

HAMPSHIRE COUNTY COUNCIL

Report

Committee/ Panel:	Buildings, Land and Procurement Panel
Date:	24 March 2020
Title:	Property Services: Major Programmes Update
Report From:	Director of Culture, Communities and Business Services

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Purpose of this Report

1. The purpose of this report is to update the Buildings, Land and Procurement Panel on a number of key programmes of work being undertaken by Property Services.

Recommendations

2. That the Buildings, Land and Procurement Panel notes the progress of each of the programmes of work.
3. That the Buildings, Land and Procurement Panel notes the intention to seek the approvals required to progress the proposed refurbishment schemes at Capital House and Fareham Parkway in support of the corporate office accommodation programme.

Executive Summary

4. The purpose of this report is to provide an update on the major programmes, project and issues currently being progressed relating to:
 - Children's Services Programme
 - Office Accommodation
 - Contract and Category Management

Children's Services Programme

5. Property Services are continuing to progress the design and delivery of new schools, school extensions, new modular classrooms and work to improve existing school buildings and their settings. There are a significant number of projects which will provide additional school places across Hampshire.

6. Works were successfully completed as planned in the autumn 2019 to relocate Mill Chase Academy to a new school building and site, now named Oakmoor School, as part of the investment in Whitehill and Bordon regeneration plan, for which there is a significant one-off capital investment of £10m by the County Council.
7. There has also been ongoing work and good progress to secure funding and develop proposals for other new schools with the Department for Education and academy sponsors.
8. The new Free School, Boorley Park Primary School at Boorley Green, Hedge End was completed and opened in the autumn 2019. This is to be operated by Wildern Academy Trust. There are two more new academy primary schools currently in construction on site and due for completion this summer, at Kings Barton Winchester and Chestnut Avenue, Eastleigh. These are to be operated as Academies by the University of Winchester.
9. The new special school Austen Academy at Chineham, Basingstoke has started on site and is due for completion and opening in 2021. The new academy secondary Deer Park School at Botley has started on site and is due to open in 2021 is to be operated by the Wildern Academy Trust. Deer Park School is being built on land owned by the County Council and is to provide additional secondary school capacity in the Botley area.
10. The new school for Cornerstones Primary School, North Whiteley is due for a start on site this spring and is planned to be completed in the summer of 2021.
11. These new school projects provide a further £95m investment into improving school facilities and contribute significantly to the total of 12,765 school places added in the period 2013-19 across Hampshire.
12. Feasibility work continues on plans to provide future new schools places to accommodate the longer term need for additional primary and secondary pupil numbers projected across Hampshire. The design of these schools will seek to maintain appropriate standards and quality at lower cost in response to continued reductions in public spending. There is ongoing dialogue with District and Borough Councils and negotiations with developers to agree suitable sites and funding contributions for these schools in relation to planned new housing developments across Hampshire. These include significant development proposals for Manydown and Hounsome Fields in Basingstoke, Welborne in Fareham, Hartland Park and Shapley Heath Garden Village near to Fleet, and a new secondary school for North Whiteley and a second primary school for West of Waterlooville near Havant.
13. The design is progressing well for the extension to Calthorpe Park School to provide 300 additional secondary school places and the planning application has been submitted. The design proposals are also progressing well for improvement works to Fair Oak Infant and Junior Schools and for the addition of a synthetic

turf pitch at Wyvern College as part of the wider investment into the school's campus in Fair Oak, Eastleigh.

14. There has also been good progress on much needed work to improve facilities and capacity for SEND (special educational needs and disability) provision across Hampshire. In addition to the new Austen Academy noted in section 4.2 above, the first phase of the improvement works to St Francis School, Fareham have been completed on site, with further works planned to be on site later this year. The design proposals for improvement and extension works to Shepherds Down School, Winchester are at planning application stage as are the proposals to create a Waterloo School satellite SEND provision on the Woodcote Primary School site in Gosport, and an Osborne School satellite SEND provision on the Kings School site in Winchester.
15. There have been significant remodelling and improvement works completed on site recently for Swanwick Lodge, a secure facility that provides a safe and child centred environment for children and young people.
16. Design work and contractor procurement are underway for the replacement of the existing school buildings at Fryern Junior School, Chandler's Ford and Grange Junior School, Gosport. The total cost estimate for full replacement of these two schools is in the order of £15m. Value for money will be achieved through the economies of scale in adopting a common approach to the design and delivery.
17. Children's Services has identified funding of £5m over three years (2019/20-2021/22) to address the suitability of school learning environments. Key workstreams have been identified and are to be prioritised within the provisional funding allocations; these have been themed around teaching spaces, lighting, pupil toilet provision, food technology classrooms and science laboratories. The first phase of expenditure of £1m of this funding has been committed this year for toilet refurbishments, lighting and classroom ventilation, with further phases of £2m per year to follow. Details will be reported to a future Executive Lead Member for Children's Services Decision Day.
18. Currently, the basic need programme for temporary modular classrooms for this year comprises of 4 schemes with a total value of £1.4m. This includes the relocation of a single classroom unit from a primary school to a junior school, the demolition of a double classroom unit and replacement with enhanced facilities at a SEND secondary school and the relocation of single classroom from an infant school to a junior school to meet the demands of a bulge in pupil numbers.

Isle of Wight Priority Schools Building Programme 2 (PSBP2)

19. As previously reported to the Panel, Property Services has been appointed as the local delivery partner by the DfE for the PSBP2 projects on the Isle of Wight. This appointment reflects the knowledge and expertise of Property Services in this type of work.

20. The programme is an investment of £18.5m for re-cladding, re-roofing and refurbishing buildings across 8 school sites with 1 further project identified for which funding approval is being sought directly from the DfE. The projects are progressing well and the first 5 are currently on site and due for completion later this year. The remaining projects will commence on site during 2020 with staged completions through to the end of 2021.

Office Accommodation

21. An update on the implementation of the corporate office accommodation programme was provided to the Panel in October 2019. This made reference to the formation of the Corporate Office Accommodation Board (COAB) which provides a cross-department focus on driving the strategy and, importantly, bring rigour and challenge to the varying demands on the office estate. There is an ongoing focus on ensuring the Council makes most efficient use of its accommodation and that it reflects the corporate priorities while being sufficiently flexible to accommodate the changing workforce requirements. Some services are expanding due to increased business and others are changing as a result of new operating models. There is also a strategic objective to accommodate public sector partners where service synergies exist and this is done on the basis of a charge for the cost of occupation where appropriate.
22. Through the Board, departments now have visibility of the demand and requests across the organisation, allowing dependencies to be identified and managed appropriately. This has led to Property Services working much more closely with each department to help shape their asset strategies to meet the developing service needs, as well as responding to emerging new ways of working with technology.
23. With the increased visibility provided by the work of the COAB, it is clear that growth and the need for flexibility continue to put pressure on the available accommodation and run counter to the original T19 draft strategy to reduce accommodation and let surplus space.
24. To provide further evidence on the capacity of the corporate office estate, a full utilisation survey is being undertaken. Surveys were completed in the Winchester headquarters offices in January 2020 with surveys of the area hub offices planned for March 2020. The quantitative data from the utilisation surveys will be supplemented by qualitative data from a staff survey, also planned for March 2020
25. The surveys will provide an accurate measure of space use and facilitate a review of the current office accommodation strategy and an updated assessment of the opportunities for further savings.
26. In parallel with the utilisation surveys, the Property Services' programme team continues to facilitate office moves to support departmental service strategies. This includes works to create four 'Local Access Points' (LAPs) for integrated service teams comprising staff from adult health and care (AHC) and Southern

Health Foundation Trust (SHFT), the reorganisation of teams as part of the AHC “working differently” programme and moves relating to the cross-departmental contact strategy.

27. Projects are also planned to improve the capacity and standard of accommodation in a number of key offices. Proposals for fire precaution improvements to E11 South were reported to Cabinet in December 2019 and added to the Policy and Resources capital programme. It is anticipated that these works will commence in Spring 2020. Fire precaution improvements are also planned at Capital House, funded from the Policy and Resources Landlord’s additional repairs and maintenance budget. Both projects support the increased utilisation of these buildings in line with the corporate office accommodation strategy. Two further refurbishment projects are also being developed to improve the standard of accommodation in two key offices – Capital House and Fareham Parkway.

Capital House Refurbishment

28. It is proposed to undertake a refurbishment of Capital House to address a number of long-term maintenance issues and improve the standard of internal accommodation. The proposed works will ensure that the capacity and facilities in Capital House can be fully utilised to support further organisational growth or, in the event that the capacity becomes surplus to the County Council’s requirements, enable the letting of the space to third parties to generate additional income.
29. It is proposed to fund the schemes from the corporate office allocation in the Policy and Resources capital programme, the capital receipt from the sale of Aldershot Old Town Hall and a contribution from the Energy Performance Programme. Following completion of feasibility work, the project will be brought forward for addition to the County Council’s capital programme and a project appraisal will be completed.

Fareham Parkway Refurbishment

30. Investment is also planned at Fareham Parkway to improve the working environment for staff in the building and address a number of condition issues. Feasibility work is being undertaken to confirm an appropriate scope of work and the associated costs and funding sources. Once this work is complete, the scheme will be brought forward for addition to the County Council’s capital programme and a project appraisal will be completed.

Contract and Category Management – Efficiencies and Income Generation

31. A new function called Category Development was established in Property Services following the Property Futures change programme. It was introduced to manage the diverse procurement arrangements across consultancy, construction, utilities and Facilities Management (FM) in the service. The prime objective of the team is to deliver greater coordinated buying, efficiencies and

value for money across the whole portfolio of services. The total spend across the service is over £80m on contractors, goods and services.

32. The role of the team is to ensure all the arrangements meet the current needs of the business, drive efficiencies, plan future spend strategies, and to manage relationships with suppliers. Bringing the management of all these arrangements into one team will ensure a joined up and consistent approach. We have identified around fifty different procurement arrangements such as frameworks, term agreements or long-term contracts across the portfolio, and have categorised them into:
 - Consultancy
 - Construction
 - Utilities
 - Hard FM
 - Soft FM
33. For some of these arrangements, the service has entered into Joint Working Agreements (JWA) with other authorities to procure on a regional basis in order to share procurement costs and to benefit from large scale aggregation. This methodology lends itself to larger scale work such as construction and consultancy. Property has a JWA with Devon County Council to procure and manage a regional construction framework for major projects which was launched in April 2015 and was re-procured in 2019. This consistently delivers in excess of £500m construction work a year for any public authority in the South of England and London.
34. Property Services plan to procure a framework for public sector house building later in 2020 to meet demand which the construction framework is unable to deliver. A JWA with Devon County Council and Manchester City Council is in place to procure a consultancy framework covering all Property Asset Consultancy work in the South of England, London, the North West and West Midlands. This is currently in procurement. All of this work includes a levy on the underlying contracts which provides an income stream to cover costs and provide a surplus to contribute to T19 and T21 targets in the service.
35. Utilities includes our estate power requirements and provision for schools, Police and Fire Authorities. Gas and Electricity spend alone amounts to £20m per annum and work involves continuous review to deliver efficiencies in spend and invoicing procedures. We are also investigating renewable energy options to potentially contribute to the Council's Climate Change Action Plan. This will be subject to decisions made by Cabinet in the future.
36. "Hard" FM includes our term maintenance arrangements for around 7,500 Council buildings on approximately 1,000 sites. Total spend is around £15m per annum and a review is under way to ensure the arrangement is maximising efficiencies. Soft FM is the most varied category including arrangements such as cleaning, security, grounds maintenance, printing services and waste collection. However, spend is still significant in excess of £5m per annum. The service

arranges contracts for the corporate estate and also make them available to schools and other public sector partners such as District Authorities, Fire and Police. Our key role is to ensure that the suppliers deliver best value for money and an efficient, good quality service. By aggregating spend by category and actively managing contractors and suppliers throughout the lifetime of contracts robust assurance is in place that objectives are being met. The budget pressures the Council is under demand this.

37. Our work on regional frameworks has been replicated throughout England and Wales and the lead authorities in these regions have come together to form a body supported by the Local Government Association called the National Association of Construction Frameworks (NACF) and has as its mission to drive quality, efficiency, social value and innovation in publicly funded construction projects. The body is chaired a member of the Property Service who also leads the Category Development team.

CORPORATE OR LEGAL INFORMATION:

Links to the Strategic Plan

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

EQUALITIES IMPACT ASSESSMENT:

1. 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 by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) 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 protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are 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 in which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

2.1 An equalities impact assessment is not considered relevant in relation to the contents of this report.