

STROUD DISTRICT COUNCIL
ENVIRONMENT COMMITTEE

**AGENDA
ITEM NO**

29 JUNE 2017

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| Report Title | CAPITAL PROJECT MONITORING |
| Purpose of Report | To inform the Committee of progress on capital projects within its remit and to recommend decisions on three projects to members. |
| Decision(s) | <p>The Committee resolves to:-</p> <ul style="list-style-type: none"> a. Discontinue the investigation work in to the Stroud Valleys Initiative and make the modelling work done by JBA consulting available to the Environment Agency in order to assist in the updating of the 2006 SFRA model. b. Agree the scope of the Stroud District Cycling and walking plan as set out in Appendix A. c. Suspend further investigatory work on the Ebley Mill Hydro project, pending a change in circumstances that improves both the return on the investment and gaining control over the land asset. d. Note the other project updates within the report. |
| Consultation and Feedback | Details are contained within the body of the report. |
| Financial Implications and Risk Assessment | <p>Council approved the Capital budget proposals totalling £20.6m at their meeting in February 2017. This committee has oversight and responsibility for the capital projects outlined in the report.</p> <p>This report sets out some proposed changes to profiling of the Multi-Service vehicle replacement programme with an additional £84k required this financial year over and above the £250k allocated. Adjustments will be made to future year's allocations and may necessitate a further decision once the outcome from the efficiency work with Ubico has concluded.</p> <p>The Capital programme assumed a funding position based on the budget profiles set out in the February 2017 MTFP. If projects are delayed or are not able to achieve the desired outcomes and do not progress, then the capital budget would remain unspent and not reallocated to additional projects without consideration by the council as part of the 2018/19 budget setting process. Any change in expenditure outside of the agreed budget must be reported separately.</p> <p>David Stanley – Accountancy Manager (s151 Officer) Tel 01453 754100 Email david.stanley@stroud.gov.uk</p> |

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| <p>Legal Implications</p> | <p>Stroud Valleys Initiative Any funding bids which have been made with the Initiative included will need reviewing (to see whether they require revising, rescinding or funding repaying) following any decision to discontinue the work.</p> <p>The position in respect of intellectual property rights (e.g. copyright) will need considering in respect of sharing with the Environmental Agency (or any other body) the work done by JBA.</p> <p>Stroud District cycling and walking plan The Local Plan sets out the policies which planning applications should adhere to unless material planning considerations indicate otherwise; this will include the references to cycle and walking routes where appropriate.</p> <p>Infrastructural financial contributions (including for the canal and transport) from developments are now collected through the Community Infrastructure Levy (CIL) Charging Schedule. Where the Schedule is not applicable obligations sought from developments through Section 106 Agreements will need to meet the legal tests of being necessary to make the proposed development acceptable in planning terms, directly related to the proposed development and fairly and reasonably related in scale and kind to the proposed development; and, not had five or more separate planning obligations already provided towards its funding.</p> <p>There are no other specific legal implications. However, as each project/route comes forward it may have its own separate legal implications which will be dealt with in their individual reports as and when they come to committee.</p> <p>Ebley Mill Hydro project There are no significant legal implications in suspending this project.</p> <p>Note other projects within the report The remainder of the report is for information purposes only and there are no specific legal implications.</p> <p>However, each individual capital project will have its own separate legal implications which will be dealt with in their individual reports as and when they come to committee.</p> <p>Craig Hallett, Solicitor Tel: 01453 754364 Email: craig.hallett@stroud.gov.uk</p> |
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| Options | Part of the report is for information only. Any decision to re define projects outside of the scope of the capital programme would need to be recommended to Strategy and Resources Committee. |
| Performance Management Follow Up | Update reports are to be supplied to this committee on a regular basis |
| Background Papers/ Appendices | <p>Background reports on the Stroud Valleys initiative and Ebley Mill Hydro have been summarised in this report.</p> <p>Appendix A - The Cycling and Walking Plan Scoping Document</p> |

Introduction

1. The following report provides an executive summary of each of the Capital Projects within the remit of the Environment Committee.
2. The purpose of this report is both to advise the Committee on progress with the capital projects and to recommend decisions to members. Where two of the projects are recommended to be discontinued/suspended it is on the basis that the funds identified for these projects would then become subject to decisions by Strategy and Resources Committee.

Stroud Valleys Initiative

3. SDC received a preliminary report on the feasibility of the Stroud Valleys Initiative project from JBA (our consultants on this project) with information to support the ESIF bid that was to help fund the project.
4. Information supplied in the preliminary report identified sites where interventions would be necessary in order to attenuate adequate volumes of

water to affect potential flood flows in the River Frome. It lacked the final cost benefit analysis that the full feasibility study should deliver.

5. It is clear from the report that there is only one site where any significant intervention could be made, immediately up stream of Wimberley Mills. The intervention would be to build a dam wall and bund across the river and valley, including the canal corridor as far as the railway line, with a control structure in order to attenuate up to 68,000m³ of storm water in the event of a major flood event.
6. While the water attenuated would mitigate any flood volumes that may be displaced if potential development sites downstream were developed. It would not be enough to reduce flood risk to properties currently at risk of flooding.
7. In order to evaluate the impact of such a structure it was considered in comparison to a scheme in Pickering designed to achieve similar flood management objectives, which has been implemented. As well as being able to show what the visual impact of such a scheme might be it also demonstrates both initial implementation and ongoing maintenance costs, in excess of £2m for capital build with a further £0.5m for design and project management with ongoing maintenance in excess of £7k/year. This assumes planning and consenting issues would present no significant constraint, which has not been explored as part of the study.
8. The comparison indicates that the cost would make the project beyond the scope of Stroud District Council even with funding through ESIF. There is no scope for funding through other schemes such as Flood Defence 'Grant in Aid' as the project would only offer benefit to future development and not to property currently at risk.
9. An earlier report from the JBA indicated considerable scope for developing the existing flood model of the river Frome which was created in 2006. Improvements indicated significant benefit in relieving flood blight simply through updating the model. JBA's new model was able to call on evidence from major flooding events in 2007, 2012 and 2014. Through observations in these events, flaws in the extents shown in the currently accepted 2006 model are highlighted, where sites that would be expected to flood didn't. The EA would not accept JBA's new model considering various elements to be too high risk, such as the little understood groundwater conditions in the Frome valley.
10. Improvements shown in the new model suggest that a sensible way to direct funding for flood improvement would be to use them to work with the EA to update the Frome flood model and develop a better understanding of the ground water regime in the valley. A new model would describe more accurate flood extents that are likely to show reduced risk to development land compared to the current model. This may free-up development land, but would also offer a better understanding of the hydrology of the Frome valley and therefore how further flood management improvements could be achieved.

11. It is recommended that this feasibility project is discontinued and that the findings of JBA are made available to the EA in order to feed in to updating the 2006 model.

Stroud District Cycling & Walking Plan

12. The Council has allocated a sum of £300,000 to a Stroud District cycling and walking plan. The profiling of the spending is geared to reflect the need to develop a plan/strategy prior to commissioning any capital works.
13. The document at Appendix A is a draft scoping report that starts to identify policy drivers, national and local context, and a basic textural description of the route with the communities that the plan would aim to connect. Once this is agreed the project team will need to consult on the route options prior to their formalisation and produce a strategy that moves towards implementation.
14. Clearly £300,000 is not going to deliver the entirety of the routes identified but is already being promoted as match funding against a number of other funding opportunities (RDPE growth fund and GCC highway spend). The intention is that the plan is used to direct, prioritise and bid for funding over a number of years rather than solely being the conduit to spend the £300,000 currently in the budget.
15. It is recommended that members agree the scope of the project as set out in the attached document.

Wallbridge Gateway Site

16. On 13th October 2016 Strategy and Resources committee resolved: 'That the Head of Asset Management progresses discussions with Stroud Town Council, Gloucestershire County Council (GCC) and Ecotricity on the design, costs and funding of a landscaping scheme for the land at Wallbridge and implements a scheme in consultation with those parties and the Chairs and Vice Chairs of Community Services and Licensing Committee and Environment Committees'
17. A project group is already in place with representatives from the above organisations. At the latest project meeting, 24th February 2017, budget contributions were confirmed as Stroud District Council (SDC) - £90K, Stroud Town Council (STC) - £10K, Ecotricity - £90K. While land transfer from GCC to SDC has taken place for land south of the canal, the transfer of land to the north of the canal was delayed pending resolution of issues relating to the stability of the old brewery wall and the costs of required remedial work.
18. While GCC resolved not to fund the repair work they have reached agreement with the Canal Project Team to support the use of volunteers to undertake the refurbishment. This would facilitate the land transfer of this section to the district council.

19. A draft design brief has been produced by STC for comment. The brief has been circulated internally and any amendments will be agreed with partners and relevant Members before release to architectural/design practices/interested parties. This may be done by SDC or Ecotricity as part of their project contribution.

Canal Regeneration

20. The Council has allocated £3m as matched funding towards a Heritage Lottery Fund (HLF) bid to be submitted in November. The Council will be the lead partner in this bid, working closely with the Cotswold Canals Trust (CCT). The outcome of this bid is likely to be known in 2018. A successful bid would enable restoration of a 4 mile length of canal West of Stonehouse to Saul Junction; connecting Stroud to the national waterway network.
21. Some volunteer-led work has already been undertaken in advance of the bid – primarily channel clearance west of the A38 at Whitminster. CCT has recently opened a new Visitor Centre at Bond's Mill. Next month, Waterway Recovery Group volunteers will begin construction of a new bypass at Dock Lock.
22. Alongside these, several pieces of work are being commissioned which will have the effects of both enhancing the bid and removing perceived risk. These include a heritage assessment, flood risk assessment, economic and social output projections and an outline planning application in respect of the 'missing mile'. CCT's volunteer team is already working hard on the various detailed elements of the bid.

Multi-Service Contract – Vehicle Replacement

23. Council has agreed an annual budget of £250k for the period of four years 2016/17 to 2020/21, for a capital programme of vehicle replacements for services covered by the Multi Service Contract.
24. The Vehicle Replacement Programme (FRP) produced by Ubico, and agreed by officers in June 2016, is revisited each year to identify necessary changes to the fleet. These changes are determined by operational needs and the remaining useful life and economic cost of maintaining individual vehicles; in an effort to maximise productive use of fleet resources and improve service efficiencies, vehicles that have become surplus to requirements are sold and income reinvested within the fleet; the vehicle fleet currently comprises of an agreed mix of new and used vehicles.
25. Officers have undertaken the first review of the FRP with Ubico. The financing of certain vehicles will be moved from ongoing hire to long term purchases; these changes will result in corresponding revenue savings. A number of vehicles have become surplus to requirements and will be sold; income from sales has been allocated to providing replacements within the fleet. The review outcome has identified a need to pull forward a capital spend of £84k from the budgeted profile (See Table 1 below).

25.1. Table 1

| 26. Financial Year | 27. Capital Budget | 28. Required expenditure | 29. Variation |
|--------------------|--------------------|--------------------------|---------------|
| 30. 2017/18 | 31. £250,000 | 32. £334,000 | 33. £84,000 |

Market Town Centres Initiative Fund

34. The Council has allocated a budget of £50,000pa for 4 years totalling £200,000 to support capital projects within town centres subject to match funding coming from the host town council. Officers have yet to design and launch the funding offer which will set out qualifying criteria, it is anticipated that this will be completed by the end of August 2017 following discussions with interested Town Councils. Futures schemes may result from the ongoing study in to the future of town centres which is likely to indicate the need for investment. It is understood that Nailsworth Town Council are investigating a scheme to turn Market Street in to a pedestrianised/shared space street and Dursley Town Council are to consider opportunities.

Ebley Mill Hydro

35. Previous reports on the progress of the project have been given as part of the Carbon Management Programme updates and on the Council's performance management system 'Excelsis'.
36. While the project remains technically feasible, given the low head height of the weir, the generation potential is modest (32Kw). Combining this modest potential with the need to site the turbine on the far side of the bank on land not in the ownership of SDC and therefore pay rent at 10% of the net profit, plus the likely cost for the provision of the required fish pass (based on the BHA estimate of £5,000 per KW = £160,000), means that the likely return on investment of £485,000 would be 3.1.6% taking in to account the current FIT rate at 7.65ppkwh. This is notwithstanding that it would exceed the available budget of £362,000.
37. The above calculation assumes a contingency of £29,600 but does not include actual figures for civil works or landscaping/aesthetic enhancement.
38. The potential for SDC to acquire the ownership of the far bank which would also allow for a lower cost fish pass to be secured has been explored as part of the Stroud valleys initiative but no agreement with the owners has been reached.
39. It is recommended that the project be suspended at this stage pending any change in the ability to secure land on the far bank at a reasonable cost and/or the availability of funding support that reduces the cost to the Council and consequently improves the ROI to SDC.