



**WATFORD
BOROUGH
COUNCIL**

CABINET

11 September 2017

7.00 pm

Town Hall Watford

Contact

Caroline Harris Democratic Services Manager

legalanddemocratic@watford.gov.uk .

01923 278372

Publication date: 1 September 2017

Cabinet Membership

Mayor	D Thornhill	(Chair)
Councillor	P Taylor	(Deputy Mayor)
Councillors	K Collett, S Johnson, I Sharpe and M Watkin	

Agenda

Part A – Open to the Public

1. **Apologies for Absence**
2. **Disclosure of Interest (if any)**
3. **Minutes of previous meeting**

The [minutes](#) of the meeting held on 3 July 2017 to be submitted and signed.

4. **Conduct of meeting**

The Cabinet may wish to consider whether there are any items on which there is general agreement which could be considered now, to enable discussion to focus on those items where the Cabinet sees a need for further debate.

5. **Public Realm Improvement - High Street - Watford (Pages 5 - 9)**

Report of Deputy Managing Director and Director of Place Shaping and Corporate Performance

For Cabinet to consider recommending to Council that funding is included in the Capital Programme 2018/19 for the public realm improvement scheme

6. **Local Plan Review 2016 - 2036 (Pages 10 - 15)**

Report of Deputy Managing Director and Director of Place Shaping and Corporate Performance

For Cabinet to consider recommending to Council that the Local Plan Part 2 is not submitted for examination and instead focus resources on progressing the Local Plan Review

7. Revision to Digital Watford Board Terms of Reference (Pages 16 - 21)

Report of Head of Service Transformation

To amend the terms of reference and to note a new membership of the Digital Watford Board

8. Contract Procedure Rules Exemption Report (Pages 22 - 23)

Report of Head of Democracy and Governance

To note an exemption to the contract procedure rules regarding the procurement of the installation of an uninterrupted power supply for the server room.

9. Town Hall development (Pages 24 - 30)

Report of Section Head of Facilities Management / Buildings & Projects

To seek approval to proceed to the formal process of designing, specifying and constructing a purpose built multi-storey office block adjacent to the Town Hall with additional car parking provision.

This report contains appendices which are Part B in accordance with Paragraph 3, Part 1 Schedule 12A as they contain information relating to the financial and business affairs of the Council.

10. Exclusion of press & Public

The Chair to move: that, under Section 100A (4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during consideration of the item there would be disclosure to them of exempt information as defined in Section 100(1) of the Act for the reasons stated below in terms of Schedule 12A.

Note: if approved, the Chair will ask members of the press and public to leave the meeting at this point.

11. Construction of homes in Watford update

Report of Regeneration and Property Section Head

This report is considered Part B in accordance with Paragraph 3, Part 1 Schedule 12A as it contains information relating to the financial and business affairs of the Council.

12. Watford Riverwell

Report of the Deputy Managing Director and Director of Place Shaping and Corporate Performance

This report is considered Part B in accordance with Paragraph 3, Part 1, Schedule 12A as it contains information relating to the financial and business affairs of the Council.

Part A

Report to: Cabinet
Date of meeting: 11 September 2017
Report of: Deputy Managing Director
Title: Public Realm Improvement – High Street – Watford

1.0 **Summary**

1.1 As part of the major Charter Place development being completed by Intu in the town centre, bringing in the latest entertainment and leisure technology and enhancing the dining and overall shopper experience in the town, the Council has an opportunity to lead in providing a high quality pedestrian friendly environment that will complement the development and enhance the look and feel of the High Street.

1.2 This will tie in with highway improvements in the High Street that form part of the Charter Place redevelopment itself and with the enhancement works in The Parade that have already been carried out by the Council.

1.3 In order to progress and deliver this project within time scales to complement the opening of the new Charter Place in September 2018, it is proposed that the Council funds the proposed works set out in summary below. This report is seeking approval for additional capital funding of £800,000 which is required to enable the scheme to be delivered within the time scales necessary.

1.4 In summary the project consists of the following elements:-

- Re-paving of the footway & carriageway in the High Street from Clarendon Road to St May's Square using high quality natural stone materials that complement the recent Parade enhancement scheme
- Creation of a 'shared space' environment within the project area with reduced vehicles flows & greater pedestrian dominance
- Relocation of existing part time taxi rank to a full time facility in Wellstones
- Relocation of part-time blue badge parking to purpose built full-time facilities in Church Street
- Re-routing of bus services with the agreement of the bus companies to reduce bus flows through this section of the High Street and provision of enhanced bus facilities at other locations in the town centre.
- New street lighting & enhanced CCTV provision

1.5 Should the Council be successful in receiving Hertfordshire Local Enterprise

Partnership (LEP) grant funding of £400,000 the additional overall cost to the Council will be a net £400,000 as the receipt of the grant funding will be re-paid back to the Council.

2.0 **Recommendations**

- 2.1 Cabinet recommends to Council that £800,000 is included in the Capital Programme 2018/19 for the scheme

Contact Officer:

For further information on this report please contact: Andy Smith,
Lead Officer Post: Transport and Infrastructure Section Head
Telephone extension: 8115 Lead Officer Tel: 01923278115
Email - Lead Officer: andy.smith@watford.gov.uk

Report approved by: Nick Fenwick – Deputy Managing Director – Place Shaping and Corporate Performance

3.0 **Detailed proposal**

- 3.1 The proposed works to enhance the public highway in the High Street as set out in 1.4 above will cost circa £2m. The Council already holds £666,000 within this year's budget with a further £250,000 already secured in 2018/19 from a bid that was agreed in November 2016, in total amounting to £916,000 (see Appendix A).
- 3.2 Officers of the Council have already secured a further £300,000 from Hertfordshire County Council; this will be paid in the 2018/19 financial year.
- 3.3 A preliminary application has been made to the Hertfordshire Local Enterprise Partnership (LEP) for £400,000 in the form of a grant . This forms part of a larger bid for funds from the LEP to assist in delivering a wider range of Public Realm enhancements across the wider town centre area over the next 1-8 years to future-proof the town centre as a successful commercial and retail centre. Discussions with the LEP to refine and develop the bid are continuing with a final bid programmed to be submitted in early 2018 for consideration by the LEP for 2018/19. A further application for a grant of £20,000 to the Police and Crime Commissioner to improve CCTV and lighting in the area will be made in late 2017 when the next bidding round opens (date yet to be confirmed by PCC).

3.4 The table below captures the above information for ease of reference.

Funds already held by the Council	£ 666.000
Council funds already secured in 2016 available in the 2018/19 Financial year	£ 250.000
Herts County Council – Funding Agreed in principle – written commitment received 23/08/17	£ 300.000
Proposed additional Capital Funds (to be provided by the Council) 2018/19	£ 800.000
Total	£ 2,016,000

Additional funds from the LEP (£400,000) and the Police (£20,000) are to be applied for. The initial application is being submitted in September 2017. If the money is received then this will reduce the amount that the Council will need to provide.

4.0 Implications

4.1 Financial

4.1.1 The Shared Director of Finance comments that the Council is being asked to commit up to £800,000 for this scheme. Some funding has already been secured to finance the scheme and a further £420,000 is to be applied for. If the further funding is secured then this will reduce the Council's funding requirement by a corresponding amount.

The scheme can be added to the Capital programme in 2018/19 as part of the budget setting process. Hopefully at this point the precise amount to be funded by the Council will be clarified with all offers and applications processed and confirmed. It is likely that the Council will have to undertake external borrowing during 2018/19 and this scheme will increase the amount which will be required to be borrowed. Further clarification on this will be provided during the budget setting process.

4.2 Legal Issues (Monitoring Officer)

4.2.1 The Head of Democracy and Governance comments that as this is not currently within the council's capital programme it will need to be agreed by Council.

4.3 Equalities/Human Rights

4.3.1 None from this report. The enhancement scheme will be subject to an

Environmental Impact Assessment as part of the design process.

4.4 Community Safety/Crime and Disorder

- 4.4.1 Officers of the Council are working continuously with the Police and Crime Commissioners as part of the public realm enhancement to take into account street lighting and CCTV security enhancements.

Appendices

- Appendix A

Background Papers

- No papers were used in the preparation of this report.

File Reference

- None

Appendix A

High Street Watford, Public Realm improvements project.

Secured	Funding Source	Comments	Costs code	TOTAL
£101k	s106 funds from the Charter Place development	S106 Holding Code	WAZ106 X9000	
£100k	WBC Local Authority funds	Holding Code	VPC016 X9000	
£250K	WBC Capital contribution for 2017-18	Agreed Nov 2016 MD/Portfolio Holder in Nov 201	WAA247 X2029	
£250k	WBC Capital contribution towards 2018-19	Agreed Nov 2016 MD/Portfolio Holder in Nov 2016	WAA247 X2029	
£64k	WBC Match Funding Budget	Capital Funds	WAA952 X2029	
£30k	Business Improvement District contribution	Holding Code	BEA001 i0622	
£20k	Watford s106 cycling contributions	S106 Holding Code	WAZ106 X9000	
£12k	Contribution from Watford's sustainable projects	Revenue Code 2017-18	BEA001 D0902	
£89K	s106 WBC Highway and Infrastructure funds	S106 Holding Code	WAZ106 X9000	
				£916k

Agenda Item 6

PART A

Report to: Cabinet
Date of meeting: 11 September 2017
Report of: Deputy Managing Director
Title: Local Plan Review 2016 - 2036

1.0 **Summary**

1.1 This report recommends that Local Plan Part 2, which sets out the Site Allocations and detailed Development Management policies to support delivery of the vision and strategy set out in Local Plan Part 1 Core Strategy, is not submitted for examination. In light of a recent appeal decision, and changes set out in the Housing and Planning White Paper, it is considered that resources would be better focussed on progressing work on the Local Plan review, to set out plans for Watford to 2036. Legal advice supports this approach.

2.0 **Recommendations**

2.1 That Cabinet recommend to Council that the Local Plan Part 2 is not submitted for examination and that resources should now be focussed on progressing the Local Plan Review to cover the period 2016-2036.

Contact Officer:

For further information on this report please contact: Vicky Owen, Spatial Planning Manager

telephone extension: 8281 email: vicky.owen@watford.gov.uk

Report approved by: Nick Fenwick, Deputy Managing Director

3.0 Detailed proposal

- 3.1 Local Plan Part 2 would have set out site allocations and detailed development management policies to deliver the level of development (including 6,500 homes and 7,000 jobs) and the vision set out in the Local Plan Part 1 Core Strategy. At March Council a report on Local Plan Part 2 was withdrawn as officers were considering not submitting it for public examination due to the factors that are listed below. Council noted the position and it was agreed that Cabinet and Planning Advisory Committee would be kept informed of developments.
- 3.2 The Core Strategy was adopted in January 2013. Together the 2 parts would complete the Local Plan for Watford for the period 2006-2031. The Core Strategy included a commitment (at para 4.1.5) to keeping housing and other figures under review in the light of new evidence and joint working with neighbouring authorities and other partners in line with the council's duty to cooperate and to keep the Core Strategy under review.
- 3.3 Recent evidence suggests the need for new homes and jobs is likely to be much higher than planned for in the Core Strategy. The South West Hertfordshire Strategic Housing Market Assessment, and Economy Study, both prepared with neighbouring authorities in line with the Duty to Cooperate, as part of the evidence base for reviewing local plans to 2036, suggest the objectively assessed need for homes in Watford is 577 per year (compared to the 260 per year proposed in the Core Strategy), and 491 jobs (of all types – not just Use Class B jobs). It is important to note that these figures do not represent plan targets – the appropriate target will need to be determined as part of the plan making process, looking at all reasonable alternatives and taking account of constraints.
- 3.4 Previously the intention was to progress Local Plan 2 to submission, using the Core Strategy housing and employment targets, whilst continuing to progress work on the Local Plan review to take account of the higher figures. This approach was consistent with that taken by nearby authorities including Hertsmere, Three Rivers and Dacorum, but had been recognised as a risk.
- 3.5 An appeal decision in relation to a residential application at Caledonian House on St Albans Road in April 2017 triggered further questions around whether to progress Local Plan Part 2. Although the key issues related to design, and impact on a conservation area, the Councils' five year housing supply was also considered. The relevant issue is that of whether the five year housing supply should properly still be assessed against the Local Plan target (260pa), given the availability of a more recent OAN (objectively assessed need) figure.
- 3.6 The Council should now take account of the more recent assessment of housing need,

and that, until the appropriate up to date target has been determined through the plan making process, the five year supply should be calculated using the OAN figure of 577. At the time of the Caledonian House appeal the Council did not have a five year housing land supply, although we currently have a 5.2 year supply due to a number of recent planning consent being granted.

- 3.7 The recent Housing White Paper stated that Government would introduce a standard methodology in view of the confusion and inconsistency in methods being used. This has not been introduced as yet but is expected within the next 6-9 months. Furthermore, the white paper also raised the matter of local authorities reviewing Local Plans every five years.
- 3.8 Work undertaken so far to prepare the Local Plan Part 2 has not be wasted as it will feed directly into the preparation of the plan review which is already underway.
- 3.9 Notification of the start of the Plan Review process (Reg 18 Notification) took place in December 2016 and work on the evidence base to inform the plan review is already underway. As well as the Housing and Employment Studies mentioned above we are or will be working, with neighbouring authorities where appropriate on a number of other evidence studies (some in house and some by commissioning consultants) including:
- Sustainability Appraisal/Strategic Environmental Assessment
 - Housing and Employment Land Availability Assessment
 - Gypsy and Traveller Accommodation Needs Assessment (including the broader need for caravan and houseboat accommodation)
 - Green Belt Study (Stage 1 – Assessment against the purposes of including land within the green belt))
 - Retail and Leisure Study
 - Open Space Study
 - Car and other vehicle parking
 - Water Cycle Study (Stage 2)
 - South West Herts Growth and Transport Plan (HCC)
 - Flood Risk Assessment Level 2
- 3.10 **What are the implications for decision taking in the meantime?**
- 3.11 Although we currently have a 5 year supply the situation is marginal and therefore constantly needs to be reviewed- at times when the Council does not have a 5 year land supply, policies relating to the supply of housing are considered out of date, according to para 49 of the NPPF. Other Local Plan Part 1 Core Strategy policies would still apply, along with the remaining saved policies of the Watford District Plan 2000. Policies set out in the National Planning Policy Framework (NPPF) would also be used by Development Management as at present.
- 3.12 Usually the degree of weight to be given to policies in a Local Plan which has reached

Publication stage, as was the case with Local Plan Part 2, is related to whether the policies are subject to soundness objections. This means that most of the Local Plan Part 2 could potentially still be afforded some weight. The key soundness objection related to the need for evidence of the ability of the transport network to cater for the level of growth proposed (a level which was not set out in LPP2 but in the adopted Core Strategy). This concern is being addressed by work on the South West Hertfordshire Growth and Transport Plan which, whilst not available to inform Local Plan Part 2, can now inform work on the Local Plan review. Development Management policies were not subject to significant soundness objections, although wording improvements were proposed.

3.13 The proposed housing sites proposed in Local Plan Part 2 which are not already subject to planning permission could still be taken forward through the brownfield register. The government requires all local authorities to publish a register of all brownfield sites suitable for housing by December 2017. This would work together with the “permission in principle “ regime, whereby those sites deemed to be both suitable and available are included in Part 2 of the register which would benefit from permission in principle. Detailed matters would still require approval. Information about the brownfield register was reported to Cabinet in July.

3.14 **Way Forward**

3.15 In terms of delivery timescales Issues and Options Consultation is programmed for early 2018 with Submission in 2019 and adoption in 2020.

3.16 Focussing resources on reviewing the Local Plan rather than progressing a plan which is already out of date should enable us to have an up to date plan in place more quickly. In the meantime, the NPPF and existing policies can be used to guide negotiations and development decisions.

3.17 A local plan review would provide the opportunity to assess Watford’s growth capacity and necessary infrastructure to meet future needs. Delaying a review would mean that Watford could be more exposed to development pressures and that essential infrastructure may not be delivered in a timely way.

3.18 Within South West Herts, Three Rivers, Hertsmere and Dacorum are already working on plan reviews, whilst St Albans is also working to update its Plan. Moving straight to a review would put our timetable more in line with these surrounding authorities as we work together under the Duty to Cooperate.

3.19 **Risks**

3.20 Whilst Local Plan Part 2 Publication policies would have some weight, they would not have the same weight as those that had gone through the examination process. However many of these would be integrated into the Review.

- 3.21 Changing government legislation has been a matter of concern over the past eight years with over 500 changes to the planning system. More are expected but a local plan supported by an up to date evidence base would provide greater certainty.
- 3.22 The future of the Metropolitan Line Extension remains unclear given the current funding shortfall. Depending on the final decision, a new plan provides the opportunity to test alternative options if required.
- 3.23 Brexit could affect multiple issues including demographic, investment and policy. Given the timescales for Brexit and uncertainties a number of scenarios would also need to be tested as part of the plan making process.
- 3.24 Concern that Watford could become a target for DCLG on under delivery of housing. Following discussions with DCLG it was clear that there are many other authorities being considered for intervention as they have no plan in place but not Watford . The Council has a 5 year housing supply and is progressing the plan review.

4.0 **Implications**

4.1 **Financial**

- 4.1.1 The Shared Director of Finance comments that the current budget will cover the costs during the 2017/18 financial year and a review of future funding requirements will be undertaken in time for the 2018/19 budget setting process.

4.2 **Legal Issues** (Monitoring Officer)

- 4.2.1 The Head of Democracy and Governance comments that the legal implications are contained within the report.

4.3 **Equalities/Human Rights**

- 4.3.1 Equalities Impact Assessment will be undertaken as the plan review progresses, alongside health impact assessment and sustainability appraisal.

4.4 Potential Risks

The following risks are identified in the Project Initiation Document (PID) for the Local Plan Review

Potential Risk	Likelihood	Impact	Overall score
Changing legislation	4	2	8
Change of administration	4	2	8
Staff changes	4	3	12
Brexit	4	3	12
Resource reduction	2	3	6

4.5 Staffing

4.5.1 No impact

4.6 Accommodation

4.6.1 No impact

4.7 Community Safety/Crime and Disorder

4.7.1 No impact

4.8 Sustainability

4.8.1 Sustainability Appraisal including Strategic Environmental Assessment will be undertaken and subject to consultation at every stage of plan preparation

Appendices

- No appendices

Background Papers

- No papers were used in the preparation of this report

File Reference

- None

Agenda Item 7

Part A

Report to: Cabinet
Date of meeting: 11 September 2017
Report of: Head of Service Transformation
Title: Revision to Digital Watford Board Terms of Reference

1.0 **Summary**

- 1.1 Cabinet on 6 June 2016 approved the establishment of the Digital Watford Board.
- 1.2 At its first meeting on 27 July 2016 the Digital Watford Board approved the proposed Terms of Reference, which can be found as Appendix 1 of this report.
- 1.3 The Head of Service Transformation, who came into post at the beginning of May 2017, has reviewed these terms of reference following discussions with various Board members. In summary the conclusion of this review, which was discussed and agreed at the Digital Watford Board on 24 July 2017, was that thinking had moved on considerably since the initial Terms of Reference were developed and that therefore revisions should be made with the following conclusions:
1. Watford 2020 as the internal council transformation programme should report to Cabinet and be reviewed by Overview and Scrutiny Committee
 2. Digital Watford is an outward-facing programme of work about implementing and exploiting a digital infrastructure in Watford and should report to a revised Digital Watford Board
- 1.4 Revised membership and Terms of Reference were reviewed and approved, but require Cabinet agreement to these changes.

2.0 **Recommendations**

- 2.1 That the Digital Watford Board Terms of Reference should be amended as indicated in section 3.3 below.
- 2.2 That the new membership of Digital Watford Board as indicated in section 3.4 be noted.
- 2.3 That a report on the Watford 2020 Programme be brought to Cabinet on 9 October 2017 with Highlight reports being taken to Overview and Scrutiny thereafter for the duration of the Programme.

Contact Officer:

For further information on this report please contact: Andrew Cox, Head of Service Transformation
telephone extension: 01923 278124 email: andrew.cox@watford.gov.uk

Report approved by: Andrew Cox, Head of Service Transformation

3.0 Detailed proposal

3.1 The Head of Service Transformation, who came into post at the beginning of May 2017, has reviewed the existing terms of reference of Digital Watford Board following discussions with various Board members. In summary the conclusion of this review, which was discussed and agreed at the Digital Watford Board on 24 July 2017, was that thinking had moved on considerably since the initial Terms of Reference were developed and that therefore revisions should be made with the following conclusions:

1. Watford 2020 as the internal council transformation programme should report to Cabinet and be reviewed by Overview and Scrutiny Committee
2. Digital Watford is an outward-facing programme of work about implementing and exploiting a digital infrastructure in Watford and should report to a revised Digital Watford Board

3.2 The Digital Watford Board on 24 July 2017 agreed that the vision for Digital Watford should be that “Businesses and residents in Watford will exploit a cutting edge digital infrastructure to transform the way they work, live and recreate” and therefore that the objectives of the programme of work should be:

1. Implement town-wide technologies (LoRaWAN, town centre wi-fi etc)
2. Raise awareness of technologies and support / facilitate their take-up and usage
3. Support development of the town through use of digital platforms

3.3 To deliver this vision and these objectives revised Terms of Reference for the Digital Watford Board were proposed and agreed, subject to approval by Cabinet:

- Commission and recommend to cabinet and then oversee delivery of a Digital Watford Strategy to implement a cutting edge digital infrastructure in Watford
- Raise awareness of the town’s digital infrastructure and the capabilities it provides with:
 - Residents

- Businesses
- Public sector bodies
- Watford Borough Council
- Support and encourage the exploitation of this infrastructure within the town
- Measure the value and benefits delivered through exploitation of the digital infrastructure
- Recommend to Cabinet any additional resources required to deliver the infrastructure and encourage its usage
- Encourage learning from best practice across the UK and globe

3.4 Revised membership of the Board was proposed and agreed to more appropriately support the delivery of the revised objectives and terms of reference:

Councillors:

- Councillor Mark Watkin – Chair
- Councillor David Barks
- Councillor Karen Collett
- Councillor Rabi Martins
- Councillor Ahsan Khan

Officers:

- Andrew Cox – Head of Service Transformation

External members:

- Watford and West Herts Chamber
- Watford BID
- West Herts College
- Watford UTC
- Hertfordshire County Council

3.5 It was agreed that meetings should be bi-monthly with an aspiration to make use of social media and other digital methods of communication in between and as part of the formal meeting structure.

3.6 It was also proposed and agreed that the meeting should become a publicly accessible meeting.

4.0 **Implications**

4.1 **Financial**

4.1.1 The Shared Director of Finance comments that there are no financial implications contained in this report.

4.2 **Legal Issues (Monitoring Officer)**

4.2.1 The Head of Democracy and Governance comments that Digital Watford Board is a working group set up by Cabinet. As it is proposing membership from representatives outside of the council it cannot have any decision making powers. Its meetings can, however, be open to the public, on the same terms as other council meetings. This will require all agendas and papers to be published at least five clear days before the date of the meeting.

4.3 **Potential Risks**

There are no potential risks associated with this report.

Appendices

Appendix 1 – Digital Watford Board Terms of Reference – agreed 27 July 2016

Background Papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.

- Revised responsibilities and terms of reference for the board – Digital Watford Board presentation 24 July 2017
- Minutes for Item 3 – Digital Watford Board 24 July 2017

Appendix 1 – Digital Watford Board Terms of Reference – agreed 27 July 2016

Background

Cabinet agreed at its meeting of 6 June 2016 to establish the Digital Watford Board (DWB). The report set out the following:

‘Specific Proposal - Digital Watford

This is a key new cross cutting priority. We are behind in this field – channel shift, 24/7 services, online transactions, integrated backend services, integrated customer services, customer accounts are all non-existent or underdeveloped. We need a step change in our innovation and service transformation to benefit service users and drive further savings. Securing town centre wifi, the new website and a more modern council IT infrastructure all provide constructive platforms for building and delivering Digital Watford. It will need strong executive and political leadership and must not be seen only as an IT project. To give this priority clout and momentum it is proposed we establish a Digital Watford Board, chaired by the PH (Resources and Customer Services) and supported by the PH (Community). The Board will comprise officers and members and make recommendations to Cabinet. Terms of reference will be drawn up and any changes required to delegated authorities will be reviewed by the Mayor.

A new Head of Service Transformation is proposed to drive this step change across customer services and IT, bringing new ideas on how to quickly modernise our services end help capture savings by moving appropriate activity online. The role would be the lead officer for the Digital Watford Board.’

Membership

Members

Chair Cllr Mark Watkin

V-Chr Cllr Karen Collett

Labour councillor to be confirmed

Officers

Managing Director, Director of Finance, Head of Service Transformation, Section Head ICT, Head of Community Services, Section Head Customer Services

The DWB Role is to:

- a) Commission and approve a Digital Watford strategy
- b) Commission and approve a Council ICT strategy
- c) Create an impetus for cultural change that embraces new ways of working
- d) In respect of a) and b) above, establish the ‘As is ‘ position and determine the ‘To be’ aspiration
- e) Agree and monitor the delivery plan
- f) Recommend to Cabinet the resources required over the medium term and priorities for investment
- g) Review how services can be improved and made more accessible through digitalisation
- h) Approve the benefits realisation plan (e.g. cost benefit analysis, capturing efficiencies and savings that can be secured and recommending how businesses could benefit through improved digital infrastructure)
- i) Recommend improvements to how data is gathered and shared across key stakeholders

j) Encourage learning from best practice elsewhere

Meetings

DWB to meet monthly initially with administrative support from Democratic Services.

Decision Making

Digital Watford is an advisory Board to the Mayor and Cabinet. It has no delegated powers and any key decisions will need to be published and effected either by officers or the portfolio holder in accordance with the Council's scheme of delegation and constitution.

Agenda Item 8

PART A

Report to: Cabinet
Date of meeting: 11 September 2017
Report of: Head of Democracy and Governance
Title: Contract Procedure Rules Exemption Report

1.0 **Summary**

1.1 To note that the Managing Director and Head of Democracy and Governance agreed to an exemption to the contract procedures rules regarding the procurement of the installation of an UPS (Uninterrupted Power Supply) for the Server Room

2.0 **Recommendations**

2.1 To note the report

Contact Officer:

For further information on this report please contact: Carol Chen, Head of Democracy and Governance
telephone extension: 8350 email: carol.chen@watford.gov.uk

3.0 **Detailed proposal**

3.1 Under the Council's Constitution the Contract Procedure Rules are required to be followed. This requires a formal tender process for goods and services over £5,000. The Rules do allow for exemptions in certain limited exceptions. This have to be signed off by the relevant Head of Service and the Managing Director, reported to the relevant Port Folio Holder and then to the next available Cabinet

3.2 On 14 August 2017 the Head of Democracy and Governance and the Managing Director signed off an exemption approving the awarding of a contract for the

installation of a UPS (Uninterrupted Power Supply) to the Server Room. A new UPS is required as part of the IT Infrastructure programme. It requires a particular product made by one manufacturer due to the fact that the rest of the infrastructure has the same make of equipment and therefore the UPS needs to work with it.

3.3 The Council originally attempted to procure the work via a framework and got back two quotes, however one of the authorised installers for the manufacturer was not on the framework and submitted a separate written quote which was more favourable to the Council. Due to the lead in time to get the equipment made and delivered it was felt that undertaking a further open tender exercise would not be in the Council's best interests and as the Council already effectively had three quotes an exception could be made out.

3.4 Cabinet is asked to note the report

4.0 **Implications**

4.1 **Financial**

4.1.1 The Shared Director of Finance comments that there are no financial implications included in this report.

4.2 **Legal Issues** (Monitoring Officer)

4.2.1 The Head of Democracy and Governance comments that this procurement has been market tested and meets the criteria for an exemption.

4.3 **Equalities/Human Rights**

There are no implications

Background Papers

No papers were used in the preparation of this report

File Reference

- None

Agenda Item 9

PART A

With Part B appendices in accordance with paragraph 3 part 1 schedule 12A.

The appendices contain information relating to the financial affairs of the authority

Report to: Cabinet
Date of meeting: 11 September 2017
Report of: Section Head of Facilities Management / Buildings & Projects
Title: Town Hall Development

1.0 Summary

1.1 The purpose of this report is to seek approval to proceed to the formal process of designing; specifying and constructing through appropriate procurement methods, a purpose built Multi-Storey Office Block adjacent to the Town Hall with additional Car Parking Provision provided by a raised deck over the existing Town Hall & Leisure Centre Parking Facility. **Site Location Concept Plan Appendix 2**

The report highlights the key aspects of the project. Detailed analysis is provided through a series of appendices for each critical element.

1.2 The supporting information accompanying this report identifies the Capital Investment Required, The Projected Revenue Income that will be generated, The risks associated with such a venture and the options considered through a business case study to arrive at the recommended solution that is considered to deliver the highest return for the Council. **Appendix 1**

2.0 Recommendations

2.1 That the project is approved

2.2 That Council is recommended to approve the capital funding required to undertake this development

Contact Officer:

For further information on this report please contact: Ian Browne,
Post: Section Head of Facilities Management / Buildings & Projects
Telephone extension: 8559
E-mail: ian.browne@watford.gov.uk

Report approved by: Carol Chen Head of Democracy & Governance

3.0 **Proposal (See Appendices for full details)**

- 3.1 A detailed project initiation document has been prepared and submitted to the Project Management Board. This details the project scope; expected construction related costs and the anticipated income from letting out the new office space/car park post completion. The business case is attached at **appendix 1** but the basic concept of the development is as follows.
- 3.2 The demolition of an existing “beyond life” single storey modular building. “The Terrapin”. This is an existing structure that was installed as a temporary measure approximately 20 years ago which incorporates part of the customer service centre and also houses the amenity space and meeting rooms. The building is beyond life expectancy and the installations are also dated and in need of replacement. It is not financially viable to continue to maintain this outdated and decaying structure. Demolition is therefore most cost effective measure.
- 3.3 Construction of a purpose built, four or more storey modern office building on the above cleared Terrapin Site. The new building is intended to be occupied in part by Hertfordshire Constabulary as an administration centre on a long term lease. Additional spare capacity will be leased to other interested parties on an individual basis with their own terms and conditions. The intention being to realise the whole development as a long term revenue income stream for the Authority. **Appendix 1** includes Initial Construction Related Costs for this phase of the works including all fees and contingency sums which have been included in the business case. As the project has progressed the scope and concept of the design has become clearer and a revised cost summary to this effect is provided at **Appendix 7**
- 3.4 Construction of a part single/part double storey vehicle parking deck over the existing Town Hall Car Park and Central Leisure Centre Car Park to increase capacity by a predicted additional 300 spaces. This will provide increased capacity for the occupiers of the new office building and existing WBC Staff with the added benefit of additional capacity during the Night time Economy Periods for patrons of the Colosseum & Leisure Centre. A number of draft design options were produced, and, on the basis of practicality and maximum use of available space, the option recommended for final selection is detailed in the report and layout drawing attached. See **Appendix 3 & 4**. The other options were discounted on grounds of cost & practicality. In order to determine the practicality of delivering such a Bold & Progressive venture a number of investigations were required to ascertain the impact on the surrounding transport networks. The assessment judged the impact through collection of vehicle movement data at several points around the site and on the Public Highway. This data demonstrated that the anticipated increase in traffic movement as a result of the development would not adversely affect the road network capacity. The evidence therefore supports the scheme. Full details of the assessment are included in the report at **Appendix 6** and the proposed scheme of Public Highway enhancements for sustainable transport links is attached in draft layout and explanatory versions at

Appendix 6

Initial Construction Related Costs for this phase of the works including all fees and contingency sums have been included in the business case. As the project has progressed the scope and concept of the design has become clearer and a revised cost summary to this effect is provided at **Appendix 7**

- 3.5 Cabinet will be aware from recent media releases the Police Authority intend to relocate from their premises in Shady Lane to new premises. This will release that site for housing development purposes.
- 3.6 The Police and Crime Commissioner and senior officers from the Hertfordshire Constabulary have been in regular discussion with the Council about relocating to the Town Hall and as part of the project process an agreed terms lease will be in place prior to any construction works commencing on site. This will detail the Financial Contribution, Length of Tenure, Service Levels & Charges etc. and guarantees an income to the Authority which greatly reduces the financial risk exposure and therefore supports the overall business case.
Provision of accommodation for the Police Authority on the Town Hall Site also meets the Vision of developing the complex to provide Community based services in a centralised Hub.
- 3.7 The anticipated timescales for the various stages of the project are as indicated in **Appendix 10**: Obviously these are only estimated timelines but are indicative of the ambition to achieve completion within the Watford 2020 Vision

4.0 Implications

4.1 Financial

A breakdown of the assessments' made to determine the financial viability of the project is attached as **Appendix 9**. Income generation has been estimated based on known operational costs for a similar building already on the site. Taxation advice has also been provided by specialist Advisors to confirm the Councils position on VAT.
Appendix 11

- 4.1.1 The Head of Finance comments that the figures in the business case have been reviewed and the budget estimates seem to be robust. Similarly the income projections are suitably cautious. There are currently no budgets set aside in the capital programme for this project and, in accordance with the Constitution, Council will have to approve this budget. This can be undertaken as part of the annual budget setting process.
- 4.1.2 It should also be noted that, due to other projects and the on-going capital programme, the Council may have to borrow prudentially for this project. The timing

and amount to be borrowed will depend on factors such as any financial contributions to the project from partner organisations, the current capital expenditure profile and the timing of any capital receipts emanating from other projects (and available for re-investment). As such, the revenue receipts from this project will have to cover both the cost of principal repayment and also the financing cost of the borrowing. As stated above the actual amount, duration and repayment method of any borrowing will be assessed when the need arises, but the table below gives an indication of likely revenue costs for some common durations:

Principal		£10,000,000		
Term (years) (Years)	Annual MRP	Annual interest rate	Annual interest	Annual revenue impact
10	£1,000,000	2.07%	£207,000	£1,207,000
25	£400,000	2.78%	£278,000	£678,000
40	£250,000	2.58%	£258,000	£508,000
Notes:				
1.	MRP is the minimum revenue provision to be set aside each year to ensure funds are available for repayment of the loan on maturity			
2.	The loan is based on a PWLB maturity rate as at 31 August 2017. Other loan types (eg: annuity) will have a different profile and interest rate			
3.	The annual revenue impact is the amount to be charged to the revenue account for the duration of the loan			

4.1.3 Based on the information provided in Appendix 09, the cost of borrowing over 40 years could be repaid from the projected income, therefore not placing any further financial strain on Council balances. If these income projections were not achieved then the cost of the borrowing would fall to the Council and would create a budget pressure.

4.2 Legal Issues (Monitoring Officer)

4.2.1 The Head of Democracy and Governance comments that all procurement will comply with the Council's procurement rules. Any development will be subject to obtaining planning permission. As the capital funding required is not in the capital programme this will need to be approved by Council.

4.3 Equalities/Human Rights

4.3.1 The delivery of the physical works will be in accordance with all current applicable standards and in particular Part M building regulations (Accessibility) which is one of many statutory requirements. Also whilst the work is being undertaken steps will be implemented to ensure all visitors, will still be able to access the Town Hall, the Leisure Centre and the Colosseum.

4.4 Potential Risks

The risks identified below are those known at the time of the report and assessed on the basis of the information available at the time. Risk management will play a key role in the delivery of the project to ensure maximum levels of mitigation.

Potential Risk	Likelihood	Impact	Overall score
Project & Funding Not Approved	2	4	8
Delivery Programme Deadline Not achieved	3	3	9
Site Disruption During Works	4	4	16
Shared Funding V.A.T. implications	3	2	6
Max Potential Income Not realised on Completion	2	3	6
Impact On Other Tenants & Operators	4	3	12
Cost exceeding estimates	3	4	12
Those risks scoring 9 or above are considered significant and will need specific attention in project management. They will also be added to the service's Risk Register.			

4.5 Staffing

Anticipated internal and external resourcing is identified in the Project Key information Header. There will be a core Board group of delivery officers for the project with additional personnel contributing their expertise as and when required. It is expected that much of the project delivery will be internally resourced which will dramatically reduce project costs associated with the appointment of external consultants.

4.6 Accommodation

The Building is intended to be used solely for the purposes of revenue generation by way of leasing available floor space to external bodies. Provision will be on an office environment basis only to generate maximum return. Fit out will be at the expense of the lessee as is normal for this type of property.

The building will consist of four or more storeys sub divided to meet the needs of the individual occupiers with an option to lease car parking on the new adjacent raised deck car park also being constructed as part of this scheme. A number of public bodies are already expressing an interest in co-locating on this site and there is potential to have sufficient pre-letting of the space confirmed during project start up to determine realistic immediate occupancy levels post completion.

Watford 2020 requires a wider review of how the Town Hall accommodation can support our future requirements. A more flexible way of working – remotely and in a

mobile way, with less need for storage space as we optimise digitisation. It is therefore possible that as our use of space contracts, the Annexe may be capable of being fully let externally as well, complimenting the current NHS use. It is also the case that the quality of office accommodation in the new build will be much higher than in the existing town hall which generates a higher rental but this should not stop us looking at one of the options as to whether it would be appropriate to utilise any part of the new building for Council purposes. There is also the opportunity to relocate the Council staff at the Depot back to the Town hall which would raise the question of the longer term future for the depot.

4.7 Community Safety/Crime and Disorder

Although a new building and Car Park does not a direct impact on Community Safety / Crime and Disorder there are clear benefits to providing a co-location opportunity on the Town Hall Site for Hertfordshire Constabulary.

The Vision is already part complete with the provision of Health & Wellbeing services provided by the NHS on site. Locating the Police (non-Custody) operations on this site will contribute to a more effective partnership to deliver Community Safety. The intention being to also relocate the existing CCTV Control Room and Parking Services (managed & operated by WBC) to further enhance this progression toward a Public Sector Hub. There are also similar opportunities being explored with The Probation Service and Department of Work & Pensions who have expressed an interest in letting out space on the site if proven viable. (further negotiation required if project approved and funded)

4.8 Sustainability

Although yet to be drafted up in any detail (subject to project approval and funding) the council prides itself on delivering projects that exceed the local / national standards and this scheme will be no exception. Initial briefs delivered to specialist consultants will require a design life of a minimum 60 years for the building and 40 years for the car parking. This will ensure that with correct management the life expectancy will in fact likely exceed these limits ensuring a long term investment that will deliver financial and community focussed reward.

Design and construction pre requisites within the Facilities Management Section/Transport & Infrastructure Section dictate that maximum use of appropriate energy efficient construction methods and building installations will be specified. Wherever possible the use of technology to “future proof” the assets will ensure that the space provided remains flexible and attractive to let by the private / public sector businesses we want to attract. This will ensure a continuity of income at a fair market rate. The car park facility could also benefit from future proofing in terms of EV charging, solar and battery power and Internet of Things capability.

Part B : Appendices

1. Business Case
2. Site Location Concept Plan
3. Car Park Options Paper
4. Car Park Option Design
5. RIBA Stage 2 Architect Concept building designs
6. Highway Alterations Draft Layout & Explanatory Layout
7. Estimated Project Costs and Spend Profile
8. Transport Assessment
9. Financial Assessment Viability Report
10. Project Programme & Plan
11. Project Taxation Advice

Background Papers

- No existing papers were used in the preparation of this bespoke project report.

File Reference MP19-6 Town Hall Development