

# Public Document Pack



## NOTICE OF MEETING

<b>Meeting</b>	Buildings, Land and Procurement Panel
<b>Date and Time</b>	Tuesday, 9th October, 2018 at 10.00 am
<b>Place</b>	Denning Room, Ell Court, The Castle, Winchester
<b>Enquiries to</b>	members.services@hants.gov.uk

John Coughlan CBE  
Chief Executive  
The Castle, Winchester SO23 8UJ

## FILMING AND BROADCAST NOTIFICATION

This meeting may be recorded and broadcast live on the County Council's website. The meeting may also be recorded and broadcast by the press and members of the public – please see the Filming Protocol available on the County Council's website.

## AGENDA

### 1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

### 2. DECLARATIONS OF INTEREST

All Members who believe they have a Disclosable Pecuniary Interest in any matter to be considered at the meeting must declare that interest and, having regard to the circumstances described in Part 3 Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter is discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore all Members with a Non-Pecuniary interest in a matter being considered at the meeting should consider whether such interest should be declared, and having regard to Part 5, Paragraph 2 of the Code, consider whether it is appropriate to leave the meeting while the matter is discussed, save for exercising any right to speak in accordance with the Code.

### 3. MINUTES OF PREVIOUS MEETING (Pages 5 - 8)

To confirm the minutes of the previous meeting on 20 June 2018.

### 4. DEPUTATIONS

To receive any deputations notified under Standing Order 12.

**5. CHAIRMAN'S ANNOUNCEMENTS**

To receive any announcements the Chairman may wish to make.

**6. PROPERTY SERVICES: MAJOR PROGRAMMES UPDATE** (Pages 9 - 16)

To consider a report of the Director of Culture, Communities and Business Services regarding an update on the major programmes, projects and issues currently being progressed relating to Adults' Health and Care Services Programme, Children's Services Programme and Office Accommodation.

**7. MANAGING HAMPSHIRE'S BUILT ESTATE UPDATE** (Pages 17 - 26)

To consider a report of the Director of Culture, Communities and Business Services giving an update on the County Council's repair and maintenance programmes.

**8. ENERGY AND CARBON MANAGEMENT ACTIVITIES UPDATE**  
(Pages 27 - 36)

To consider a report of the Director of Culture, Communities and Business Services on the achievements of the Carbon Management Strategy Phase 2.

**9. STRATEGIC PROCUREMENT AND COUNTY SUPPLIES  
CONTRACTING ACTIVITY AND APPROVALS FOR 2018/19 - LESS  
EXEMPT APPENDIX** (Pages 37 - 42)

To consider a report of the Director of Transformation and Governance – Corporate Services seeking approval to procurement contracts for cleaning services for non-educational establishments.

**10. EXCLUSION OF THE PRESS AND PUBLIC**

To resolve that the public be excluded from the meeting during 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 this item there would be disclosure to them of exempt information within Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the report.

**11. STRATEGIC PROCUREMENT AND COUNTY SUPPLIES  
CONTRACTING ACTIVITY AND APPROVALS FOR 2018/19 - EXEMPT  
APPENDIX (Pages 43 - 44)**

To consider an exempt appendix to Item 9 on the agenda.

**ABOUT THIS AGENDA:**

**On request, this agenda can be provided in alternative versions (such as large print, Braille or audio) and in alternative languages.**

**ABOUT THIS MEETING:**

**The press and public are welcome to attend the public sessions of the meeting. If you have any particular requirements, for example if you require wheelchair access, please contact [members.services@hants.gov.uk](mailto:members.services@hants.gov.uk) for assistance.**

County Councillors attending as appointed members of this Committee or by virtue of Standing Order 18.5; or with the concurrence of the Chairman in connection with their duties as members of the Council or as a local County Councillor qualify for travelling expenses.

This page is intentionally left blank

# Public Document Pack Agenda Item 3

AT A MEETING of the Buildings, Land and Procurement Panel of HAMPSHIRE COUNTY COUNCIL held at The Castle, Winchester on Wednesday, 20th June, 2018

Chairman:  
p. Councillor Mel Kendal

p. Councillor Bill Withers Lt Col (Retd)      a. Councillor Rhydian Vaughan  
a. Councillor Adrian Collett                      a. Councillor Jackie Porter  
a. Councillor Andrew Gibson  
p. Councillor Keith House

## 41. **APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Collett. Councillor Porter was in attendance as the Liberal Democrat substitute.

## 42. **DECLARATIONS OF INTEREST**

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest at the time of the relevant debate and, having regard to the circumstances described in Part 3, Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Non-Pecuniary interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 2 of the Code, considered whether it was appropriate to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with the Code.

## 43. **MINUTES OF PREVIOUS MEETING**

The minutes of the meeting held on 29 March 2018 were agreed as a correct record and signed by the Chairman.

## 44. **DEPUTATIONS**

There were no deputations.

## 45. **CHAIRMAN'S ANNOUNCEMENTS**

There were no announcements.

46. **PROPERTY SERVICES: MAJOR PROGRAMMES UPDATE**

The Panel considered the report of the Director of Culture, Communities and Business Services (Item 6 in the Minute Book) which provided an update on major projects that were being progressed within the department.

Discussion was held regarding electric vehicles and members were pleased to hear of the electric charging point framework arrangement, led and managed by the County Council, which was currently being promoted. It was noted that interest from external public sector organisations continued to be strong.

The Panel also discussed the office accommodation arrangements and heard that utilisation studies had been undertaken across the Winchester office estate. Members heard that once ongoing refurbishment works to EII South had been completed it was intended that the office space would be occupied more intensively to make the most efficient use of the space. Furthermore, Members were supportive of the suggestion to rent existing office facilities to external organisations to generate income.

RESOLVED:

- i) That the Buildings, Land and Procurement Panel notes the progress being made on each of the programmes.
- ii) That the Project Appraisal for improvement works to Three Minsters House is supported and recommended to the Executive Member Policy and Resources for approval at an estimated total cost of up to £975,000 inclusive of fees.

47. **PROPERTY SERVICES BUSINESS REVIEW 2017/18**

The Panel considered the annual report of the Director of Culture, Communities and Business Services (Item 7 in the Minute Book) which provided an overview of Property Services' financial outturn position for 2017/18.

In response to Members' questions, it was confirmed that the County Council had a Joint Working Arrangement with the University of Winchester and that asset survey and management work had recently been undertaken for them by the service. The Panel noted the intention to continue to develop the working relationship as the University expands in capacity.

RESOLVED:

That the Buildings, Land and Procurement Panel notes the successful outturn for Property Services in 2017/18, in particular, the continuing strong performance of the service to generate external income to maintain capacity and skills as well as making a substantial contribution to overheads.

48. **BUSINESS SERVICES GROUP - 2017/18 ANNUAL REPORT AND ACCOUNTS**

The Panel considered the report of the Director of Culture, Communities and Business Services (Item 8 in the Minute Book) providing a summary of the financial performance of the self-funding business units namely County Supplies (CS), Hampshire Transport Management (HTM) and Hampshire County Council Catering Services (HC3S).

Members were pleased to hear of the successful year for the Business Units. Section 6.4 of the report outlined recent awards and accreditations which had been obtained by HC3S including a 'Food for Life Served Here' Bronze award from the Soil Association for all Hampshire primary schools.

RESOLVED:

That the Panel make the following recommendation to the Executive Member for Economic Development:

- i) That the 2017/18 annual report and accounts for the Business Services Group be approved.

This page is intentionally left blank

## HAMPSHIRE COUNTY COUNCIL

<b>Committee/ Panel:</b>	Buildings, Land and Procurement Panel
<b>Date of Decision:</b>	9 October 2018
<b>Decision Title:</b>	Property Services: Major Programmes Update
<b>Report From:</b>	Director of Culture, Communities and Business Services

**Contact names:** Steve Clow

**Tel:** 01962 847858

**Email:** [steve.clow@hants.gov.uk](mailto:steve.clow@hants.gov.uk)

### 1. **Recommendations**

- 1.1 That the Building, Land and Procurement Panel notes the progress of each of the programmes.

### 2. **Summary**

- 2.1 The purpose of this report is to provide an update on the major programmes, projects and issues currently being progressed relating to:

- Adult Health and Care Services Programme
- Childrens Services Programme
- Office Accommodation

### 3. **Adult Health and Care Services Programme**

- 3.1 Property Services continues to support the County Council's Adult Health and Care department to deliver asset outcomes for a number of existing and emerging transformation programmes. An update on each of these programmes is provided below:

#### Adults with a Disability Housing Programme

- 3.2 In April 2016, the Executive Member for Policy and Resources approved the Strategic Business Case for the Adults with Disability Housing Strategy. A decision was taken to support around 600 services users with a learning and/or physical disability to transition from a traditional care home setting into either a shared house or groups of individual flats to achieve independent living with 24/7 care and support available and commissioned by the County Council subject to the needs of each resident.

- 3.3 Property Services has led on the design and delivery of the new build element of the strategy which will deliver 95 assisted living units on County Council owned sites. The units are being delivered through a two phase programme, Phase 1 comprises of four projects and a further two projects will be delivered in Phase 2.
- 3.4 Phase 1 of the new build programme has recently reached a significant milestone with the first two projects, Jellicoe Court in Basingstoke and Fernhill Court in New Milton having reached completion. The buildings are now fully fitted out and the selected registered landlord and care provider are finalising their mobilisation ready for the first occupants to move in. Residents will move in on a phased basis over the coming months.
- 3.5 The remaining two Phase 1 projects in the north of the County are also progressing well with the specialist Physical Disability bungalows at Mulberry Lodge in Basingstoke due to be complete this month and Apex Court in Aldershot will complete in early October. The Phase 2 projects are also making good progress. The Fareham scheme at Croft House has been submitted for planning approval with a determination expected shortly and start on site planned towards the end of this year. The Eastleigh project on the site of the former John Darling Mall has received planning permission and works were due to commence in September for a summer 2019 completion.

#### Learning Disability Transformation programme

- 3.6 Following the last updated business case approved 9 March 2017, progress has been made in respect of the following projects:
- Completion of a 2 bed extension to Hindson House, Basingstoke reflecting the popularity of this new respite service.
  - Works are progressing well to construct an 8-bed Southern Respite facility in Fareham based on the Hindson House model with the new building due for handover in December 2018.
  - Works have also completed to remodel Havant Day Services to create a Keystone Service to complement the similar at Locks Heath supporting day provision for higher needs clients.
- 3.7 In addition, there are a number of smaller projects that are ready to progress listed below. These are within the financial limits that fall to senior officers under delegated authority.

- Meadowcroft Demolition:

Within the original Business Case a sum of up to £600,000 was identified for managing vacant property during the life of the programme. It was envisaged that these costs may include the

demolition of particular buildings to manage costs and to prepare sites for re-use and/or disposal.

The Meadowcroft site has been managed in a vacant state pending a decision on its re-use or sale. For the most part the building has attracted limited interest but there has been a recent escalation of vandalism such that demolition now is prudent. Neither a re-use by the County Council (possibly as part of the reinvestment programme detailed below) or as part of any sale will see the retention of the existing building. An estimated figure of £155,000 has been identified to cover demolition cost and professional fees against the business case provision identified above. Approval has been made by officer delegation to procure the demolition works and expend funding at this level.

- Andover Community Link

Previous Member approval was secured to locate the Andover Community Link to the former Magistrates Court building as part of a One Public Estate Hub programme but this project has not progressed.

To meet the need for a Community Link in Andover further discussions have taken place with Test Valley Borough Council (TVBC) as part of the One Public Estate programme. An opportunity has been identified to take space in a third party owned property in Union Street that with some adaptation (at an estimated cost of £50,000) could meet the brief for the Community Link Service.

The existing LD Day Service is run from a TVBC owned building on the Portway Industrial Estate. TVBC have indicated a willingness to negotiate terms for the early release of the County Council's leasehold interest at Portway. It is proposed that a new lease of the Union Street building is secured for rent. This will be the subject of an approval by the Executive Member P and R in the Schedule of Routine Transactions.

The Union Street building will provide a large open multi functional space, separate kitchen facility and two accessible toilets. One of the existing toilets will need to be enlarged and re-configured to suit the needs of the service users. In order to facilitate the move a changing place will be required and this has been identified at Copper Beeches Day Services where an existing accessible WC can be re-configured to accommodate service users needs.

The required Capital and Revenue costs to establish the Andover Community Link is included in the original approved business case.

- Fareham Community Link

Having reviewed the options for a Community Link in Fareham, it is proposed to carry out a scheme of improvement works to the County Council owned premises in Bath Lane to establish a Community Link. The works proposed consist of improvements to the kitchen and dining room including a new revised layout; minor improvements to

the reception area; the creation of a new rear patio area and providing wheelchair accessible access from the building to the patio via new doors and ramp. The estimated cost of the adaptation works is £100,000.00 (inc. fees) and can be met from the approved Business Case financial envelope. Approval has been made by officer delegation to procure the works and expend funding at this level.

#### Older Persons Extracare programme

3.8 The updated Strategic Business case for the Older Persons Extracare programme approved January 2017 identified an amended and more flexible approach to the delivery of extracare units on County Council owned sites, together with schemes on other third party sites through the grants programme. In respect of the latter, a 54 unit flatted scheme including a separate replacement Older Persons Day Centre has recently opened on the former Chesil Street carpark site in Winchester.

3.9 The demolition of the former Nightingale Lodge and Master's House buildings in Romsey has recently been undertaken in preparation for a new Extracare scheme with an integrated day centre provision. Construction of this project by the County Council's selected development partner, Ashley Morgan/Places for People is due to commence shortly. At the meeting in September the Executive Member for Policy and Resources selected development partners for three further Extracare schemes on sites in Gosport (former Addenbrookes Home), New Milton (former Fernmount Centre) and Petersfield (former Bulmer House), which following securing planning permission could see the delivery of around a further 150 affordable Extracare units. The County Council has enabled the delivery of these through making its land available in kind as well as further capital grant contributions.

#### Adults Health & Care (AHC) Strategic Bed Based Programme

3.10 Finally, building on the success of the aforementioned programme early feasibility work has commenced to support the emerging Adults Health & Care Bed Based Programme. This includes a comprehensive review of future demand for older persons residential and nursing provision. Work is well underway to identify the care provision required by the County Council over the medium to longer term. This takes account of predicted market capacity and conditions, as well as demographic trends and changes to the nature and complexity of clients. A comprehensive assessment of the existing owned estate is also being undertaken in parallel. Once these two exercises are concluded it will inform both asset and investment strategies for futures years to ensure the County Council has buildings that are suitable for use and efficient for service delivery.

3.11 A range of options are being targeted including, short term re-ablement beds, dementia care, nursing care, extension of the extra care programme and the modernisation of the residential home estate.

Property Services are assisting colleagues in the Transformation Practice and AHC with this analysis through a number of workstreams including, a review of the current condition of AHC buildings, developing a set of design principles to inform future new build or modernisation projects.

#### **4. Childrens Services Programme**

Property Services are continuing to work with Children's Services on the design and delivery of a significant number of new schools, school extensions, new modular classrooms and work to improve existing school buildings and their settings. There are several school projects which have been completed this summer to provide 2286 additional school places across Hampshire, these include primary school extensions, the new primary school Cambridge School, Aldershot and a significant extension to provide additional secondary school places at Robert May's School. This represents a total capital investment of approximately £63m in improving school facilities and providing additional school places.

There has also been good progress on securing funding and developing proposals for new schools and ongoing work with the Education Skills Funding Agency and academy sponsors for a new secondary school in Hedge End, a new primary school at Kings Barton, Winchester and a new special school in Chineham. The most advanced proposals are those to relocate Mill Chase Academy for which there is a significant one-off capital investment of £10m by the County Council and this project is progressing well on site.

Feasibility work continues on school provision to plan further additional new school places for the projected primary and secondary pupil numbers and to maintain design quality at lower costs in response to continues reductions in public spending. There is continuing dialogue with District and Borough Councils and negotiations with developers for new school provision and to secure suitable sites and funding contributions in relation to planned new housing developments across Hampshire, including Welborne and Manydown.

In addition, a new children's home is progressing well on site. This is located in Winchester and is the sixth and final project in a significant programme of investment in recent years for this provision across Hampshire. There are also significant remodelling and improvement works being drawn up for Swanwick Lodge, a secure facility that provides a safe and child centred environment for children and young people

#### **5. Office Accommodation Strategy**

- 5.1 Property Services continues to work closely with all the County Council's departments to identify opportunities to rationalise and increase the utilisation of the corporate office portfolio in order to achieve revenue savings as part of the Transformation to 2019 programme and

modernise the workplace settings to align with new ways of working and ongoing investment in new digital technology.

- 5.2 As previously reported to the Panel, this remains challenging due to the continued evolution of operational service strategies. These are in response to a range of influences including Transformation to 2019, growth arising from new business opportunities and further development of partnership working with a range of public sector organisations as evidenced through the County Council's 'extended organisation'.
- 5.3 Property Services continues to engage with individual departments and the Corporate Management Team to ensure that the office accommodation strategy continues to align with the operational needs of the County Council in terms of both capacity of accommodation and timing of any changes.
- 5.4 Property Services has identified a number of specific investment projects that support the strategy objectives of increased utilisation and flexibility and work is progressing on these schemes as identified in the separate Built Estate update report to the Panel.
- 5.5 In addition, Property Services is working closely with IT Services to implement the roll out of new meeting room technology and enable the replacement of desktop IT equipment as part of the wider Enabling Productivity programme.

**CORPORATE OR LEGAL INFORMATION**

**Links to the Strategic Plan**

<b>Hampshire maintains strong and sustainable economic growth and prosperity:</b>	yes
<b>People in Hampshire live safe, healthy and independent lives:</b>	yes
<b>People in Hampshire enjoy a rich and diverse environment:</b>	yes
<b>People in Hampshire enjoy being part of strong, inclusive communities:</b>	yes

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
<u>Title</u>	<u>Date</u>
<b>Direct links to specific legislation or Government Directives</b>	
<u>Title</u>	<u>Date</u>

<b>Section 100 D - Local Government Act 1972 - background documents</b>	
<p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p>	
<u>Document</u>	<u>Location</u>
None	

## **IMPACT ASSESSMENTS:**

### **1. Equality Duty**

1.1 The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**Due regard in this context involves having due regard in particular to:**

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

### **1.2 Equalities Impact Assessment:**

An equalities impact assessment has /has not been considered in the development of this report as access requirements are always considered during the design stages of building maintenance projects and are often improved.

### **2. Impact on Crime and Disorder:**

2.1 The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all decisions it makes on the prevention of crime. The proposals in this report have no impact on the prevention of crime.

### **3. Climate Change:**

3.1 This is an update report which has no impact upon climate change.

## HAMPSHIRE COUNTY COUNCIL

### Report

<b>Committee/Panel:</b>	Buildings, Land and Procurement Panel
<b>Date:</b>	9 October 2018
<b>Title:</b>	Managing Hampshire's Built Estate Update
<b>Report From:</b>	Director of Culture, Communities and Business Services

**Contact name:** Steve Clow

**Tel:** 01962 847858

**Email:** [steve.clow@hants.gov.uk](mailto:steve.clow@hants.gov.uk)

#### 1. Recommendations

That the Buildings, Land and Procurement Panel:

- i) Notes the progress being made against the 2018/19 planned and revenue repairs programme across the Maintained Schools and Corporate estates.
- ii) Notes the updated proposals for investment in the corporate office accommodation portfolio, to enable its increased utilisation as part of the wider strategy.
- iii) Supports the additional planned schools programme works contained within this report to be procured through an OJEU compliant procurement route.

#### 2. Executive Summary

- 2.1 The purpose of this report is to provide an update on the County Council's Repair and Maintenance programmes and budget recommendations for 2018/19 which were set out in the March 2018 report to the Panel approved by the Executive Member for Policy and Resources.

#### 3. Managing the County Council's Built Estate

- 3.1 The report to the Executive Member for Policy and Resources (EMPR) sets out the strategies that Property Services is adopting to address the maintenance challenges within the Estate. This builds on the context set out in the County Council's Strategic Asset Management Plan (SAMP). These strategies continue to deliver sound outcomes and progress within the known financial constraints. It notes that the estate has two distinct sectors with different pressures and challenges – the 'Schools' and the 'Corporate' estates.
- 3.2 The projects and programmes of work in the March report total around £43 million of capital and revenue investment in the repair and maintenance of schools and corporate buildings in Hampshire. This is funded through a

combination of local resources, school contributions and Government grant.

- 3.3 The programme is being delivered and managed by Property Services through a series of effective and efficient procurement mechanisms. This expenditure will continue to support the local construction economy and also ensure our estate is safe and well managed for building users, customers and visitors. This continues to be one of the largest Local Authority led building maintenance investments nationally. Hampshire's arrangements with schools and expenditure on the corporate estate have seen Property Services deliver a co-ordinated and managed programme of revenue and capital works totalling some £210 million over the last four years.

#### **4. Health, Safety and Risk Management Update**

- 4.1 As set out in the Risk Management Update report to the Panel in March 2018, Property Services discharges its duties in relation to the management of health and safety risks in the physical estate within the County Council's Strategic Risk Management Framework and Health and Safety policy.
- 4.2 A significant proportion of the annual repairs and maintenance budgets for both the corporate and maintained schools' estate is allocated to undertaking the activities required to meet statutory health and safety requirements such as annual gas safety checks, delivering surveys and inspections that support the ongoing management of health and safety risks and completion of physical works that achieve a reduction in the level of risk associated with particular hazards.
- 4.3 During the last year, Property Services has particularly focused on addressing health and safety risks associated with fire and legionella in both the corporate and schools' estates. An update on progress with these programmes of work is provided below.
- 4.4 To ensure that health and safety risks in both the corporate and schools' estates continue to be identified, managed and addressed effectively in the future and to enable the appropriate allocation of the limited available budgets to the highest priority risks, Property Services is currently undertaking a review of the approach to the risk profiling of the estate, in line with the requirements of HSG65 'Managing for Safety and Health'.
- 4.5 The review, and resulting updated approach to risk profiling the estate, is being undertaken in consultation with the corporate Head of Health and Safety and will support the on-going engagement with Departments to ensure that the understanding of health and safety risks within the physical estate is used to inform and support local building management arrangements alongside the asset related work undertaken by Property Services.

#### Management of Fire and Arson

- 4.6 As noted in the March report, in response to the heightened awareness around fire safety since June 2017 (the Grenfell Tower Fire in London),

Property Services has undertaken a range of actions focused on the priority buildings in the Corporate and Schools' Estates, in particular residential care accommodation for adults and multi-storey SCOLA buildings. The work has included a programme of surveys followed by works to upgrade passive fire precautions, with additional funding prioritised for this work. Works to the residential care accommodation and higher risk office buildings, comprising over 300 individual items of work are now complete. Work to multi-storey SCOLA buildings is progressing well with works to three and four storey buildings mostly complete and a total of over 450 individual items of work completed.

- 4.6 The prioritisation of buildings is being considered for future survey and on-going improvement works as part of the overall review of the risk profiling of the estate, to ensure that it is proportionate to the risk. Communication and liaison with departments and local building managers is also being assessed to ensure that fire risk is managed holistically across the estate.
- 4.7 The Panel will be aware that the County Council and Hampshire Fire and Rescue Service (HFRS) established a Fire Safety Partnership in 2008 to support the joint objectives of reducing the risks from fire and arson across the corporate and schools' estate. A review of the Partnership is now being undertaken which will confirm the joint objectives of the arrangement and refresh the governance and engagement between the two organisations.
- 4.8 Property Services, in conjunction with the HFRS Fire Safety Partnership Officer, will continue to deliver the audit and inspection programme in line with the jointly agreed risk profile for the corporate and schools' estate. This work informs and complements, but does not replace, the County Council's own assessment and management of fire and arson risk in the estate.

#### Management of Legionella

- 4.9 As noted in the March 2018 report, following legislative changes and a review of the County Council's approach to the risk and local management arrangements in relation to the monitoring and control of legionella in water supplies, a one off capital investment is being made to improve the quality of data collection and management of legionella. The first of three contracts is currently underway to install modern fixed temperature monitoring points; the two remaining contracts will be placed in the autumn for completion early in 2019. In addition, a new online data recording system commenced roll-out early in the summer, and will be completed early by the end of the calendar year. This is all part of an on-going strategy to take advantage of modern technology to increase the efficiency and effectiveness of the management of the built estate.
- 4.10 This work will support a reduction in the risk of exposure to legionella by improving the accuracy of water temperature measurements and providing early warning of any measurements that fall outside of expected parameters so that these can be appropriately investigated and addressed in conjunction with local building managers.

## 5.0 Schools Estate - update on Key Projects

- 5.1 It is worth noting that there were over 100 planned projects on site at Hampshire schools over the summer period managed by Property Services, including maintenance projects such as external decorations, re-cladding, roof re-covering and window replacement maintenance projects together with a number of alteration and extension projects.
- 5.2 This work includes over 50 external decoration and repair projects, 11 major re-roofing schemes and 26 internal alteration and refurbishment schemes that have all been completed successfully. Some highlights include

The Westgate School, Crosswall Re-cladding and refurbishment	Work commenced on site, completion due early summer 2019
Southwood Infant School, roof replacement	Work complete
Mengham Junior School, flat roof replacement	Work on site, completion due Autumn 2018
Liphook Junior School, flat roof replacement	Work on site, completion due Autumn 2018

### Timber Frame Buildings

- 5.3 As set out in the March 2018 report to the Panel, a funding strategy is being developed to address the remaining two storey timber frame buildings at Grange (Gosport) and Fryern Junior (Chandler's Ford) schools, which are the highest condition priorities within the maintained schools' estate. It is proposed to undertake complete replacement of these buildings to eliminate the liability. This will be achieved by forward funding the work from corporate resources to be recovered from annual SCA grant applications. A part land disposal will also make a capital contribution. Work has now commenced on the outline design of the proposed works and it is proposed to add the projects to the Capital Programme later in the year.

### SCOLA recladding

- 5.4 Scola buildings represent 40% of the floor area in the Schools' Estate and as previously reported are a significant proportion of the maintenance liability. All Scola 1 buildings have been re-clad and good progress is being made on SCOLA 2/3 buildings with 53 buildings either complete or in progress. There does, however, remain over 240 SCOLA buildings to re-clad. As an update to the schools that are in the current programme of work the table below gives an update on their progress.

Alderwood School	Works on site with completion due early 2019
Applemore College	Works on site with completion due spring 2019
Test Valley School	Works completed summer 2018
Testbourne School	Detailed design commenced, expected on site February 2019
Wavell School	At initial feasibility
Whitchurch Primary School	Detailed design commenced, expected to commence on site February 2019

#### Priority Schools Building Programme 2 (PSBP2)

5.5 As noted in the March 2015 report, the County Council was successful with a bid for Priority Schools Building Programme (PSBP2) funding from the Education and Skills Funding Agency (ESFA) for SCOLA re-cladding at the following schools:

Wootey Junior School  
 Talavera Infant School  
 Overton Church of England Primary School  
 Oliver's Battery Primary School

5.6 As previously reported, Property Services were appointed by the ESFA as a Pathfinder Authority for local delivery of these projects. Work has now commenced on site for all projects with a total investment of over £10million. Work at all four sites is progressing well and the programme is still on course to complete in January 2019.

5.7 Property Services has also been appointed as the local delivery partner by the ESFA for the PSBP2 projects on the Isle of Wight which is an investment of over £15m in re-cladding, re-roofing and refurbishment of 7 schools. These projects are currently in design with the first works due to start on site in summer 2019. This appointment reflects the knowledge and expertise of Property Services in this type of work and the success of the Hampshire Pathfinder projects.

#### Additional Works to be undertaken

5.8 As noted above, good progress has been made against the planned programme of works reported to the Panel in March and the scope and costs of the work have been finalised against a number of these schemes. As a result of this, it has become apparent that there is scope to plan some

additional works and the following schemes are proposed to be added to the Schools Planned Programme. These will be approved under Officer Delegation given the value.

Brighton Hill Community School	Bay Window Replacement
Frogmore Community College	Bay Window Replacement
Toynbee School	Bay Window Replacement

## **6.0 Corporate Estate – update on key projects.**

### Office Accommodation

- 6.1 The report to the Panel in March 2018 identified a carry forward budget allocation of £809,000 of Repairs and Maintenance funding for the corporate estate for investment in the corporate office accommodation portfolio in order to align repairs and maintenance works with the wider office accommodation strategy, which seeks to achieve savings across the portfolio through increased utilisation alongside the wider corporate initiative to introduce new technology and increase flexible working practices through the Enabling Productivity Programme (EPP). The report identified a further allocation of Repairs and Maintenance funding from the 2018/19 programme for improvements to Three Minsters House to maximise its efficient use on re-occupation following the fire in September 2017. This funding is in addition to the funding of changes within the office portfolio from the annual Policy and Resources capital budget for office accommodation.
- 6.2 Property Services continues to work with Departments to identify opportunities for rationalisation of the office portfolio through increased utilisation and the implementation of new ways of working. Alongside this, Property Services has undertaken a programme of survey work over the last 6 -9 months to review the infrastructure of a number of buildings in order to identify and, where possible, address constraints to their increased utilisation.
- 6.3 The surveys have identified a range of improvements to the physical fire precautions within a number of the office buildings which, once completed, would enable increased utilisation in line with the office accommodation strategy. Detail designs for these improvements to the fire precautions are now being developed in order for the works to be procured and delivered, where these align with the proposals under the wider strategy.
- 6.4 Where appropriate, the works will be procured as part of projects that are being delivered in support of the wider strategy. An update on key projects is provided below. Where required under the County Council's financial regulations, further detail on the larger schemes will be brought forward for approval by the Executive Member for Policy and Resources at the appropriate time.

### Three Minsters House

- 6.5 The works to complete the reinstatement of the damage caused by the roof fire in September 2017 are now complete. The detailed design of the proposed improvement works reported to the Panel in the Major Programmes Update report in June 2018 and approved by the Executive Member for Policy and Resources in July 2018 is now well progressed and it is anticipated that the contract for these works will be let by the end of the year.

### EII Court South

- 6.6 The refurbishment of the ground and first floors of EII South, which was delayed following the fire at Three Minsters House, is now well progressed and due for completion later this year. The Corporate Procurement Team, which was temporarily decanted to Sheridan House to enable the Three Minsters House roof works, has now been moved back into the building. Further fire precautions improvements, including lobbying of the main staircase, are now planned to facilitate the increased utilisation of the existing office areas in the building. Listed building consent is required for these works and it is therefore anticipated that the works will be undertaken during 2019.

### EII Court East

- 6.7 Minor works, including changes to furniture and power and data are being implemented to provide additional capacity for Corporate Services in support of the successful continued growth of the service.

### Castle Avenue

- 6.8 Works to undertake improvements to the fire precautions are being progressed to ensure that the utilisation of the building can continue to be maximised in support of the wider office accommodation strategy. The estimated cost of the works is £140,000.

### Dame Mary Fagan House

- 6.9 Works are planned at Dame Mary Fagan House in Basingstoke to facilitate the release of additional space for leasing to a third party following confirmation of a reduction in the space leased by the current tenant, CDW. Works proposed at Dame Mary Fagan House include some improvements to the physical fire precautions together with some internal alterations and re-organisation of some of the internal spaces. The estimated cost for the works is £200,000.

### Hampshire House

- 6.10 Proposals are being developed to relocate services from Enterprise House to Hampshire House during 2019 in order to facilitate the release of Enterprise House as part of the wider office accommodation strategy. Detailed proposals are currently being developed in order to confirm the scope of any works required at Hampshire House.

## **7.0 Digital and Smarter working**

7.1 Over the course of the past year, Property Services has introduced a number of digital initiatives to save costs and improve customer service including:

- Rolling-out the Digital Asset Management System (PAMS) portal to schools and corporate sites, this allows building users to access information about the building and to follow the progress of faults and repairs they have reported to the maintenance contractor.
- Introducing an enhanced energy monitoring system allowing building users to keep track of their energy use and the new on-line Legionella Management System giving greater accuracy and control.

These new systems will improve efficiency, reduce costs and enhance customer knowledge and satisfaction. Property Services will continue to develop innovative digital methods which are a strong reflection of the wider improvements undertaken by the County Council.

7.2 Part of Property Services is an 'Early Adopter' as part of the wider County Council EPP initiative. Hybrid devices in particular are being used by Surveyors visiting schools and early signs are that these are saving money and time as well as enabling a better service to schools. The savings will contribute to the Service's T19 efficiencies as well as the cost reductions already delivered to the schools over recent years.

## **8.0 Service Delivery update**

8.1 In previous reports to the Panel, it was noted that work had been undertaken to procure new Term Maintenance Contracts and a new Minor Works Framework, both of which commenced in 2017. These arrangements are now well established and are starting to demonstrate the benefits expected.

8.2 Work is now starting on procuring a new Decorations Framework to replace the existing arrangements and initial scoping is starting on new arrangements for Grounds Maintenance. Reports on progress will be brought to future meetings.

CORPORATE OR LEGAL INFORMATION:

**Links to the Strategic Plan**

<b>Hampshire maintains strong and sustainable economic growth and prosperity:</b>	<b>yes</b>
<b>People in Hampshire live safe, healthy and independent lives:</b>	<b>yes</b>
<b>People in Hampshire enjoy a rich and diverse environment:</b>	<b>yes</b>
<b>People in Hampshire enjoy being part of strong, inclusive communities:</b>	<b>yes</b>

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
	<u>Date</u>
<u>Managing Hampshire's Built Estate- Report to BLAPP</u>	<u>29.03.2018</u>
<u>Strategic Asset Management – Risk Management Update 2017/18</u>	<u>29.03.2018</u>
<u>Property Services Major Programmes Update</u>	<u>20.06.2018</u>
<u>Executive Member for Policy and Resources Decision Day – Project Appraisal for Three Minsters House</u>	<u>24.07.2018</u>

<b>Section 100 D - Local Government Act 1972 - background documents</b>	
<p><b>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</b></p>	
<u>Document</u>	<u>Location</u>
None	

**IMPACT ASSESSMENTS:****Equality Duty**

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;

Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;

Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**Due regard in this context involves having due regard in particular to:**

The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;

Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

**2 Equalities Impact Assessment:**

This report provides an update to the programmes reported in the March paper, these represent an expenditure of £42M on the estate (£34M Schools and £8M Corporate) which will address the highest priority condition and maintenance issues. This expenditure will lead to enhanced environments for a range of ages in Hampshire including Schools and Elderly Persons. For the full EIA assessment published with the March paper please see the following link: [EIA Statement](#)

**3 Impact on Crime and Disorder:**

- 3.1 The programme includes replacement of major building components such as windows and doors, SCOLA re-cladding. These improvements have a beneficial impact on the security of the County Councils Estate.

**7 Climate Change:**

- 4.1 The positive impact on Carbon reductions was detailed in the March report. A further report to this Panel in October 2018 details the current position.

## HAMPSHIRE COUNTY COUNCIL

### Report

<b>Committee/Panel:</b>	Buildings, Land and Procurement Panel
<b>Date:</b>	9 October 2018
<b>Title:</b>	Energy and Carbon Management Activities Update
<b>Report From:</b>	Director of Culture, Communities and Business Services

**Contact name:** Steve Clow

**Tel:** 01962 847858

**Email:** Steve.clow@hants.gov.uk

#### 1. Recommendation

It is recommended that:

- i) The positive achievements of the Carbon Management Strategy Phase 2 are noted. This has produced a further reduction of 2.1% year on year resulting in an overall reduction of 40.2% against the revised target supported by the Panel of 50% by 2025.
- ii) The further £185,000 of carbon tax reductions in Phase 2 is noted.
- iii) A further saving of £102,000 in energy costs over the past year is noted
- iv) The good progress in Energy Performance Programmes Phases 4 and 5 is noted.
- v) The positive engagement with schools is noted
- vi) The savings and reduced costs arising from the improved management of the energy supply contracts is noted.
- vii) The Panel support the Governments Emissions Reduction Pledge 2020 initiative.

#### 2. Executive Summary

- 2.1 In October 2015, the Director of Culture, Communities and Business Services (CCBS) reported that the first phase of the Carbon Management Strategy had been successful in achieving a 22.8% carbon emissions reduction over the first five years against a 20% target.
- 2.2 In June 2016 the Panel supported the proposal from the Director of CCBS to focus Phase 2 of the carbon management strategy on carbon emissions reductions from the corporate estate, street lighting and officer travel.

- 2.3 In October 2017 the Director of CCBS reported that excellent progress was being made on Phase 2 of the Strategy. A 38.1% reduction had been achieved against the 40% target to 2025 approved by Cabinet in 2010.
- 2.4 Recognising the progress made, in January 2018 the Director of CCBS recommended to the Panel that the target be revised upward to 50% by 2025. The new target of 50% was duly adopted.
- 2.5 The Executive Member for Policy and Resources (EMPR) approved further investment in energy programmes in July 2017 allocating £2.72m from available funds. This annual report now updates Members on progress against those initiatives.
- 2.6 Members are reminded that since 2010 the energy cost savings have been in the order of around £30m ( including schools in Phase 1). In addition Carbon Tax Charges have been reduced by £385,000 since the start of the programme.
- 2.7 A further saving in of £102,000 in energy cost has been made this year as a result of the reduction in energy consumption

### **3. National reporting on Carbon Consumption**

- 3.1 2018/19 will be the final year of the Carbon Reduction Commitment (CRC) scheme which will be replaced by the enhanced Climate Change Levy (CCL). CCL is already a component of our utility bills and is designed to incentivise organisations to reduce their energy consumption.
- 3.2 Currently CRC applies only to large consumers of energy in the public and private sectors, but CCL will be charged on all energy used by all consumers.
- 3.3 The success of Phase 1 of the carbon management strategy saved in excess of £200,000 in CRC charges for the County Council.
- 3.4 This year as a result of the reductions in emissions and by forward purchasing lower cost carbon credits a further saving of £55,000 has been realised.
- 3.5 This means that in the first three years of phase 2 of the strategy has realised a total of £185,000 of savings as the price of carbon credits has risen over the life of the scheme.
- 3.6 The Director of CCBS has recently signed up to the Department of Business, Energy and Industrial Strategy's (BEIS) Emissions Reduction Pledge 2020. This initiative is linked to the Clean Growth Strategy in which the government introduced a voluntary target for carbon reduction across the wider public and higher education sectors in England. This

target would aim to reduce greenhouse gas emissions across these sectors by 30% by 2020/21, compared to a 2009/10 baseline.

- 3.7 Whilst the 30% has been set across the sectors as a common target, the government recognises some organisations like the County Council have already exceeded this and will accommodate this within their reporting structure.
- 3.8 As the County Council already report our emissions through the CRC and greenhouse gas emissions schemes, there will be no additional burden placed on officers to collate the information required as part of the BEIS Pledge.

#### 4. Carbon Management Strategy Phase 2

- 4.1 The carbon management strategy, phase 2, concentrates on reducing carbon emissions from street lighting, buildings in the corporate estate and business travel by officers and is currently on track to achieve the objective of a 50% reduction from 2010 levels by 2025.
- 4.2 The table below shows a very positive start was made on the phase 2 emissions reduction programme in year 1(2016) with consistent reductions in years 2 & 3. A further reduction of 2.1% has been achieved in the 2017/2018 “energy year”.

**Table of Carbon Emissions from 2010**

<b>Sector</b>	<b>2010 Emissions Tonnes</b>	<b>2015 Emissions Tonnes</b>	<b>2016 Emissions Tonnes</b>	<b>2017 Emissions Tonnes</b>	<b>2018 Emissions Tonnes</b>	<b>2025 Target Emissions</b>
Corporate Buildings	21,000	19,060	16,829	16,830	16,425	-
Street Lighting	26,600	17,558	13,450	12,119	11,560	-
Officer Travel	6,600	4,889	4,534	4,605	4,420	-
<b>Total</b>	<b>54,200</b>	<b>41,507</b>	<b>34,813</b>	<b>33,544</b>	<b>32,405</b>	<b>27,100</b>
% Reduction	-	-23.4%	-35.8%	-38.1%	-40.2%	50%

- 4.3 There has been a reduction in emissions from corporate buildings, further analysis of the data shows that;
- Electricity emissions have reduced by 1.4% over the year, the reduction achieved through a combination of the energy performance programmes and greater staff awareness and engagement.

- Gas emissions fell by almost 4.6% over the same period despite the prolonged cold winter period.
- 4.4 Street lighting continues to show a reduction in emissions year on year. A number of initiatives including the dimming of some street lighting for specific periods overnight have been deployed and more is being proposed by the Director of ETE. The use of LED lamps to replace the conventional compact fluorescent type is also under consideration based on fitting in with cyclical maintenance schedules. Feasibility work is ongoing by officers in the two departments.
  - 4.5 Having seen an increase in officer travel last year, this year that has been reversed and there has been a reduction from the emissions seen last year. The greater deployment of electric vehicles through the fleet and the planned conversion of the pool cars to electric vehicles (EV) is expected to see emissions reduce further. The proposed implementation of modern meeting room technology is also expected to reduce travel demands as officers can 'meet' and connect remotely.
  - 4.6 In June 2017 the Panel supported the proposal from the Director of CCBS to undertake two further phases of the Energy Performance Programme (EPP4 and EPP5). This was approved by the Executive Member Policy and Resources (EMPR) in July 2017. Additional resources of £2.72m were approved as a total investment for the future planned phases.

#### Energy Performance Programme Phase 4

- 4.7 This phase will entail the replacement of conventional lighting with low energy LED lighting and controls across the corporate estate. This is expected to deliver a revenue saving of £240,000 per year in both energy and maintenance costs.
- 4.8 The first stage of the LED lighting programme is now well underway with around £300,000 of works already completed. By the close of this financial year this will be around £850,000 of completed projects with the second stage in 2019/20 amounting a further £800,000.
- 4.9 The early schemes are already showing good returns on investment. For example, replacing the lighting in just one building (the Sunderland Hangar) at Calshot Activities Centre will save £10,000 a year in energy costs.
- 4.10 The second initiative in EPP 4 is the development of an Electric Vehicle (EV) charging point procurement framework for the public sector.
- 4.11 Earlier this year, the Director of CCBS launched Hampshire's framework for the procurement of charging points for the public sector. To date 12 organisations including Winchester City Council, Southampton City Council, Oxford City Council, Test Valley Borough Council and Hampshire Police have signed up to the accession agreement with a potential for around £500,000 of investment through the framework. This is an excellent start and there is more interest from the public sector

market. This framework is self sustaining financially and through a small levy will cover the costs of officer resources to manage and promote it.

- 4.12 The Director of CCBS is also delivering a programme of charge point installations to support the roll out of the County Councils electric vehicle (EV) fleet. Supply points have been installed at Bar End, Bishops Waltham highways depot and at the Scientific Services building in Southsea. Further points are planned in a number of highways depots and workshops as well as a number in specific strategic location across the estate to support the use of EVs by the Council catering and courier services.
- 4.13 By the end of the financial year approximately 80 charge points will have installed including 12 for public use in our country parks. This will enable the acceleration of the conversion of vehicles to EV as pilots complete and pool car lease arrangements come up for renewal. The EV conversion programme is expected to save around £210,000 per year in the reduction of fuel costs (around 96%) by conversion from diesel to electric.
- 4.14 On-street charge points are being explored in response to interest from residents. The technology exists to facilitate this and there are number of market providers including the market leader Ubertricity. Generally chargers are powered from the street lights with smart leads allowing on-line payment by the user. Office of Low Emission Vehicles (OLEV) grants are also available to part fund on-street charging and officers are currently looking into how this may be developed.

#### Energy Performance Programme - Phase 5

- 4.15 EPP5 focuses on the deployment of electric vehicles for the HCC managed fleet and exploring the potential of battery storage technology for the built estate.
- 4.16 The Panel supported the proposal to the roll out of electric vehicles to replace conventional diesel and petrol models. The Director of CCBS has identified a number of potential 'early wins' and these have been progressed to provide EVs for client departments and business units.
- 4.17 EVs are now being used by the asbestos team in Scientific Services, H3CS Catering Service, County Supplies, the Courier Service, the Highways Maintenance team and Facilities Management. The Director of CCBS is reviewing the use of EVs to replace the 'pool car' fleet in 2019.
- 4.18 Sites suitable for battery storage trials are being investigated with a view to the development of a business case for two initiatives – battery storage for buildings with Photo Voltaic (PV) attached and bulk storage of grid electricity. The Director of CCBS has commenced a study on a number of buildings to establish the feasibility of installing battery storage. An update on the outcome of the study will be brought to a future meeting of the Panel.

## Salix Funding

- 4.19 Salix funding has been used successfully to augment our energy programmes to fund (or part fund) capital investments in energy saving technologies. Salix loans are interest free loans which have a simple payback criteria of a maximum of 5 years for local authority schemes. The Director of CCBS is in regular contact with Salix and the County Council are regarded as a leader in the public sector for innovation and investment in energy saving initiatives.
- 4.20 In 2014 the Director CCBS secured a Salix loan of £750,000 to support our Energy Performance Programmes (EPP) and to date over £600,000 of this Salix loan has been deployed. The Director of CCBS is looking to secure a further £500,000 to continue to augment the funding for our EPPs.
- 4.21 Council officers continue to have regular dialogue with Salix who are about to launch a revised Recycling Fund where authorities match fund any Salix loan contribution which is then used to fund energy saving works. The revenue saved in energy cost is returned to the funding pot and is further used to invest in more energy saving measures.
- 4.22 The recycling fund could be used to fund, or part fund the upgrade of the street lighting to LED subject to a satisfactory business case being formulated and approved.

## Schools

- 4.23 The Director CCBS continues to provide support for Hampshire's schools. To date 36 schools have expressed an interest in joining the schools energy performance programme and have been sent an information pack outlining details of the scheme. 20 schools have been surveyed to assess their viability and 6 schools have had detailed option appraisals prepared. 5 more schools will be surveyed in the autumn term.
- 4.24 6 schools have had their works completed with savings anticipated to be in the order of £30,000 per annum in total. As schools budgets come under increasing pressure these savings are very welcome and we are anticipating more demand as the programme scales up. The work of the Property Services team is fully funded through the budget from Salix and is another self financing business opportunity.

## Energy Supply Contracts & Management

- 4.25 The Director of CCBS has engaged the services of an energy category specialist to review our current energy supply contracts and undertake an options analysis for the development of future energy supply contracts for the County Council and its partners. The initial work has focussed on driving efficiencies from the remaining 2 years of existing contracts including invoice processing, metering arrangements, capacity optimisation and billing reconciliation. By moving to a consolidated billing arrangement with the utilities it now takes less than half the time each

month to process the bills saving the County Councils corporate transaction team the equivalent of 7 FTE days per month.

- 4.26 Electricity metering contracts have been rationalised to align them with the energy supply contracts resulting in savings of £45,000. Many of our sites have been paying for capacity which has never been used. By re-evaluating the capacity required it has been possible to reduce our maximum demand charges by £53,000 p.a.
- 4.27 Billing reconciliation has resulted in £40,000 being returned to HCC from credits held by the utilities. In addition the reconciliation of the previous energy supply contracts – correcting billing errors, estimated readings and the like - has resulted in £220,000 being returned to the County Council by the utility companies.
- 4.28 In order to take advantage of existing lower energy prices and to allow sufficient time to evaluate the new Crown Commercial Services and Laser procurement frameworks the Executive Member for Policy and Resources at the Decision Day in September approved a proposal by the Director of CCBS to extend the current energy supply contracts by 12 months to October 2020.
- 4.29 The investment in an energy specialist has been very fruitful realising both ongoing revenue savings and also the return of funds held by the utilities company. This role is being extended in to 2019 to support the re-procurement of the energy supply contracts to maximise purchasing power in the market for the Council and our partners – including schools, police and fire.

**CORPORATE OR LEGAL INFORMATION:****Links to the Strategic Plan**

<b>Hampshire maintains strong and sustainable economic growth and prosperity:</b>	yes
<b>People in Hampshire live safe, healthy and independent lives:</b>	yes
<b>People in Hampshire enjoy a rich and diverse environment:</b>	yes
<b>People in Hampshire enjoy being part of strong, inclusive communities:</b>	yes

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

## **IMPACT ASSESSMENTS:**

### **1. Equality Duty**

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**Due regard in this context involves having due regard in particular to:**

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

### **1.2. Equalities Impact Assessment:**

An equalities impact assessment has not been considered in the development of this report as access requirements are always considered during the design stages of building projects and are often improved.

### **2. Impact on Crime and Disorder:**

2.1. The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all decisions it makes on the prevention of crime. The proposals in this report have no impact on the prevention of crime.

### **3. Climate Change:**

3.1. The Energy Strategy and Carbon Management Plan will have significant positive effect on the carbon emissions of the County Council. Climate change impacts are a driver in implementing reduction programmes.

This page is intentionally left blank

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Buildings, Land and Procurement Panel
<b>Date:</b>	09 October 2018
<b>Title:</b>	Strategic Procurement and County Supplies Contracting Activity and Approvals for 2018/19
<b>Report From:</b>	Director of Transformation and Governance – Corporate Services

**Contact name:** Belinda Stubbs

**Tel:** 01962 846235

**Email:** Belinda.stubs@hants.gov.uk

#### 1. Recommendation(s)

- 1.1. That the Buildings, Land and Procurement Panel make the following recommendation to the Executive Member for Policy and Resources and that spend approval, as appropriate, be given for the contracts as detailed here.

#### 2. Executive Summary

- 2.1. The purpose of this paper is to present the relevant procurement approvals in relation to the contract identified within the Appendix 1. This approval request is in accordance with the County Council's Contract Standing Orders and Constitution.
- 2.2. This County Council's Contract Standing Orders (CSO) requires that the procurement of a Contract (not including a Framework Agreement) is subject to the approval of the relevant decision maker who has the authority to give approval for the relevant expenditure under the Constitution.
- 2.3. Framework agreements are not linked to specific one-off purchases or projects but provide for the ongoing routine goods and services requirements of a large number of individual budget holders, either through direct call-offs or mini-competitions as required by each framework agreement. Therefore the framework agreement values are only estimates and expenditure will be determined by the actual commitments made by the budget holders keeping within their approved budgets.

#### Contextual information

- 2.4. The programme of procurements contained within this report includes arrangements for use by the County Council, Hampshire Constabulary and Hampshire Fire and Rescue Service, schools and other external partners and customers, with a total estimated value over £1 million. Contracts with a total

value of under £1 million are approved by the relevant budget holder under the scheme of delegation

2.5. Whilst all the latest finalised procurement proposals are included in this report, further procurement projects are planned during 2018 and 2019. Once fully developed, these proposals will be reported to this Panel prior to seeking Executive Member for Policy and Resources approval.

2.6. Background and further context has been provided for the procurements in the Appendix 1.

**2.7. Provision of Cleaning Services for Non-Educational Establishments**

As part of the Property futures initiative Hampshire County Council are looking to move a single supplier for Non-Educational Cleaning.

In order to facilitate this, a Dynamic Purchasing System (DPS) was established in March 2018 with the scope to include additional sites in line with the FM strategy. Site information is in the process of being collated and finalised to create a call off for the Non-Educational establishments across both HCC and Hampshire Fire & Rescue Service against this DPS. This is planned to be out to market by the end of September 2018 to allow for award and mobilisation by the end of this financial year.

Permission is therefore required to extend the 5 current contracts which have either reached or are reaching the end of their term (use of Regulation 72 under the Procurement regulations) to maintain the current service until the 31<sup>st</sup> March 2019.

**3. Consultation and Equalities**

3.1. This report seeks approval for spending on individual procurements and no equality impacts have been identified.

**CORPORATE OR LEGAL INFORMATION:****Links to the Strategic Plan**

<b>Hampshire maintains strong and sustainable economic growth and prosperity:</b>	yes
<b>People in Hampshire live safe, healthy and independent lives:</b>	yes
<b>People in Hampshire enjoy a rich and diverse environment:</b>	yes
<b>People in Hampshire enjoy being part of strong, inclusive communities:</b>	yes

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

## **IMPACT ASSESSMENTS:**

### **1. Equality Duty**

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**Due regard in this context involves having due regard in particular to:**

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

#### **1.2. Equalities Impact Assessment:**

This report seeks approvals for spending on individual projects and no equality impacts have been identified.

### **2. Impact on Crime and Disorder:**

2.1. The County Council has a legal obligation under section 17 of the Crime and Disorder Act 1998 to consider the impact of all decisions it makes on the prevention of crime. The proposals in this report have no impact on the prevention of crime.

### **3. Climate Change:**

Positive impacts on climate change will be considered at the time of each procurement and its strategy. This report seeks solely procurement approvals and is not appropriate to set out specific impacts on climate change for each individual procurement.

<p><b><u>Project Title</u></b> Brief project description (including scope of project, customer, procurement route, other relevant bodies)</p>	<p>Contract / framework term &amp; Start date</p>	<p>Anticipated HCC value over term</p>	<p>Anticipated Total Value over term</p>	<p>Approval required / project update</p>
<p><b><u>Provision of Cleaning Services for Non-Educational Establishments</u></b></p> <p>A position has been adopted by HCC’s FM team, in accordance with the published FM strategy, that HCC will not be procuring any individual contracts for cleaning to cover the period prior to the appointment of a single provider to cover the Estate, incorporating both HCC and HFRS, against the Cleaning DPS.</p> <p>The scope of the Non-Educational cleaning requirement has therefore been extended to include additional sites not previously included. It is planned to go out to market for this single provider to allow for award and mobilisation by the end of the current financial year.</p> <p>Permission is therefore requested to extend/modify the current agreements until the replacement contract can be awarded.</p> <p>Failure to undertake the proposed interim measures would present a clear health and safety concern for those parts of the Estate that find themselves out of contract prior to the end of the current financial year.</p> <p>Permission is therefore required to extend the 5 current contracts identified below which have either reached or are reaching the end of their term (use of Regulation 72 under the Procurement Regulations) to maintain the current service until the April 2019.</p>	<p>November-2018 to 31 March 2019.</p>	<p>£609,571 extension and £7.6 Million over the full term.</p>	<p>609,571 extension and £7.6 Million over the full term.</p>	<p>Authority to extend current arrangements to 31 March 2019 and Authority to Spend</p>

BUILDINGS, LAND AND PROCUREMENT PANEL – 09 OCTOBER 2018

Strategic Procurement and County Supplies Contracting Activity and Approvals for 2018/19

Appendix 1

N-Viro – extension value of £207,082 Haywards Services Ltd – extension Value of £351,489 GSF Sandylight Ltd (Calshot contract) - extension value of £29,000 Haywards Service Ltd (Data centre contract) - extension value of £9,000 YBC Cleaning Services Ltd (Country Parks contract) – extension value of £13,000				
---	--	--	--	--

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank