
STRATEGIC OUTLINE CASE: ASSET DELIVERY PROGRAMME

1 PURPOSE OF REPORT

- 1.1 To seek approval of the Strategic Outline Case for a potential Asset Delivery Programme.
- 1.2 To seek approval to progress the Asset Development Programme through the drafting of an Outline Business Case.

2 INTRODUCTION

- 2.1 Further to the meeting of the Investment Board on 10 July 2018 officers have prepared a Strategic Outline Case for a potential Asset Delivery Programme 'the programme' to validate the scale and nature of opportunities available to the Council for its key strategic built assets.
- 2.2 The Council's Asset Strategy 'the strategy' was approved by the Investment Board on 10 July 2018. The strategy sets out the principles upon which the Council will make future decisions on its built property assets.
- 2.3 Subsequently officers have worked with experts to establish an outline programme (exempt appendix 1) that would seek to deliver the objectives of the strategy.

3 ASSET DELIVERY PROGRAMME

- 3.1 Officers engaged the services of a leading property and construction firm, Gleeds. Gleeds have completed similar work for many other local authorities seeking to rationalise their property portfolios and secure operational efficiencies.
- 3.2 Gleeds follow the HM Treasury three stage model designed to take projects from initiation through to delivery: 1) Strategic Outline Case; 2) Outline Business Case; 3) Full Business Case. The initial Strategic Outline Case forms the basis for a more detailed financial and commercial analysis within an Outline Business Case before a Full Business Case is developed.
- 3.3 The Strategic Outline Case assessment is intended to validate the scale and nature of opportunities identified through the programme and establish, through a high level assessment, the best order of prioritisation and delivery options for the identified sites.
- 3.4 The Strategic Outline Case utilises the various studies that have been completed and schemes that have been developed to date. Where assumptions have been made these have been based on recognised industry standards.

4 SUMMARY

- 4.1 The report sets out various development, delivery and disposal options for the sites identified for consideration within the Asset Strategy; each option will require differing levels of resource and could result in different levels of financial reward and development risk for the Council.
- 4.2 Overall, the analysis undertaken at this Strategic Outline stage (based on the information available at the time of writing) suggests that the proposed strategy of using existing assets to help cross-fund the development of other key strategic sites, as set out within the Asset Strategy, is sound in principle. It is therefore considered that there is merit in progressing to the next stage of an Outline Business Case to work up more detailed plans and to obtain further assurances on the affordability of the proposed programme.

5 NEXT STEPS

- 5.1 The Gleeds report sets out further analysis that would be required to take the project to the Outline Business Case stage, to firm up development plans and set out the underlying financial assumptions in more detail to ensure affordability. The cost of this next stage would be up to £50,000 depending on the scope of work to be included in the specification, the detail of which is set out in exempt appendix 2. It is anticipated that the next stage could be completed by the end of this calendar year.

6 RISK IMPLICATIONS

- 6.1 Property development carries inherent risk; the Council should maintain a balanced risk profile which is commensurate with its risk appetite.
- 6.2 It is vital that robust business cases for each site are developed and that sufficient resource is dedicated to the project, including dedicated project management and delivery resource. This will be fundamental to mitigate the risks associated with a development programme of this magnitude.

7 CRIME AND DISORDER IMPLICATIONS

- 7.1 None

8 ENVIRONMENTAL IMPLICATIONS

- 8.1 None

9 RESOURCE IMPLICATIONS

- 9.1 The cost associated with the next stage of work (Outline Business Case) is likely to be up to £50,000; therefore it is requested to draw down up to this amount from General Balances to fund this work. It should be noted that further resource would be required to fund the Final Business Case stage;

however, this cannot be quantified accurately at this time and this will therefore be subject to a further request in a later report.

10 LEGAL IMPLICATIONS

10.1 None arising directly out of this report at this stage.

11 PARISH IMPLICATIONS

11.1 None

12 EQUALITY AND DIVERSITY IMPLICATIONS

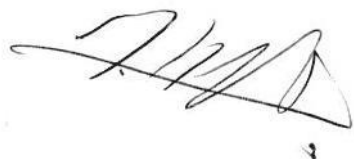
10.3 The Equality Impact Assessment (EIA) indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

10.3 Further site specific EIAs will be completed as the outline business case is progressed.

13 RECOMMENDATION

13.1 It is proposed that the Board **RESOLVES**

- (1) That the Strategic Outline Case for a potential Asset Delivery Programme, at exempt appendix 1, be approved.
- (2) That an Outline Business Case be brought forward for the potential Asset Development Programme.
- (3) That £50,000 be drawn down from General Balances to fund the Outline Business Case.
- (4) That the Member Work Party be reconvened and consulted as the Outline Business case is developed.



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Background Papers:-

None.

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