would need development to be used as an FOI system.
- To date Information @ Work does not have a court bundling module.
- Northgate themselves recommend integration with a partner solution for Case Management.
- Northgate Information@Work is not currently Lexcel compatible.

8.9 Overall the Legal Governance team are satisfied that the IKEN system meets all of the teams' requirements. IKEN has been used by one of the Legal Governance team leaders whilst working at a previous authority and she was very satisfied with the performance and functionality of the system.

8.10 This project links to the Council's strategic objectives as follows:-

Dacorum Delivers

The system will support flexible working and reduce accommodation costs. Promotional literature indicates 30% efficiency gains, which is realistic when one considers the functionality of the system.

Enablement of 'lean' systems and processes leading to a paperless/light office environment. The time recording element should also enable accurate billing for external work and internal recharges.

Less support officer time will be required to make up hard copy file and storage requirements will be considerably reduced.

The system will allow closer performance management of team members as effective reporting and monitoring systems are incorporated.

The system will help to address rising customer (internal and external) expectations in terms of access, speed, availability, response and transparency;
Improve business resilience and continuity.

8.11 The capital cost of this project is £14,210 to be funded through capital receipts.

8.12 There will be an annual revenue cost to this project of £4,160 which will be covered by existing budgets.

9. Play Areas

9.1 Funding was allocated through the Capital Strategy Program for a refurbishment scheme to improve the quality and play value of the play areas managed by Dacorum Borough Council. An audit of the 51 play areas was undertaken to consider how best this funding could be allocated.

9.2 That program of works has now been complete and it is intended to continue the program through identified s106. Approval is now sought for expenditure of the developer's contributions as follows.

- £13,500 Community development and facilities – improve play. Application 4/01017/07/FUL, Rear of 37-69 Watford Road
- £5,312 Play space. Application 4/00935/11/FUL, Land at Hill Farm, Love Lane
- £83 Public open space. Application 4/00935/11/FUL, Land at Hill Farm, Love Lane
- £1,600 Play space. Application 4/00821/11/FUL, 34 Hempstead Road
- £26 Environment. Application 4/00821/11/FUL, 34 Hempstead Road.

It is planned for the above contributions to be used at The Nap play area, Kings Langley.

- £80,000 Public Open space. Application 4/01382/09/MFA, Former Sappi site, Lower Road, Nash Mills

It is planned for the above contributions to be used at Nash Mills Play area (Nash Mills Parish council owned) And Swan Mead, Nash Mills

9.3 This project links to the Council's strategic objectives as follows:-

Building Community Capacity

Play areas are free, open access and available to all. The designs incorporate inclusive play to enable all children to participate and share experiences, encouraging all children to reach their potential.

The selection of equipment that meets the needs of the local community will promote pride and ownership within each neighbourhood where improvements take place.

Safe and Clean Environment

The schemes will improve the quality and range of play activities within the parks to the benefit of the local community. The new equipment will be supplied and installed according to the European standards for play equipment and surfacing, creating a safe environment for children and young people. Improving the play value of the areas will encourage active use, increasing natural surveillance and reducing anti-social behaviour.

Improving the quality and attractiveness of the green spaces through new play equipment will encourage their use, helping to protect their place within the neighbourhood.

- 9.4 If the project does not go ahead the following issues would arise:
- Gaps in the play provision for the area due to new housing development
 - Low play value leading to boredom and anti-social behaviour
 - Council's reputation – green open spaces looking rundown
- 9.5 The capital cost of this project is £100,521 to be funded through S106 monies.
- 9.6 There are no new revenue costs as this is a refurbishment of existing equipment. Any cleaning/maintenance costs will be covered through existing budgets.