

EXECUTIVE DECISION DAY NOTICE

Executive Lead Member for Universal Services Decision Day &
Executive Member for Countryside and Regulatory Services
Decision Day

Date and Time Monday, 20th May, 2024 at 2.00 pm

Place Remote Decision Day - Remote

Enquiries to members.services@hants.gov.uk

Carolyn Williamson FCPFA
Chief Executive
The Castle, Winchester SO23 8UJ

FILMING AND BROADCAST NOTIFICATION

This decision day is being held remotely and will be recorded and broadcast live via the County Council's website.

AGENDA

Executive Lead Member for Universal Services

Deputations

To receive any deputations notified under Standing Order 12.

KEY DECISIONS (NON-EXEMPT/NON-CONFIDENTIAL)

- 1. PROJECT APPRAISAL: SCOLA RECLADDING AT CROOKHORN COLLEGE, HENRY BEAUFORT SCHOOL AND HART PLAIN INFANT SCHOOL** (Pages 5 - 18)

To consider a report of the Director of Universal Services seeking approval for the 'SCOLA recladding' of three schools.

- 2. SPEND APPROVAL FOR CLEANING OF CORPORATE PROPERTIES CONTRACT** (Pages 19 - 26)

To consider a report of the Director of Universal Services seeking approval to procure and spend for an agreement with a single supplier for the non-education cleaning contract.

3. SPEND APPROVAL FOR PROPERTY TERM MAINTENANCE CONTRACT (Pages 27 - 36)

To consider a report of the Director of Universal Services seeking spend approval for building fabric and engineering maintenance until July 2027.

Executive Member for Countryside and Regulatory Services

Deputations

To receive any deputations notified under Standing Order 12.

NON KEY DECISIONS (NON-EXEMPT/NON-CONFIDENTIAL)

4. SCHEME OF DELEGATION FOR LAND AND ASSETS TRANSACTIONS (Pages 37 - 48)

To consider a report of the Director of Universal Services regarding the existing arrangements for general officer delegations for carrying out land and asset transactions in relation to the County Council's land and assets, and to make proposals for consolidating, and updating the delegations to make them more fit for purpose.

Exclusion of the Press and Public

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.

NON KEY DECISIONS (EXEMPT/CONFIDENTIAL)

5. PROPERTY SERVICES ASSET DECISIONS (Pages 49 - 62)

To consider a report of the Director of Universal Services regarding a number of formal transactions relating to Hampshire County Council owned or occupied assets.

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 SESSION:

The press and public are welcome to observe the public sessions of the decision day via the webcast.

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HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Universal Services
Date:	20 May 2024
Title:	Project Appraisal: SCOLA Recladding at Crookhorn College, Henry Beaufort School and Hart Plain Infant School
Report From:	Director of Universal Services

Contact name: Max Whitlock

Email: max.whitlock@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to provide detail and seek approval for the 'SCOLA recladding' of three schools.

Recommendations

2. That the Executive Lead Member for Universal Services approves the Project Appraisal for the SCOLA recladding at Crookhorn College, Henry Beaufort School and Hart Plain Infant School, as outlined in this report.
3. That approval be given to procure, spend and enter into necessary contractual arrangements, in consultation with the Head of Legal Services, to implement the proposed SCOLA recladding together with associated works as set out in this report to:
 - Crookhorn College, at an estimated cost of £3.450million to be funded from School Condition Allocation
 - Henry Beaufort School, at an estimated cost of £3.480million to be funded from School Condition Allocation
 - Hart Plain Infant School, at an estimated cost of £1.400million to be funded from School Condition Allocation.
4. That authority to make the arrangements to implement the scheme, including minor variations to the design or contract, be delegated to the Director of Universal Services.
5. That authority is delegated to the Directory of Universal Services, in consultation with the Head of Legal Services, to progress any orders, notices, or statutory procedures and secure any consents, licences, permissions, rights or easements necessary to enable implementation of this scheme.

Executive Summary

6. Property Services has a well-established and ongoing programme to reclad (replace the external envelope of) its SCOLA buildings. The work is necessary as several building components including the windows and doors, the cladding and the roof coverings are at the end of their life.
7. The buildings have very poor thermal performance, being cold in the winter and suffering from overheating in the summer. Some of the opening windows have been fixed in the closed position as they are unsafe to operate and present a health and safety risk.
8. The proposed work will see windows and doors replaced with new thermally efficient, double glazed and low maintenance units. Brickwork and other panels will be insulated, and the roof recovered with a high performance felt with additional insulation. As necessary, any asbestos will be removed and fire precautions upgraded as part of the work. Where needed, lighting will be replaced with low energy LED lighting which will provide a better quality of light, enhancing the teaching spaces and reducing energy costs.
9. The reclad buildings will be well insulated, which will reduce the amount of heating needed and this in turn reduces the building's running costs and carbon emissions. The current condition doesn't necessitate replacement of the heating system at this time, however the reclad buildings will also be suitable for the installation of a heat pump as appropriate when it does. The works will improve roof rainwater drainage and include additional ventilation to mitigate against heatwaves and provide resilience to climate change.
10. Works are planned to start in the summer of 2024 to utilise the school summer holiday and to avoid exam periods in the schools.
11. Funding for the project is from the Department for Education (DfE) Schools Condition Allocation, a grant for the improvement of school buildings.

Contextual Information

12. The buildings to be reclad are all constructed using the 'SCOLA 2' system which comprises a steel frame, single glazed 'Crittall' type windows and cladding, with single skin brickwork panels under an asphalt covered flat roof. Although the structural frames are in good condition, the roof, cladding and windows are at the end of their life. The proposals include the replacement of the cladding and roof coverings to address these building defects.
13. SCOLA is an acronym for the 'Second Consortium of Local Authorities' where a group of local authorities, including amongst others Hampshire, West Sussex and Dorset County Councils, worked together to produce a standard design for new buildings to meet the challenges of additional pupils due to the post war baby boom and a scarcity of building materials. Approximately 40% of Hampshire Schools are SCOLA buildings, which equates to around 25% of all SCOLA buildings nationally.

14. Due to their original construction material including substantial glazed elevations, these buildings have very poor thermal performance, being cold in the winter and suffering from overheating in the summer. Some of the opening windows have been fixed in the closed position as they are unsafe to operate and present a health and safety risk. Other windows fail to close properly, exacerbating the lack of heating in the winter.
15. The projects at Crookhorn College and Henry Beaufort School were added to the Capital Programme in 2021. They formed two of several large projects brought forward following the allocation of an additional £8 million of SCA funding in August 2020. This funding formed part of the Government's economic stimulus in response to the Covid-19 pandemic and enabled HCC to provide long term visibility to the supply chain and confidence of pipeline, in what was becoming an increasingly challenging environment to secure both materials and resources. Due to their scale, SCOLA projects progress at a delivery rate of around two to three per year, however the further impacts of inflation and developments in design approach over the three years between inception and detailed scope necessitated an uplift of funding to each. This was noted and agreed within the Universal Services Capital Programme report of January 2024.
16. The works to each of the buildings are set out below but will comprise replacement of windows and doors, replacement of cladding panels and increasing insulation. The flat roofs will be upgraded with insulation to improve the thermal performance, together with the installation of Natural Ventilation Heat Recovery (NVHR) units to ensure compliance with current legislation. The refurbishment will give the buildings a new lease of life and enhance the learning environment (warmer in the winter and cooler in the summer) along with enhanced fire safety.
17. The work will reduce ongoing maintenance and running costs by:
 - addressing regular reactive issues such as roof leaks and broken/jammed window latches or handles
 - using self-finished materials, such as powder coated window and door frames, together with render and brickwork without fascia or soffits that won't require regular painting
 - specifying appropriate quality materials with guarantees / warranties to give longevity
 - improving insulation which reduces the amount of heating required together with energy efficient lighting and other equipment, reducing electricity costs
18. Aligning with Property Services' strategy to "future proof" its work for greater decarbonisation in due course, provision has been made so that the buildings will be suitable for a heat pump at such point as condition or available grant funding make it appropriate to renew its heating system in the future.

Hart Plain Infant School – SCOLA Recladding

Overview

19. Hart Plain Infant school in Waterlooville was originally constructed as a two-form entry infant school in 1960, comprising of teaching classrooms, ancillary spaces and admin offices. A later kitchen and hall extension was built in 1968, followed by a single-story SCOLA teaching block, outlined in red on the plan below, in 1970.



20. Funding for the project was approved at the Executive Lead Member for Universal Services Decision Day on 15 January 2024. A breakdown of the proposed funding for this project is noted in the financial section below.
21. The scope comprises:
 - replacing the existing glazing with a thermally improved performance glazing system
 - over-roofing the roof to the SCOLA element with insulation and a high-performance roofing system
 - Natural Ventilation Heat Recycling (NVHR) system
 - insulating between the existing SCOLA brickwork cavities
 - replacing the existing non-LED lighting with LED lighting to reduce the lighting energy demand of the school.
22. Work is planned to start on site at the end of Summer 2024. It is proposed that the school will move out of the SCOLA block during the summer holidays. They will decant until works have completed in January 2025.

Crookhorn College – SCOLA Reclad (Goodwood Block)

Overview

23. The project to reclad Goodwood Block at Crookhorn College in Waterlooville with an outline project appraisal was originally presented at the [Executive Member for Commercial Strategy, Human Resources and Performance Decision Day](#) on 17 March 2021. The Executive Member approved the high-level budget allocations for the 2021/22 repairs and maintenance programme for the schools estate, including carry forward of unspent funding from 2020/21.
24. Following more detailed scoping, an uplift in funding was approved as part of the Universal Services Proposed Capital Programme by the [Executive Lead Member for Universal Services](#) at the Decision Day on 15 January 2024.
25. A breakdown of existing funding for this project is noted in the financial section below.
26. The Goodwood block, outlined in red in the plan below, was constructed in the late 1960s and is used largely for teaching English with some Special Educational Needs (SEN) provision, comprising of 10 teaching spaces plus ancillary areas.



27. The impact of inflation since the schemes were first added to the programme, plus clarification of the scope of work to incorporate NVHR units for climate change adaption, has increased the value of the scheme.

28. In addition to the work included in the recladding project, the school has agreed with Childrens Services to enable Resource Provision for Special Educational Needs (SEN) at the school within Goodwood Block. To minimize the disruption to the school and to provide cost efficiencies through undertaking similar works on site at the same time it is proposed to include the provision of new specialist toilet facilities and a new office as part of the work. Funding for this work will be through the SEND High Needs Capital Funding budget which was approved at the Executive Member for Education Decision Day on 20 February 2024.
29. Work is planned to start on site in Summer 2024. The school site will remain in use during the construction period and local management arrangements will be put in place to manage the health and safety impact to all users. Temporary classrooms will be installed on site to facilitate the project and ensure the school can continue to teach a full curriculum. The project is expected to complete in the Spring of 2025.

Henry Beaufort School – SCOLA Reclad (S Block)

Overview

30. The project to reclad Warsaw 'S' Block at Henry Beaufort School in Winchester with an outline project appraisal was originally presented at the [Executive Member for Commercial Strategy, Human Resources and Performance Decision Day](#) on 17 March 2021. The Executive Member approved the high-level budget allocations for the 2021/22 repairs and maintenance programme for the schools estate, including carry forward of unspent funding from 2020/21.
31. Following more detailed scoping, an uplift in funding was requested as part of the Universal Services Proposed Capital Programme that was approved by the [Executive Lead Member for Universal Services](#) at the Decision Day on 15 January 2024.
32. A breakdown of existing funding for this project is noted in the financial section below.
33. The S block, highlighted in red in the plan below, was constructed in the late 1960s and is used largely for teaching Science, comprising of nine teaching spaces plus ancillary areas.



34. The impact of inflation since the schemes were first added to the programme, plus clarification of the scope of work to incorporate NVHR units for climate change adaptation, has increased the value of the scheme.
35. It is also proposed to add the replacement of the hot and cold water pipework and the re-roofing of the adjacent Admin block into this project which were approved in an Officer Decision Record on 14 December 2022. This will minimise disruption to the school and give cost efficiencies through linking together similar works on the site.
36. Work is planned to start on site in Summer 2024. The school site will remain in use during the construction period and local management arrangements will be put in place to manage the health and safety impact to all users. Temporary classrooms will be installed on site to facilitate the project and ensure the school can continue to teach a full curriculum. The project is expected to complete in Spring 2025.

Finance

37. The proposed works would be fully funded from the School Condition Allocation grant, plus a small element from SEND high needs capital funding, as set out below.

38. Hart Plain Infant School

Financial Provision for Total Scheme	Buildings £	Fees* £	Total £
School Condition Allocation (SCA) 2024/25	1,202,000	198,330	1,400,330
Total	1,202,000	198,330	1,400,300

39. Crookhorn College

Financial Provision for Total Scheme	Buildings £	Fees* £	Total £
School Condition Allocation (SCA) 2024/25	2,832,618	467,382	3,300,000
SEND High Needs Capital Funding 2024/25	128,755	21,245	150,000
Total	2,961,373	488,627	3,450,000

40. Henry Beaufort School

Financial Provision for Total Scheme	Buildings £	Fees* £	Total £
School Condition Allocation (SCA) 2024/25 SCOLA	2,660,944	439,056	3,100,000
School Condition Allocation (SCA) 2024/25 Roofing	274,678	45,322	320,000
School Condition Allocation (SCA) 2024/25 Pipework	51,502	8,498	60,000
Total	2,987,124	492,876	3,480,000

* Fee applied to the project relates to costs of the design and management of the project which includes detailed design, production of tender information, obtaining statutory approvals, contract administration and construction quality control.

Programme

41. Works will commence on all schemes in Summer 2024 with completion scheduled for Summer 2025.

Consultation and Equalities

42. There have been detailed discussions with the school leadership teams who have discussed the projects with their governing bodies, and they are supportive of the projects.
43. The local County Councillors have been contacted to make them aware of the projects and to offer a detailed briefing. The County Councillor for Henry Beaufort School requested information on accessibility and further details have been provided. No other comments have been received.
44. An Equalities Impact Assessment (EIA) has been carried out for the works, which are to replace end of life building components, and include accessibility improvements. Replacement of external doors will improve access for people with mobility issues and wheelchair users with easy access door thresholds, and colour schemes will be designed with people with visual impairments in mind, giving a positive impact for the protected characteristic of disability. Henry Beaufort school will include a new accessible fire escape from the first floor. Detailed plans are in place with the schools to ensure that there are no impacts to site users during the works, by providing additional temporary accommodation or staggering works as appropriate. The works will also improve the quality of the teaching accommodation, in particular improving ventilation and measures to prevent overheating, which has been shown to improve educational attainment, demonstrating a positive impact on the protected characteristic of age. There are no negative effects from undertaking the work. Therefore, the overall impact of the is positive for those in the protected characteristic groups of age and disability.

Climate Change Impact Assessments

45. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience impacts of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.
46. The Adaptation Project Screening Tool identifies that the predominant vulnerabilities are heat waves, high winds and extreme storms, arising from climate change, which could affect the building. The schemes are considered to have a low vulnerability to these factors, and a low vulnerability overall.
47. The carbon mitigation tool does not calculate emissions for refurbishment projects so is not applicable. However, the project will align with BB 101 (Building Bulletin guidance on ventilation, thermal comfort and indoor air

quality in school buildings) and will incorporate the following features to reduce energy consumption and mitigate the impacts of climate change:

- enhanced thermal insulation to the external envelope, both walls and roof
- provision of NVHR to improve ventilation to teaching spaces
- provision of 'solar glass' to south and west facing elevations which reduces solar gain and glare
- replacement of non-LED lighting.

Climate Change Adaptation

48. The works include improvements to the roof drainage systems to mitigate against storms and increased rainfall. The building has been thermally modelled and ventilation systems will be installed to mitigate against heatwaves.

Carbon Mitigation

49. The works will include additional insulation to reduce the amount of heating required which will reduce the building's carbon emissions. The buildings will also be enabled as 'heat pump ready' to facilitate low carbon heating in the future when the heating systems require replacing.

Statutory Procedures

50. The works at Crookhorn College and Henry Beaufort School will require planning permission and applications have been submitted for both schemes. Permission will be obtained prior to the works starting on site.
51. Building control approval will be required for all schemes, this will be obtained before the work commences.
52. Initial environmental assessments have been undertaken and further surveys are required at Crookhorn College before the works start on site. If necessary, an ecology license to undertake works will be obtained.

Land Requirements

53. The works at Henry Beaufort school and Hart Plain Infant are being undertaken on Hampshire County Council owned land.
54. The works at Crookhorn College are being undertaken on land owned by the school's Foundation Trust. Hampshire County Council have a duty to maintain the site and buildings. All necessary permissions are in place for the work.

Maintenance and operating implications

55. The works will reduce the cost of maintenance through the provision of low maintenance components such as powder coated aluminium windows and doors, self-coloured render and brickwork panels.
56. The high performance roof felt will have an insurance backed guarantee of 25 years and replacement will benefit the reactive attendance to address leaks.
57. Costs in operation will be reduced as a result of the additional insulation benefitting heating costs, and the LED lighting reducing lighting costs for both use and lamp replacement.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	no
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:	no

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 (EIA) has been carried out for the works, which are to replace end of life building components, and include accessibility improvements. Replacement of external doors will improve access for people with mobility issues and wheelchair users with easy access door thresholds, and colour schemes will be designed with people with visual impairments in mind, giving a positive impact for the protected characteristic of disability. Henry Beaufort school will include a new accessible fire escape from the first floor. Detailed plans are in place with the schools to ensure that there are no impacts to site users during the works, by providing additional temporary accommodation or staggering works as appropriate. The works will also

improve the quality of the teaching accommodation, in particular improving ventilation and measures to prevent overheating, which has been shown to improve educational attainment, demonstrating a positive impact on the protected characteristic of age. There are no negative effects from undertaking the work. Therefore, the overall impact of the is positive for those in the protected characteristic groups of age and disability.

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Universal Services
Date:	20 May 2024
Title:	Hampshire County Council Non-Educational Cleaning Contract
Report From:	Director of Universal Services

Contact name: Daniel Sanchez and Sean Yeates

Email: Daniel.Sanchez@hants.gov.uk
Sean.Yeates@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to seek approval to procure and spend for an agreement with a single supplier for the non-education cleaning contract.

Recommendation

2. That the Executive Lead Member for Universal Services gives approval to procure, spend and enter into contractual arrangements, in consultation with the Head of Legal Services, for a three-year single supplier contract for Hampshire County Council corporate sites to be cleaned with the option to extend the contract for an additional 2 years, commencing on 1 February 2025 and totalling a 5 year contract and at a total cost of £12.5 million to be funded from the existing revenue budgets of each individual service.

Executive Summary

3. This paper seeks to set out the background to the project to replace the existing non-education cleaning contract in terms of the work required, payment processes, and opportunities for further improvements and benefits. This contract is to manage cleaning of County Council corporate buildings.
4. The existing strategy for a single supplier contract for the County was approved by the Executive Member for Policy and Resources on the 17 January 2020 and the contract was let in 2022 on an initial two-year basis with the option of an additional two-year extension.
5. The contract is for the cleaning of non-education Hampshire County Council corporate buildings including corporate offices outside of the HQ buildings in Winchester, Libraries, Country Parks, Adult Services sites, Children's Services sites, Highways Depots and Outdoor centres. The contract is calculated based on the square meterage of the cleaning areas. The

amalgamation of all cleaning into a single contract provides efficiencies and streamlined contract administration processes.

6. The contract currently requires cleaning of 111 properties in total, of which 38 are libraries, 13 Adult Services sites, 19 Children’s Services sites, 13 Hampshire County Council Corporate Office buildings, 7 Country Parks, 3 Hampshire Cultural Trust sites, 11 Highways sites, 2 Outdoor Centres, 3 Registry Offices and 1 visitor centre.
7. The centrally managed contract approach has meant that there is a focus on performance of the contract as a whole and has allowed communication with stakeholders on a range of cleaning, finance and quality issues.
8. The team has consulted with stakeholders around a range of options including other frameworks, integration with other Facilities Management (FM) contracts, fixed term contracts, multi supplier or geographic lotting, and has concluded that the existing single supplier best suits the needs of Hampshire County Council for the cleaning of corporate sites. Other arrangements do not cover the full range of cleaning practices required, and lotting the arrangement would lead to different contractors, different cleaning practices, and different management regimes across the estate, therefore the current single supplier strategy maximises the efficiency of management, reporting and purchase to pay systems.
9. In the current contract, for the year December 2022 – November 2023, the contractor, Nviro cleaned a total of 22,479,839 m² of floor area. The table below summarises the cleaning area of Hampshire County Council:

Customer	Percentage of area cleaned %	Area Cleaned
Libraries	33%	7,255,603m ²
Adult Services	7%	1,462,492m ²
Childrens Services	9%	2,087,957m ²
Country Parks	8%	1,600,713m ²
Hampshire Cultural Trust	7%	1,556,278m ²
HCC Offices	17%	4,757,605m ²
Highways Depot/Workshops	4%	567,573m ²
Outdoor Centres	14%	2,964,006m ²
Registry Offices	1%	227,612m ²
Total	100%	22,479,839m²

10. Mobilisation of the new contract and the potential transfer of staff and obligations will be critical to the successful implementation from December 2024.

Contextual information

11. Hampshire County Council Non-Educational Cleaning is one of the contracts within the Soft FM category which includes Waste Collection, disposal and recycling, Security, and Grounds Maintenance of the Hampshire County Council estate and schools.

Background

12. The Hampshire County Council Non-Educational Cleaning Contract was previously let in early 2020 for 5 years, with spend approval for £10million granted at the Executive Member for Policy and Resources Decision Day on 17 January of that year. The tender was won by YBC and was due to expire on 31 March 2025. Due to performance issues, the contract with YBC was ended early. Subsequently, a new 2-year contract was tendered, starting on 1 December 2022, with the option to extend the contract for a further 2 years pending spend approval. Nviro was awarded the contract, having tendered the best price and quality combination, and service levels have improved significantly. Since then, a proposed uplift in rates on the part of the provider has precluded the possibility of contract extension.
13. Current contract key objectives to be taken forward into the tender for the replacement include:
 - maximise consolidation across client organisations to achieve economy of scale
 - transparent pricing structure that provides value for money to all directorates.
 - incentivise innovation from within the industry to help improve efficiency and value for money
 - robust KPIs to enable good contract management
 - flexibility to allow for changes to buildings covered by the contract, and for new services to join the arrangement
 - social responsibility through engagement with services on innovative initiatives
 - high quality management information to enable informed decisions on cost reduction strategies
 - collaboration between Supplier and Authority to simplify the payment process
 - pricing structure consistent with the wider commercial cleaning market to facilitate benchmarking and like for like comparisons
 - continued stakeholder engagement and management
 - improved working practices that ensure buildings are cleaned to standard but improve efficiencies and provide value for money
 - Corporate Social Responsibility Objectives – To work with a supplier that can reduce and report scope 1 & scope 2 carbon emissions
 - Work with a supplier that can provide a cleaning service up to the required standard using environmentally friendly cleaning chemicals.
 - the contract arrangements will be constructed in such a way to allow flexibility so that the new supplier will be expected to adjust the service

requirements to add or remove sites as and when requested by Hampshire County Council meeting the future office accommodation strategy.

Finance

14. The current contract spends a total of around £1.93million per annum across Hampshire County Council which will be consistent for the two years of the contract. However, experience of other contracts has seen inflationary uplifts of between 15% and 20%. Due to the high cost of the current contractor, inflationary uplifts in the tender are not expected with the new contractor. The proposed framework value includes a top end estimate of £2.5million per annum for the three-year contract for approval. The final cost will be within this figure for all users of the contract and will be determined by the actual meterage of floor area cleaned based on the tendered rates. The funding for this contract will come from the existing revenue budgets of each individual service. The table below summarises the spend by Hampshire County Council for the year December 2022 - November 2023:

Customer	Percentage of spend %	Spend 2022 / 2023
Libraries	31%	£593,094.69
Adult Services	6%	£118,415.34
Childrens Services	9%	£167,982.96
Country Parks	12%	£229,480.50
Hampshire Cultural Trust	7%	£129,796.62
HCC Offices	20%	£390,909.19
Highways Depot/Workshops	2%	£45,375.23
Outdoor Centres	12%	£236,729.72
Registry Offices	1%	£18,754.53
Total	100%	£1,930,538.79

Performance

15. During the current contract, there has been a review of possible performance measures which can be built into the new contract. These will be developed in the tender.
16. The Supplier will be required to perform, deliver, resolve problems and monitor their service to comply with the Key Performance Indicators developed during tender and these will be monitored throughout the contract.

Consultation and Equalities

17. Internal stakeholders, including the Soft FM Service Leads for all the services have been engaged throughout to help inform the proposal.
18. A market engagement event with potential suppliers has been held to take on board market suggestions and ideas, and to test our contract strategy.
19. The County Council held a social value workshop, in February 2023, for suppliers across all categories including construction, consultancy, hard and soft FM to develop ideas around embedding further social value in all our contracts and not just employment opportunities on major construction contracts. The output from the workshop, which included colleagues from Hampshire 2050 (Skills and Participation) and Hampshire Futures requires further work, but this contract includes reference to Hampshire Futures, and equality questions are being developed to invite some fixed commitments around employment opportunities for young people and adults in Hampshire.
20. An EIA has found that the impacts of these proposals are neutral, as they will ensure the continuation of the existing cleaning service without any direct impacts on service users.

Climate Change Impact Assessments

21. The recent workshop on social value with a wider supply chain identified opportunities for more common reporting of carbon emissions which could in future lead to more accurate assessment of the County Council's own carbon emissions. This will be included in the tender.
22. As a service contract, there is a key requirement for the environmental priorities to be detailed in the specification. These will include targets for reducing cleaning waste, the use of environmentally friendly chemicals and a reduction in carbon emissions from the supplier.
23. There will be a requirement for the supplier, and other suppliers and contractors on other contracts to report on their carbon emissions, to enable the County Council to better understand the indirect carbon emissions of its suppliers and contractors.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	no
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	no
People in Hampshire enjoy being part of strong, inclusive communities:	no

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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 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:

2.1 The proposal is to procure a contract to provide for the ongoing delivery of cleaning services for the Non-Education Hampshire County Council estate and those of other parties to the procurement process. Therefore, after consideration of equality, there is no anticipated impact on the Hampshire residents or staff. Subsequently, the equality impact remains neutral for all category characteristics.

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HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Universal Services
Date:	20 May 2024
Title:	Spend Approval for Property Term Maintenance Contract
Report From:	Director of Universal Services

Contact name: Erica Jenner and Chris Topley

Email: Chris.topley@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to seek spend approval to address the shortfall in agreed funding for works undertaken through the current Property Services Term Maintenance Contracts (TMC) for building fabric and engineering.

Recommendations

2. That the Executive Lead Member for Universal Services gives approval to procure and spend up to £70million on building 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.
3. 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.

Executive Summary

4. This paper sets out the background to the recommended uplift in anticipated spend for maintenance services delivered on Hampshire County Council's built estate, including its schools. The spend (currently around £18million per year) is delivered via existing Term Maintenance Contracts (TMC) for building fabric and engineering services.
5. The current procurement strategy of multiple supplier provision, delivered across two contracts was presented to the Buildings, Land and Procurement Panel (BLaPP) in March 2016 with spend approval given by the Executive Member for Policy and Resources on the 22 April of the same year.

6. The combined contract is now in the seventh year of a maximum ten year term and because of changes in the size of the estate, maintenance strategies and, significantly the impacts of construction industry inflation, the original estimated value noted to the Executive Member for Policy and Resources is no longer sufficient to complete the contract's potential 10 year term.
7. This report notes the spend on building maintenance as at March 2024, and realigns its anticipated spend to 2027. It seeks the associated spend approval of a further up to £70 million required, noting that actual spend is approved annually as part of the County Council's Revenue Budget, then drawn from existing repairs and maintenance budgets within Chief Officer Delegations

Contextual information

8. Hampshire County Council and its Partners (Police and Fire) currently share a Term Maintenance Contract (TMC) for building fabric and engineering services. It is managed by Hampshire County Council Property Services, via a Shared Service Agreement. The TMC serves the combined estates of all three partners and includes specified work on the circa 464 schools, nurseries and education centres that participate in Hampshire County Council's property maintenance Service Level Agreement (SLA).
9. The contracts carry out essential planned preventative maintenance, statutory servicing and inspection tasks, reactive repairs, and a critical out of hours emergency response. Operational delivery has been good, but there are opportunities to streamline arrangements and this will shortly be addressed through the specification of the next contract
10. The current procurement strategy was presented to the [Buildings, Land and Procurement Panel \(BLaPP\) in March 2016](#) with spend approval given by the Executive Member for Policy and Resources. That report noted the proposal to implement multiple supplier provision across two contracts (building fabric and engineering) for the Hampshire County Council estate which at the time was noted to include the County Council's Shared Services partners in the Police and Fire Services as well as the schools maintained under SLA. It also referenced that it could be used by other collaborate contracts within its overall estimated value and this has included (among others) Hampshire Academy schools and some schools on the Isle of Wight.
11. The contracts were formed in 2017 for a five-year period with a possible further five-year extension. In 2021 a decision was taken to extend into the second five-year term. However, with opportunities to streamline the delivery model, specification and contractual terms, the further 5-year arrangement was altered to enable full reprocurement earlier than 2027.
12. An option was instead taken to extend on a two-year basis to 2024, with the ability to apply up to three further one-year extensions. These further one-year extensions are being drawn down, alongside other compliant routes to maintenance services, which is allowing construction industry inflation to stabilise and the consideration of future scope in the context of the

organisational strategy to move towards establishing a minimum service level. Subject to this decision, the existing maintenance contractors will continue to deliver services to HCC until the summer of 2026 where it is proposed a new long term contract would be implemented. An option remains to extend for one final year beyond that, but this TMC must conclude and be reprocured no later than 31st July 2027.

13. TMC spend to 31 March 2024, is noted at paragraph 30.

Background

14. When the [Corporate Procurement update report](#) was presented to the Buildings Land and Procurement Panel (BLaPP) in 2016, the County Council was in the early stages of forming a joint working arrangement with its “Blue Light” neighbours in Hampshire Constabulary via the Office of the Police and Crime Commissioner (OPCC) and the Hampshire Fire and Rescue Service (now HIWFRS). It was also scheduled to relaunch its maintenance Service Level Agreement (SLA) to the schools for which the County Council is the responsible body.
15. In total the decision allowed for a total spend of £200 million for all users, within which £130 million would be deployed against maintenance of across the combined Hampshire County Council and Partner estate.
16. Although overall spend is forecast to remain within the total £200 million noted, the proportion delivered on the combined Hampshire County Council and partner estates has been greater than anticipated, for the following reasons:

Size of estate

17. The size of the combined estate in 2024 is larger than when the contract was being scoped, with the introduction of the Isle of Wight Fire Stations, when the Combined Fire Authority formed in April 2021 and the ongoing success of the schools maintenance SLA.
18. The maintained estate will reduce by around 15%-25% from the summer of 2024 with the return (as noted in para 21) of around 200 sites to Police and Fire as well as through initial rationalisation of the County Council’s built estate as part of its Strategic Asset Management Plan (SAMP).

Estate management strategies

19. When drafted in 2015, it was the expectation of the Shared Service Agreement between Hampshire County Council, that a joint Head of Property would be appointed to manage all work of all three partners on its built combined estate via a consolidated budget.
20. For organisational reasons this strategy changed and three separate maintenance budgets have been managed individually based on organisational priorities. Consequently, spend across this combined estate has been higher than forecasted during specification.
21. In February 2023, linked to their individual estate strategies, both the OPCC and HIWFRS served notice to withdraw from the joint maintenance contract.

This will take effect from 1 August 2024 and consequently, spend for the remaining term will exclude the circa £3 million associated annually with the Police or Fire buildings.

Construction industry inflation

22. Although the factors influenced the volume of work delivered, it has been the unprecedented levels of inflation that the UK has experienced over the last five years that played the most significant part in the variance between actual spend and forecast.
23. As has been reported to the Building Land and Procurement Panel, and more recently through the Universal Services Capital Programme reports, the construction industry has been challenged by both resource and material shortfalls linked to the exit from the European Union, the Covid-19 pandemic and other world events including the war in Ukraine, the tensions in the middle east and China as wells the more recent cost of living crisis in the UK.
24. The BCIS (Building Cost Information Service) “Local Authority Maintenance Cost” indices noted inflation of 30.42%, between 2020 to 2024, delivering a compound effect of 48.44% overall increase since January 2017.

Proposal

25. It is necessary, for the reasons noted, to revise the anticipated Hampshire County Council spend on building fabric and engineering services from £130 million to £200 million to July 2027 (if applicable). The spend to date on the Term Maintenance Contract and projected future spend is noted at paragraph in the finance section of this report.
26. With the conclusion of the Shared Service arrangements with Police and Fire from 1st August 2024, and similar conclusion of the SLA for the Isle of Wight Schools, and other non-Hampshire County Council spend limited, there is no requirement to revisit the overall upper threshold of £200 million versus its original.
27. It is forecast that the maintenance spend on the Hampshire County Council estate for the 2024/25 financial year will be circa £18 million (including the maintained schools). An uplift of £70 million potential spend is requested which makes provision for further construction industry inflationary pressure over the remaining (maximum) 3 years and 2 months from June 2024 to end July 2027, and equates to an average of circa £22 million per year.
28. The Hampshire County Council annual maintenance budgets are set as part of the Revenue Budget Reports to Executive Lead Member for Universal Services in January and within annual budget setting at Full Council in February each year and spend is drawn down from existing repairs and maintenance budgets within Chief Officer Delegations.
29. It is to be noted that planning for the re-procurement for the next generation of the Term Maintenance Contract is already underway, with the aim being that it could be implemented by the summer of 2026 to better meet the needs of our evolving organisation.

30. Recognising the funding pressures and the forecasted recurring funding gap beyond 2025/26, it is essential that the new contract aligns fully with the organisational strategy to move towards establishing a minimum service level. Significant scoping and contractual specification is therefore required to enable compliance with future changes in statutory maintenance requirements and to deliver best value to the County Council.
31. With the pre-tender activity in train, it is anticipated a new contract will be in place by 1st August 2026, one year ahead of the maximum 10-year term of the existing TMC. A paper to facilitate its procurement and associated spend approval will be presented to the Executive Lead Member for Universal Services in the spring of 2025.

Finance

32. The Term Maintenance Contract spend from 1st August 2017 up to (and including) 31st March 2024 is as follows:

TMC spend at 31.03.2024	Spend against £130m allocation		Spend against £200m allocation	
Hampshire Corporate Estate	£51.90m	43%	£51.90m	37%
Hampshire 'SLA' Schools	£53.22m	44%	£53.22m	38%
Police & Fire Partners	£15.84m	13%	£15.84m	11%
Subtotal HCC & Partners	£120.96m	100%	£120.96m	86%
Academies (until 2020)	N/A	N/A	£2.77m	2%
Aided Schools	N/A	N/A	£2.6m	2%
Other contract users	N/A	N/A	£13.51m	10%
Grand Total	£120.96m	100%	£139.84m	100%

33. This paper is seeking spend approval for a further up to £70million until 31st July 2027, which will be funded from existing revenue budgets.
34. The proposed further spend provision until 31st July 2027 is as below. It reflects allowance for further inflation, the withdrawal of Police & Fire Partners from the contract after 2024/25, plus an element of contingency for prudence.

Proposed further Spend provision	2024/25* *10 Months	2025/26	2026/27	2027/28* *4 Months	Total
Hampshire Corporate Estate	£6.5m	£8.25m	£8.75m	£3.0m	£26.5m
Hampshire "SLA" Schools	£9.0m	£11.5m	£12.25m	£4.25m	£37.0m

Police & Fire Partners	£1.0m	Nil	Nil	Nil	£1.0m
Contingency	£1.25m	£1.75m	£1.85m	£0.65m	£5.5m
Total HCC & Partners	£17.75m	£21.5m	£22.85m	£7.9m	£70.0m

Other options considered and rejected

Implement new Term Maintenance Contract from 2024

35. There is insufficient time in 2024 to undertake the suitably robust re-procurement exercise required to meet the future challenges of the Council.
36. It is essential that the new contract (potentially a strategic 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.
37. 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.
38. Accelerating this timeline risks outcomes that do not deliver the long-term strategic objectives of the county council or value for money

Reduce levels of maintenance

39. Reducing the level of inspection and servicing activity would risk breaching statutory obligations and building safety regulations, particularly in relation to certified activities such as gas, electrical and lift safety.
40. Reducing other critical maintenance risks the County Council's delivery of its statutory obligation to maintain safe buildings for its employees and service users.
41. Reducing reactive repairs, risks property damage and increased costs associated with larger (often unplanned) remedial action such as to address roof or structural failure, or the consequences of ground water flooding.
42. Beyond the legal, safety, physical and moral implications of this action, the failure to maintain the estate 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. The reputational and financial impact of a failing in either respect would be significant.

Consultation and Equalities

43. An Equalities Impact Assessment (EIA) has found that the impacts of these proposals are neutral, as they will ensure the continuation of the existing maintenance service without any direct impacts on service users.

44. Service user engagement will remain ongoing throughout the remaining duration of the existing term maintenance contract.
45. As part of preparation for reprocurement, significant consultation has been carried out with internal County Council stakeholders through their directorate representatives for Facilities Management, as well as with the Hampshire schools through end user surveys and this feedback is helping to shape the outputs specified.
46. A market engagement event was held in the summer of 2023 with potential suppliers for the next generation of Term Maintenance Contract. This is enabling Hampshire County Council to take on board supply chain suggestions and ideas, and to test its future contract strategy.

Climate Change Impact Assessments

47. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.
48. Although these tools are not relevant to this decision as it relates to an existing contract in delivery, technological advances and standard innovation in terms of maintenance methodology and components are delivering increasingly lower carbon outcomes. Examples include a transition to LED lighting, an increase in insulation and cleaner more efficient heating technologies including (where appropriate) heat pump technology or the conversion of oil to gas fuels where the reactive response by the TMC necessitates full replacement.
49. Recent contract workshops with a wider supply chain on 'social value' identified opportunities for more common reporting of carbon emissions which could in future lead to more accurate assessment of the County Council's own carbon emissions. This will be included in the tender when detailed specification of the next generation TMC commences.
50. There will be a requirement for the Term Maintenance Contractor(s) and contractors on other contracts to report on their carbon emissions, to enable the County Council to better understand the indirect carbon emissions of its suppliers and contractors.

Conclusions

51. The existing Maintenance contractors provide good operational delivery of Building Fabric and Engineering services across the Hampshire County Council built estate (including in schools). Subject to this decision, deploying maintenance via these contractors will continue until July 2026 as a minimum

to allow appropriate time for procurement of the next generation TMC, but must be replaced no later than 31 July 2027.

52. The original estimated values of the maximum ten-year term as noted by the Building, Land and Procurement Panel and approved by the Executive Member for Policy and Resources are now insufficient as a result of changes in the size of the combined estates, maintenance strategies and, most significantly, the impacts of construction industry inflation which has seen a compound increase of 48.44% since January 2017.
53. This paper has noted the need to adjust the anticipated value of Hampshire County Council (and its Partners) work on maintenance services from £130 million to £200 million and recommended as a Key Decision, an uplift in potential funding of up to £70 million. This will continue to be funded via County Council revenue budget and drawn down from existing repairs and maintenance budgets in line with Chief Officer delegations.

REQUIRED CORPORATE AND 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 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:

An Equalities Impact Assessment (EIA) has found that the impacts of these proposals are neutral, as they will ensure the continuation of the existing maintenance service without any direct impacts on service users.

Procurement of next generation contract is already being planned and significant consultation has been carried out with internal County Council stakeholders through their directorate representatives for Facilities Management, as well as with the Hampshire schools through end user surveys and this feedback is helping to shape the outputs specified.

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Countryside and Regulatory Services
Date:	20 May 2024
Title:	Scheme of Delegation for Land and Asset Transactions
Report From:	Director of Universal Services

Contact name: Rachel Overton

Email: rachel.overton@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to consider the existing arrangements for general officer delegations and authorisations for carrying out land and asset transactions in relation to the County Council's land and assets, and to make proposals for consolidating, and, where deemed appropriate, updating the delegations and authorisations to make them more fit for purpose. This follows the structural changes to the organisation of the County Council on 1 January 2023, the adoption of the Strategic Asset Management Plan 2023 to 2028 and in recognition of the need to manage costs for the County Council whilst also supporting more effective and agile decision making.

Recommendation

2. That the proposals set out in this report for consolidating and updating the delegations relating to land and assets be agreed, and authority is delegated to the Director of Universal Services in respect of the new delegations set out in Appendix A with effect from 21 May 2024.

Executive Summary

3. This paper seeks to
 - set out the current position in terms of officer delegations and authorisations in relation to land and asset transactions concerning the County Council's land and assets
 - make proposals for updating the delegations and authorisations to enable the efficient and effective delivery of land and asset transactions
 - recommend that the proposed new scheme of delegations and authorisations is adopted

Contextual information

4. Under the constitution, the Leader and Executive Member for Hampshire 2050 and Corporate Services has responsibility for strategic asset management and

strategic land, including higher value land and asset transactions above £1m capital value and the Executive Member for Countryside and Regulatory Services has responsibility for operational asset management including asset transactions with lower financial values, both revenue and capital.

5. Historically, there have been general delegations and authorisations in place to enable lower value land and asset transactions and associated asset management activities to be undertaken without the need for an Executive Member decision, to support the efficient and timely management of the County Council's estate. This involves Executive Member delegation to the relevant Director with subsequent cascaded authorisations within the Officer hierarchy based upon different financial thresholds.
6. The existing officer delegations and authorisations for land and asset transactions have evolved over several decades. There are many individual delegations and authorisations, with some going back to 1974. The current financial delegation and authorisation thresholds were last reviewed and approved for amendment by the Executive Member for Policy and Resources in March 2014.
7. Land and asset transactions relating to operational asset management activity and/or where the capital value of the asset transaction is less than £1m sits under the portfolio of the Executive Member for Countryside and Regulatory Services but may be undertaken by the appropriate officers in either directorate, depending on the individual project and the specific surveying expertise required.
8. The recent organisational changes at the County Council together with adoption of the Strategic Asset Management Plan 2023 to 2028 have highlighted that there is merit in consolidating these delegations and authorisations and bringing them into one place.
9. This report relates to assets transactions that lie within the Executive Member for Countryside and Regulatory Services portfolio. Part 1 of this report seeks to summarise the key principles underpinning different types of transaction to ensure agile, robust, and financially managed decision-making. Part 2 of the report summarises the range of transactions that are to form part of the proposed delegation for the Director of Universal Services, whilst potential changes to the current approved financial thresholds for these delegations and authorisations are considered in Part 3 of the report and detailed in Appendix A. A parallel report is being taken to the Executive Member for Hampshire 2050 decision day on 21st May 2024 for delegations to the Director of Hampshire 2050 in relation to transactions which fall within the Leader's portfolio.

Part 1 – Strategic Asset Management Plan (SAMP) Principles

10. Land and asset activity is undertaken by teams of appropriately qualified surveyors in both the Hampshire 2050 and Universal Services directorates. The value, and sometimes the nature of the asset transaction, determines whether it is reported to the Leader and Executive Member for Hampshire 2050 and Corporate Services portfolio or within the portfolio of the Executive Member for Countryside and Regulatory Services.
11. Whatever the origin and purposes of a given transaction, there are nevertheless several key SAMP principles that underpin and inform the judgements made by

Officers and the resultant recommendations, whether that be to an Executive Member or under an officer delegation and authorisation. Table 1 below seeks to summarise these principles which have been grouped around financial prudence, agility and future proofing and ensuring a comprehensive and necessarily contextual view is always taken.

Table 1:

Strategic Asset Management Plan: Asset Transaction Principles	
Principle	Approach
Establishing a clear business case	Ensuring there is a clear and costed business case in place to support disposal, acquisition or change in basis of occupation/use of an asset
Understanding the full cost of a decision	Ensuring that all HCC cost implications are fully understood, including aggregated revenue costs, contractual charges (including rent reviews) and any dilapidations liability. To include an understanding of the cost of alternative options/decisions.
Minimising the cost and liabilities to HCC	Ensuring that costs in use, including landlord's repair/maintenance obligations, are passed to any third-party occupier directly wherever possible or are recovered through a service charge.
Enabling flexibility	Requiring an explicit decision to renew a lease (contracted out of the Landlord and Tenant Act) to allow HCC or a third party to continue to occupy an asset.
	Including contractual terms that support changing circumstances e.g. rolling breaks
	Explicitly consider the implications of granting use of part of an asset when the remainder is or could be surplus to HCC needs or where an alternative HCC use could enable exit or disposal of another asset.
Considering future opportunities and value	Including restrictive covenants, overage clauses, or similar, to protect onward value to HCC, where appropriate.
	Clearly evaluate and document the implications of the decision on longer term asset opportunities, relative to other options e.g. grant of an easement or sale of a smaller part of an HCC ownership on the future opportunities for and value of the wider ownership.

12. These principles act as a 'golden thread' for land and asset decisions, providing a consistency of approach (wherever the decision emanates from) and ensure that a whole cost position is always evaluated. The table references the need to undertake an options analysis to review (and cost) a range of choices. Given the current financial context, it is recommended that any options analysis is supported by an appropriate level of support from finance colleagues including the S.151 Officer as necessary.

Part 2 - Scheme of Delegations

13. For the reasons set out above, it is considered that there are benefits to be gained from updating and consolidating the previous officer delegations and authorisations relating to land and asset transactions carried out on behalf of the County Council by appropriately qualified surveyors in the estates management and rural estates functions in the Universal Services Directorate.
14. The activities of the estates management and rural estates function are many and varied. They include land and property acquisitions and disposals, the granting and taking of leases and other forms of Agreements and all activities associated with those leases, asset management, valuation work including for the asset register, business rates, and many more.
15. Having reviewed the nature of work undertaken and the existing delegations and authorisations, it is proposed to have a new set of delegations for each area of work. These are set out in the following paragraphs. All powers which are delegated will be exercised in accordance with the Constitution, Contractual Standing Orders and Financial Regulations of the County Council including, where appropriate, consultation with the Executive Member and Chief Financial Officer or their representative. They will also be exercised in accordance with the specified financial limits set out in part 3 of the report.
16. The following new delegations and authorisations for the estates management and rural estates function are proposed for the Director of Universal Services to ensure that the decision-making process is as efficient as possible and to minimise delays to transactions which could cost the County Council money:
 - a) **Property acquisitions** – the acquisition of any property which is required to implement projects in the approved capital programme, or which have been otherwise specifically approved including the settlement of all terms.
 - b) **Property disposals** – the marketing and disposal of any property which is confirmed as surplus to the requirements of the County Council (in line with the SAMP and in collaboration with Hampshire 2050) including the settlement of all terms.
 - c) **Leases and other Agreements** – the granting and taking of leases, tenancies, licences, easements, wayleaves and other Agreements which are appropriate for the effective operation of the County Council's property estate including the settlement of all terms.
 - d) **Asset management** – the exercise of all tasks associated with the effective management of the property estate including, but not limited to, rent reviews, the setting and collecting or paying of service charges and other recoverable costs, the seeking or granting of consents for assignment, subletting or alterations, terminating Agreements, implementing break clauses, serving of Notices, lease variations, restrictive covenant variations or removal, the appropriation of property from one purpose to another, entering into Section 106 Agreements (as land owner only, not in a regulatory capacity), dilapidations claims under leases, Party Wall Act Agreements, challenging and agreeing business rates and council tax assessments, and including the settlement of all terms.
 - e) **Valuations** – the preparation of valuations for all purposes including for the asset register.

- f) **Compulsory purchase and compensation** – the acceptance of any valid blight or purchase notices, and the settlement of valid claims for compensation associated with any County Council projects including home loss payments, disturbance payments, advance payments and any other valid claims.
17. For clarity, these delegations and authorisations do not extend to decisions around the reinvestment of any capital receipts. Where relevant, proposed changes to current financial thresholds for these delegations and authorisations are set out in Part 3 below. The proposed revised delegations and authorisations are summarised in Appendix A.

Part 3 - Financial Thresholds

18. Exercise of powers delegated to the Directors by the Executive Member in relation to land and asset transactions has always been subject to financial limits. These limits have routinely been extended to other matters where a sum of money is to be either paid or received, such as statutory compensation claims or the settlement of dilapidations claims under leases. It is proposed that this approach should continue.
19. The thresholds originally set by the then Land Sub-Committee in the 1979 were £100,000 for capital payments or receipts and £10,000 per annum for revenue. Any sale, purchase, lease, rent review or other matter involving a sum more than these limits required Sub-Committee approval. These figures were last reviewed in 2014, when new limits of £250,000 for capital and £25,000 per annum for revenue were set. These are the figures which currently apply.
20. A review of the current financial limits has been undertaken and it is considered that the decision-making process could be made more effective and efficient by some amendments. This would include a combination of increasing the financial levels for income generating transactions (both capital and revenue), maintaining the existing financial level for certain transactions, and removing the financial levels in certain situations. The revised thresholds have taken into consideration the increase in property values in the last 10 years. The proposals would also align the delegations and authorisations with other areas such as Contracts.
21. The following changes to the financial thresholds are proposed, and summarised in Appendix A:
- a) **Capital disposals:** The current threshold of £250,000 has caused some difficulties with several transactions, particularly with the sale of residential properties. There is often a linked chain of transactions for residential sale and an expectation that transactions will proceed quickly. Increasing the threshold to £500,000 for capital receipts in consultation with the Executive Member would largely address this issue and would also remove risks of delay in taking possession of property being purchased for a County Council scheme or project.
 - b) **Capital acquisitions:** It is proposed that the current threshold of £250,000 in consultation with the Executive Member remains unchanged to ensure on-going financial prudence. This threshold applies to the cumulative value

of a lease taken by the County Council where this is capitalised for accounting purposes.

c) **Revenue transactions:**

(1) *Granting a lease:* the current threshold of £25,000 per annum causes delays on a regular basis in relation to the grant of a new lease. It can affect the completion and occupation under new lettings, accommodation for Pre-Schools, and where surplus space in otherwise operational buildings is to be shared with partners. Again, there is an expectation from occupiers that, once terms are agreed, the matter will be concluded quickly. Any delay also impacts on the income that the County Council receives through rent and service charge. Increasing the threshold to £50,000 per annum with an upper limit of £500,000 cumulative value of the initial term of a lease, would allow most lettings to proceed quickly.

(2) *Taking a lease:* it is proposed that the current threshold of £25,000 p.a. remains unchanged to ensure on-going financial prudence.

- d) **Existing Agreements:** the current scheme of delegations and authorisations requires that Executive Member approval is sought and obtained in relation to matters which flow from contractual commitments under existing Agreements and where the financial level exceeds £25,000 per annum. The most common example is a rent review. The new level of rent will generally be based on the market value which will be negotiated between appropriately qualified representatives of each party. In some Agreements rents are charged by reference to a formula such as CPI. In either situation, there is a question as to whether reference to the Executive Member for a decision adds value. Also, specific problems occur when rent reviews are referred for determination under a dispute resolution process, as there is a strict timetable to comply with and delay can compromise the County Council's position. In all the circumstances, it is considered that there is merit in removing the threshold in relation to matters associated with contractual commitments in existing contracts, thus giving the Director the authority to deal appropriately and quickly.

Consultation and Equalities

22. An Equality Impact Assessment has been undertaken and no impacts have been identified in relation to the proposed decision which deals only with general delegations for land and asset transactions and not specific decisions relating to individual assets, projects or programmes.
23. Equality impacts will be appropriately assessed for any individual decision or transaction undertaken within the general officer delegations set out in this report.

Climate Change Impact Assessments

24. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools

provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.

25. The carbon mitigation tool and climate change adaptation tool are not applicable to this decision because the report deals with general delegations for estates management activities, rather than decisions relating to specific assets, projects or programmes and therefore does not have any impact on climate change.
26. Climate change impacts will be appropriately assessed for any individual decision or transaction undertaken within the general officer delegations set out in this report.

Conclusions

27. It is timely to review the existing delegations and authorisations relating to the estates management and rural estate functions within Universal Services. It is considered that the proposals set out in the report and summarised at Appendix A will consolidate and update the delegations and authorisations to make them more fit for purpose and allow the estates management and rural estate functions to operate in an effective and efficient way.

REQUIRED CORPORATE AND 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 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:

- 2.1. An Equality Impact Assessment has been undertaken and no impacts have been identified in relation to the proposed decision which deals only with general delegations for land and asset transactions and not specific decisions relating to individual assets, projects or programmes.

Appendix A – Financial Thresholds for delegation to the Director of Universal Services

	Delegation	Capital Limit	Revenue Limit
Land and Property acquisitions	The acquisition of any property which is required to implement projects in the approved capital programme, or which has been otherwise specifically approved, including the settlement of all terms.	£250,000 (as existing)	n/a
Land and Property disposals	The marketing and disposal of any property which is surplus to the requirements of the County Council, including the settlement of all terms.	£500,000 (increase from £250,000)	n/a
Leases and other Agreements	(a) The <i>granting</i> of leases, tenancies, licences, easements, wayleaves and other Agreements which are appropriate for the effective operation of the County Council's property estate including the settlement of all terms.	£500,000	£50,000 per annum with a maximum cumulative value of £500,000 over the initial term (increase from £25,000 per annum)
	(b) The <i>taking</i> of leases, tenancies, licences, easements, wayleaves or other agreements which are required for the effective operation of the County Council's property estate including the settlement of all terms.	Maximum cumulative value of £500,000 over the initial term	£25,000 per annum (as existing) with a maximum cumulative value of £500,000 over the initial term.
Asset management	The exercise of all tasks associated with the effective management of the property estate including, but not limited to, rent reviews, the setting and collecting or paying of service charges and other recoverable costs, the seeking or granting of consents for assignment, subletting or alterations, terminating Agreements, implementing break clauses, serving of Notices, lease variations, restrictive covenant variations or removal, the appropriation of property from one purpose to another, entering into Section 106 Agreements (as land owner only, not in a regulatory capacity), dilapidations claims under leases, Party Wall Act Agreements, challenging and agreeing business rates and council tax assessments, and including the settlement of all terms;	£500,000 for capital receipts (increase from £250,000) and £250,000 for capital expenditure (as existing)	£50,000 per annum with a maximum cumulative value of £500,000 over the initial term (increase from £25,000 per annum) or no limit where the transaction relates to a contractual commitment under an existing agreement (currently £25,000 per annum)

Valuations	The preparation of valuations for all purposes including for the asset register	n/a	n/a
Compulsory purchase and compensation	the acceptance of any valid blight or purchase notices, and the settlement of valid claims for compensation associated with any County Council projects including home loss payments, disturbance payments, advance payments and any other valid claims.	£250,000 for capital expenditure where no separate approval exists (as existing)	n/a
<p>All delegations involving a capital spend are to be exercised in consultation with the Executive Member and Chief Financial Officer, or their representative, in accordance with Financial Regulations and any other guidance issued by the Chief Financial Officer.</p> <p>All delegations involving a revenue spend are to be exercised in consultation with the Chief Financial Officer, or their representative, in accordance with Financial Regulations and any other guidance issued by the Chief Financial Officer, with the exception of delegations relating to contractual commitments under existing agreements where the financial impacts are within the original approved spend in relation to the relevant agreement.</p>			

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
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