



To be submitted to the Council at its meeting on 18th July 2024

SPECIAL COMMUNITIES SCRUTINY PANEL

12th February 2024 at 2.00pm

Present:

Councillor Westcott (in the Chair)
Councillors Aisthorpe, Batson, Boyd (substitute for Sandford), Croft (substitute for K. Swinburn), Farren and Shutt

Officers in attendance:

- Kerry Caldwell (Delivery Manager Strategy Policy and Performance)
- Chris Dunn (Head of Street Scene, Environment)
- Simon Jones (Assistant Director Law & Governance/Monitoring Officer)
- Jo Paterson (Scrutiny and Committee Advisor)
- Sophie Pickerden (Scrutiny & Committee Support Officer)

Also in attendance:

- Councillor Ron Shepherd (Portfolio Holder for Safer and Stronger Communities)
- Councillor Stewart Swinburn, (Portfolio Holder for Environment and Transport)

There were no members of the public present.

SPC.57 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors , K. Swinburn and Sandford for this meeting.

SPC.58 DECLARATIONS OF INTEREST

There were no declarations of interest in relation to any items on the agenda.

SPC.59 DEPOT RATIONALISATION

The panel considered a report from the Portfolio Holder for Environment and Transport which was going to Cabinet on 14th of February to seek approval for the allocation of additional funding.

Mr Dunn shared a presentation that set out the context and background to the depot rationalisation. The presentation focused on the following:-

- Staff moves including benefits to staff and moving into the town centre.
- Unforeseen costs.
- Budget reviews and further ways to reduce costs.
- Project benefits.
- Project management and communication.
- Project elements left to complete.
- Project completion and further work.

Members were particularly concerned with where the additional money would come from to complete the project. Mr Dunn advised that the Council would apply for additional capital funds and utilise money generated from the sale of the Gilbey Road site.

Members also queried whether this money would specifically come from the Council's reserves. Mr Dunn advised that this was for the Council to determine and the department would apply for capital funding through the normal processes.

Members were not against the project in principle, but highlighted some of the failings with the project which was costing the Council more money than originally anticipated. Members questioned whether the Council should have started the project initially, in particular, concerns were raised with the level of the Council's reserves and members felt the Council should not rush to provide more funding for the project until some assurance could be given that things would not go wrong again.

The Portfolio Holder for Environment and Transport advised that the project had commenced prior to 2022, which was before the pandemic at which point it would have been difficult to have foreseen what problems could have arisen. He also warned that should the project be halted then previous money invested would be wasted and urged the project to continue to allow a viable option for the depot for future years to come.

Mr Dunn noted that there was a great deal of maintenance costs associated with the Gilbey Road site, and on a positive note considered that some of their front line staff would benefit from being located within the town centre.

Further discussion ensued around the initial timing of the project and overspends within the project. Members considered further scrutiny of the project was required in order to plan ahead better in future.

The Chair asked what plans were in place for the Gilbey Road depot and whether the Council were selling this as a plot of land. Mr Dunn confirmed that the land would be sold as is. Members also asked for the market price of the Gilbey Road site. Officers did not have these figures to hand.

Members understood that some of the issues that had arose were outside of the council's control. However, questioned whether there was enough contingency planning in terms of financing and miscalculations within the original contract. Mr Dunn explained the reason behind some of the miscalculations however stated that officers could not have foreseen the rise in price of materials and labour costs post Covid.

The Chair asked about accountability for some of the miscalculations and design errors. Mr Dunn clarified that the architectural team appointed were accountable and relevant action was taken.

The Portfolio Holder for Environment and Transport warned that if the project did not move on there would be further consequences.

Members debated the issues in more detail, and raised the following concerns:-

- The project feeling rushed and concerns that more problems would occur and that more time was needed.
- Timing of the project, current economic climate and potential for interest rates to fall in the near future.
- Estimated budget costs and how further savings could be made with the project.
- Concerns about the procurement process.
- More time required for the project to commence.
- Gilbey Road site and sale.
- Associated electric vehicles/future proofing electrical vehicle infrastructure.
- Costs of removal of asbestos.
- Renewable sources of energy.
- Security on site.
- Tantalising tanks.
- Access for lorries to and from the site at the busy junction on Peaks Parkway.

In response to queries around electrical vehicles, officers confirmed that a significant reduction in cost of vehicle maintenance had been seen. Officers were not putting cables in but were putting a ducting in to make the depot future proof. It was also confirmed that two sub-stations had been proposed in order that electricity could only be purchased for the site as and when it was required. Also, rainwater harvesting would be utilised

on site. In terms of security, patrols were on site and with regards to access to the site, a barrier system would be in place to assist with vehicle movements.

The Chair asked whether the Council would incur further fines should the project be delayed. Mr Dunn stated that the Council were committed to some of its contractors and confirmed they would incur additional costs if they held back with commencement.

In reflecting, members believed that some of the errors may have been prevented if there had been more oversight of the project. Members were happy to support additional financing of the project providing a working group of this panel could be formed to monitor the project going forward.

The Chair asked about timescales should a decision be approved this week to commence the project. Mr Dunn confirmed that completion of the project would be around September 2024.

Members remained concerned that they could not support more financing of the project until it was understood exactly where the additional money would come from. In terms of financing, officers assured the panel that the Section 151 officer was satisfied with where the additional funding would be found as detailed within the report.

A member proposed the panel support approval of the extra £1.3m going forward on the basis that the project needed completing, subject to the Section 151 officer being satisfied with where the funding would come from. Ms Caldwell confirmed that officers had asked Equans to look into costings going forward in order that they could be more realistic and highlighted that there was always risk with developing old buildings.

Members queried the contingency requested and asked whether 10% or 20% contingency would be enough in terms of risk on the £3.28m. Officers confirmed that the contingency requested was on the remaining spend, which was estimated to be £3.28m. The Cabinet report sought approval for a minimum of 10% contingency with delegated authority to Director for Environment, Economy and Infrastructure in consultation with Executive Director for Place and Resources (Section 151 Officer) and Portfolio Holder to fund to a maximum contingency of 20%.

Another member proposed that a working group take place that would have oversight in three to four months' time.

Mr Jones stated that it was not the remit of the scrutiny panel to approve financial matters the remit of this panel was to consider and scrutinise what was within the report. Mr Jones referred members to the financial implications provided within the report, in terms of the additional capital cost he clarified that the Council was not able to borrow money in advance of its need. If the decision was approved the money would be found through borrowing or through other measures. As such, members needed

to take assurance that this report was going to Cabinet and the cabinet report provided full legal, human resources and financial implications.

Members agreed that a Working Group be formed that would have oversight of the project.

The Chair queried use of patrols and security and it was noted that there would be fixed security gates in addition to a barrier system at each entrance to the depot.

RESOLVED -

1. That the report be noted.
2. That a working group of this panel be formed that would have oversight of the depot rationalisation project.

There being no further business, the Chair declared the meeting closed at 3.38 p.m.