

# HAMPSHIRE COUNTY COUNCIL

## Executive Decision Record

<b>Decision Maker:</b>	Executive Lead Member for Universal Services
<b>Date:</b>	20 May 2024
<b>Title:</b>	Spend Approval for Property Maintenance Services
<b>Report From:</b>	Director of Universal Services

**Contact name:** Erica Jenner and Chris Topley

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### 1. The decision:

- 1.1. That the Executive Lead Member for Universal Services gives approval to procure and spend up to £70million on building engineering and fabric maintenance services for Hampshire County Council's built estate (including schools) through its Property Term Maintenance Contractors between 1 June 2024 and 31 July 2027, to be in addition to the existing spend approval through this contract of £130million, making a total of £200million to be funded from existing budgets.
- 1.2. Notes that planning for the procurement for the next generation of the Term Maintenance Contract is underway to better meet the needs of our evolving organisation and, in the context of the forecasted recurring funding gap beyond 2025/26, its strategy to move towards establishing a minimum service level.

### 2. Reasons for the decision:

- 2.1. The estimated value of the Property Services Term Maintenance contract is now insufficient to complete the contracts potential 10-year term due to changes in the size of the combined estates, maintenance strategies and the impacts of construction industry inflation which has seen a compound increase of 48.44% since January 2017.
- 2.2. The estimated value for Hampshire County Council spend on maintenance services is to be reset at £200 million between 2017 and 2027, spend from which is approved annually as part of the County Council's Revenue Budget, then drawn from the existing repairs and maintenance budgets within Chief Officer Delegations.

**3. Other options considered and rejected:**

Implement new Term Maintenance Contract from 2024

- 3.1. There is insufficient time in 2024 to undertake the suitably robust re-procurement exercise required to meet the future challenges of the Council.
- 3.2. It is essential that the new contract, likely to be a 10-to-15 year term, aligns fully with the organisational strategy to move towards establishing a minimum service level. Significant scoping and contractual specification is required to enable compliance with future changes in statutory maintenance requirements and to deliver best value to the County Council.
- 3.3. Planning is underway to issue the invitation to tender in the summer of 2025, that would enable a new contract to be in place 1 year early in the summer of 2026.
- 3.4. Accelerating this timeline risks outcomes that do not deliver the long-term strategic objectives of the county council or value for money.

Reduce level of maintenance

- 3.5. Reducing the level of inspection, servicing and reactive maintenance would risk breaching statutory obligations and building safety regulations. It risks property damage and increased costs associated with larger or unplanned remedial action. It could result in the unplanned closure of buildings and a failure to deliver statutory and other critical services to vulnerable social care users and other Hampshire residents.

**4. Conflicts of interest:**

- 4.1. Conflicts of interest declared by the decision-maker:
- 4.2. Conflicts of interest declared by other Executive Members consulted:

**5. Dispensation granted by the Conduct Advisory Panel: none.**

**6. Reason(s) for the matter being dealt with if urgent: not applicable.**

**7. Statement from the Decision Maker:**

<b>Approved by:</b>  -----	<b>Date:</b>  <b>20 May 2024</b>
<b>Executive Lead Member for Universal Services Councillor Nick Adams-King</b>	