

HAMPSHIRE COUNTY COUNCIL

Report

Committee/ Panel:	Buildings, Land and Procurement Panel
Date of Decision:	3 October 2017
Decision Title:	Property Services: Major Programmes Update
Report From:	Director of Culture, Communities and Business Services

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1 Summary

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

- Children's Services Capital Programme and New Schools Delivery
- Learning Disability Transformation Programme
- Framework Management Update
- Replacement of the Register of Contractors
- Outdoor Service: Calshot Camping Pods - re-investment of capital receipts

2. Children's Services Capital Programme and New Schools Delivery

2.1 Property Services are continuing to work closely with Children's Services colleagues on the design of new schools, school extensions, children's homes, modular classrooms and special schools. There is also ongoing work on the delivery of programmes of activity such as inclusion, health & safety and access improvements across the schools estate.

2.2 The Department for Education (DfE) now requires that all new schools are academies, delivered as Free Schools either through a DfE 'approved sponsor' route or alternatively through a local authority led 'presumption' route. Both are to be constructed in the context of reduced public spending and are proposed to be at a lower cost than schools previously delivered in Hampshire. It is proposed that County Council's Property Services retain the role of delivery agent and technical advisor to ensure the best outcome within the framework that the DfE sets.

2.3 The County Council has been successful to date in working with academy sponsors to gain approval from the DfE for a number of new schools. There are currently two new primary schools with academy status on site or near to being on site; one at Wellesley, Aldershot and the other at Barton Farm, Winchester.

- 2.4 There are currently a further seven new schools identified to be delivered in the next four years (2017-2021). The County Council's Property Services has established a partnership with the Education and Skills Funding Agency (ESFA) to undertake local delivery of a number of these as Free Schools. The close working with the ESFA and DfE is currently expected to realise more than £20 million of capital funding over and above developers' contributions for the current programme of new schools.
- 2.5 There is design development and procurement work being undertaken for new free schools at Boorley Green (primary school) and Horton Heath (all through school) with the Wildern Academy Trust.
- 2.6 Feasibility work is also being undertaken for a new free school (primary school places) at Chestnut Avenue and a sponsor being sought. This school will be delivered locally by the County Council but will now be to a lower cost to match the DfE's benchmark standards.
- 2.7 The County Council has been successful in the first stage of application for a free school for Special Educational Needs in Basingstoke and further design work is required now to secure capital funding from the DfE for this project.
- 2.8 In addition to these free schools there is continuing strategic planning work for a new secondary school for North Whiteley and design work continuing on the proposed relocation of the existing primary provision at Cornerstones Primary, Whiteley (Church of England Aided School).
- 2.9 Design proposals are progressing for relocating the existing Mill Chase Academy to a new secondary school site within the new residential development at Whitehill and Bordon. The total cost of the replacement facility is estimated to be £30m including a significant one-off capital contribution of £10m by the County Council.
- 2.10 There are also a significant number of major extension and re-modelling projects completed on existing school sites, including, Oakwood Infant School and Greenfield Junior School, Great Binfields Primary School, Hook Infant and Junior schools and Leesland Church of England (Controlled) Junior School. A new Future Skills Centre has also been completed and opened at Whitehill and Bordon to support employment opportunities and regeneration of the local area.
- 2.11 Extension projects are at the tender stage or on site for additional school places at Trostant Infant & Junior Schools, Romsey Primary School, Bishops Waltham Infant & Junior Schools, Pilgrims Cross Primary School, Andover. Reinvestment projects at Kings School, Winchester and at Swanmore College are also progressing well.
- 2.12 Proposals are on site for adding further new primary school places at a number of existing schools and these include, St James CE Primary School, Tweseldown Infant School, The Butts Primary School, Oakridge Infant & Junior Schools, Emsworth Primary School, St Lawrence Church

of England Primary School and at Robert May's School for additional secondary school places.

- 2.13 There is feasibility work for school places to be added at a further 16 schools, including two secondary schools, and more strategic planning work being undertaken for new school provision, including specifically at Manydown (Basingstoke), Welbourne (Fareham), Hartlands Park (Fleet) and the wider Fleet area.
- 2.14 Five of the six new Childrens Homes are now complete on site and handed over to the client. The sixth home has now been confirmed in Winchester and the proposals are being progressed.
- 2.15 The relocation project for the Linden Education Centre to what was formerly West End Infant School site in Farnborough is now complete. The Centre has been operational since September on its new site.
- 2.16 There is innovative design work with our contractors to keep downward pressure on construction costs and work with our strategic partners to maintain our capacity to deliver. Projects are batched into programmes where possible to achieve economies of scale and a shared design approach (but not one size fits all) is being adopted.
- 2.17 There continues to be robust negotiations with developers to maximise financial contributions. There are ongoing discussions with the ESFA and DfE to secure the maximum possible funding with bids submitted to the Free Schools programme.
- 2.18 Value for money for the delivery of new school places continues to be scrutinised and it is evidenced with the benchmarking of construction costs for schools across the country. Despite inflation pressures being experienced in the construction market Hampshire schools costs remain close to the national average. The cost of school delivery in Hampshire has been driven down in real terms over the past five years. The exertion of this downward direction on costs is necessary and will need to continue in the face of further reductions of funding in the public sector and the financial pressures on Local Authorities.

3. Learning Disability Transformation Programme

Eastern Keystone, Havant Day Services – Project Appraisal

- 3.1 This section seeks approval to the project proposals (design and expenditure) to improve and refurbish the existing Havant Day Services building to provide a Keystone Service at an estimated cost of £700,000 inclusive of fee. This project forms part of the Learning Disability Transformation Programme for which funding at this level was agreed in principle in the updated business case for the programme approved by the Executive Member Policy and Resources on the 9th March 2017. This project will complete the transformation of the day services provision in the eastern part of the County.

Contextual Information

- 3.2 The scheme will provide facilities for Adults with Learning & Physical Disabilities as an open service including creation of spaces for wider community use. This part of a transformation programme to modernise the service and reduce revenue costs. It also rationalises the estate and releases buildings for sale and reinvestment in the programme.
- 3.3 The Keystone will provide a service covering the East of the county for clients with High Complex Needs supported by staff to access activities in the community and/or on site throughout the day.
- 3.4 The wider community would also be welcomed, partly to inform them about our services, thereby gaining a better understanding of the needs of our service users. It will also allow the Council to improve its knowledge of other community activities that could use various spaces created within the building.

Scope of Work

- 3.5 The refurbishment scheme will see demolition and replacement of walls within the building to create a more open plan arrangement, together with a number of multi-functional rooms including a community room, café area and sensory room.
- 3.6 Existing toilet areas will also be remodelled to increase provision and to provide suitable facilities to support the needs of clients with more complex needs.
- 3.7 Staff facilities will also be remodelled to achieve flexible working principles. External spaces will be re-landscaped to improve access for the high complex needs clients who will access the service.
- 3.8 It is proposed that the works be procured through a traditional tender process.
- 3.9 The Buildings, Land and Procurement Panel is asked to support the spend and procurement approval for contracting activity associated with the Project Appraisal for the Havant Day Services Keystone project.

4. Framework Management Update

- 4.1 The County Council's construction framework portfolio, which is primarily used to secure capacity and a means of combating inflation pressures is also a source of revenue income. Indeed the use of frameworks has been identified as a workstream in the Property Services Transformation to 2019 programme as a potential source of new revenue income. The framework arrangements are seen as a key component of Property's Traded Services strategy and are an important source of additional revenue in support of Property Services contributing additional income to offset reductions in Cash Limited Budgets. The success of the new

Southern Construction Framework will be a key component of this strategy along side the Southern Modular Building Framework, previously reported to this panel, as well as other local arrangements.

- 4.2 The County Council established the current regional framework for major projects in partnership with Devon County Council and Haringey Council. Haringey Council are no longer an active partner in the framework, but the relationship with Devon County Council continues to be successful. The framework itself, known as the Southern Construction Framework, is delivering nearly 100 major projects over £1m amounting to over £1.5bn in total construction value in just over two years. The framework is serving over 50 public sector organisations of a diverse nature. It is designed to be self funding, with a built in levy and subscriptions paying for the procurement and ongoing management costs, returning a surplus to the County Council. It should also be noted that the current Southern Construction Framework is successfully delivering 9 projects for the County Council with a construction budget of £73.2m including the new secondary school at North Whiteley, and will be used for the future pipeline expected to be 4 to 5 major projects per annum estimated to be around £40m.
- 4.3 A business case has been produced which sets out proposals for a successor to the current Southern Construction Framework that, as well as extending our influence in the sector, targets an increased financial return. As a result of the successful partnership with Devon County Council the new framework will also be undertaken as a joint procurement exercise with them. The basis of the agreement will comprise overall control of the framework retained by the County Council with Devon County Council acting as the lead authority for the South West region. The new framework will be along much the same lines as the existing framework, although consideration is being given to an extended geographical coverage. It should be noted that the current framework comprises three separate lots covering the South East, London and South West and has an overall maximum value of £4bn over a 4 year term concluding in April 2019. A similar structure is envisaged for the new arrangement. All the costs of procurement and set-up will be met from existing framework revenue income.
- 4.4 As part of the planning work for the new Southern Construction Framework, it has been identified that it would be beneficial to offer independent but aligned professional consultancy services for Project Management, Cost Management, and Multi Disciplinary Design services in order to encourage increased use of the construction framework. The plan is to procure and manage such a Professional Services Framework in parallel with the new Construction Framework. Once again, all the costs of procurement and set-up will be met from existing framework revenue income at no cost to the County Council. The principal aim is to increase turnover of the Construction Framework by 20% to yield new revenue income.
- 4.5 A separate corporate procurement report to this panel outlines the detail of the new Southern Construction Framework and consultancy

arrangement which will commence early in 2018 with the new arrangements in place by April 2019.

- 4.6 A category planning process is underway as part of the Property Futures review. Property Futures was referred to in the Property Services Business Review 2016/17 report presented at the June 2017 meeting of this panel. This review may have a bearing on the future direction of frameworks and other strategic procurement activity which will be reported to a future meeting of this panel.

5. Replacement of the Register of Contractors for “works “contracts

- 5.1 Following the successful completion of the procurement exercise for the Minor Works Construction Frameworks, the Register of Contractors will close for use by Hampshire County Council, Partners and Schools from the 31 December 2017.
- 5.2 The Register of Contractors is not a compliant list under the Public Procurement Regulations and therefore a replacement for the list has been provided in most cases by the minor works framework.
- 5.3 There are a small amount of specialist works contractors not covered by Frameworks and arrangements for these types of works and the need for more formal arrangements will be kept under review.
- 5.4 The Register of contractors also provides a vehicle for tendering works contracts up to the OJEU threshold of approximately £4m. In most cases we would use frameworks for these e.g. minor works, or the Intermediate construction frameworks. In instances where these framework are not suitable it is the intention to either use open tendering or Construction line.
- 5.5 Schools had direct access to the register of contractors via hantsnet and could use the contractors for works they procured separately. This will no longer be available to them; however there will be communications to Schools to advise how they can access contractors going forward Via the SLA and Management partnership surveyors .

6. Outdoor Service: Calshot Camping Pods– re-investment of Capital Receipts

- 6.1 This section seeks approval for the full retention of a capital receipt arising from the sale of assets within the Outdoor Service in order to re-invest to deliver Transformation to 2019 (T2019) savings targets.
- 6.2 As part of T2019 planning a detailed assessment of customer data, market conditions, and business opportunity, was undertaken across the Outdoor Centres. This was done to identify the most appropriate opportunities to address the agreed target of becoming cash limit neutral, or negative, within the service. The analysis also highlighted the feasibility to consolidate assets in order to invest where the best income generation opportunities existed to support the delivery of savings for T2019. It is this work that leads to the recommendations in this report.

- 6.3 It is proposed to procure and construct 10 new camping Pods on the site of Calshot Activities Centre. This will add additional accommodation provision for up to 40 customers. The facility is to be marketed as family lets to the wider community who then can access the facilities that the centre has to offer. Property Services will manage the planning and implementation of the infrastructure that the Pods require, including water & electricity. The concept and approach adopted will build upon the experience gained from introducing such a similar facility at the Tile Barn outdoor centre ('Poppy Pods') which has proved very successful.
- 6.4 The overall cost of the project is estimated at £400,000. It is proposed that funding for this project will come from three sources: full use of a capital receipt from the sale of a surplus asset, a percentage of a realised capital asset and the CCBS departments Cost of Change Reserve. An estimated £250,000 (100%) will be realised from the sale of the Birch Grove centre and £20,625 (25% of the total) has already been secured from the sale of The Privett Centre. The Birch Grove facility is a small satellite facility of the Hampshire and Cass Mountain centre located in North Wales and has been identified as surplus to requirements within the context of consolidating and securing business within the main centre. It is currently being marketed through local agents.
- 6.5 The outcome of marketing Birch Grove will be reported to a future meeting of the Executive Member for Policy and Resources. In the meantime approval is sought to make full use of sale proceeds arising from the sale of Birch Grove and 25% of The Privett Centre (completed February 2017) and for the cumulative capital value (estimated at £270,625) to be added to the Policy and Resources Capital Programme.
- 6.6 The estimated pay back period, identified in the project appraisal approved by the Executive Member for Culture, Recreation and Countryside, is 4 years.

7. Recommendations

That the Buildings, Land and Procurement Panel recommends to the Executive Member for Policy and Resources that:

- a) Progress of each of the programmes is noted.
- b) Approval is given to the project appraisal for the Learning Disability Transformation project proposals in the Havant Day Services building on the basis summarised in the report to establish a Keystone Service at a total cost of £700,000.
- c) That procurement and spend approval for contracting activity associated with the projects as outlined in this report is granted.
- d) That approval is given to the full retention of the capital receipt from the sale of the asset identified in this report in order to re-invest and finance elements of the proposed Camping Pods project at Calshot Activities Centre.

- e) That the proposal to invest in the Camping Pods, subject to confirmation of funding, be added to the 2017/18 Policy and Resources Capital Programme.

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

Other Significant Links

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

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.)

DocumentLocation

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.