

HAMPSHIRE COUNTY COUNCIL

Decision Report

Committee/ Panel:	Buildings, Land and Procurement Panel		
Date of Decision:	26 March 2019		
Decision Title:	Property Services: Major Programmes Update		
Report From:	Director of Culture, Communities and Business Services		
Contact names:	Steve Clow		
Tel:	01962 847858	Email:	steve.clow@hants.gov.uk

Recommendations

- 1.1 That the Buildings, Land and Procurement Panel notes the progress of each of the programmes.
- 1.2 That the Panel recommends to the Executive Member for Policy and Resources that the project appraisal for the Elizabeth II Court South Heating Improvement Works project, to be funded from the Policy and Resources Energy Performance Programme budget be approved at an estimated value of £355,000.

2. Summary

- 2.1 The purpose of this report is to provide an update on the major programmes, projects and issues currently being progressed relating to:
 - Adult Health and Care Programme
 - Children's Services Programme
 - Health and Safety management in the built estate
 - Office Accommodation Efficiency Programme
 - Carbon and Energy Reduction Programme
 - Construction Frameworks Update

3. Adult Health and Care Programme

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

Adults Health & Care Strategic Bed Based Programme

- 3.2 An initial allocation of capital funds was added to the capital programme in July 2018 as part of the Medium-Term Financial Strategy for the

Adults Health & Care Bed Based Programme. A study has been completed to identify the care provision required by the County Council over the medium to longer term which has taken account of predicted market capacity and conditions, as well as forecast demand and a future need analysis.

- 3.3 Based on the outcome of the above study a high level review of existing and vacant sites has been completed by Property Services. The aim of the review was to identify potential options for addressing growth, future suitability and condition requirements across the AHC estate. The results of the study are currently being shared with AHC colleagues with a view to shaping the future investment proposals.

Adults with a Disability Housing Programme

- 3.4 In April 2016, the Executive Member for Policy and Resources approved the Strategic Business Case for the Adults with Disability Housing Strategy. A decision was taken to support around 600 services users with a learning and/or physical disability to transition from a traditional care home setting into either a shared house or groups of individual flats to achieve independent living with 24/7 care and support available and commissioned by the County Council subject to the needs of each resident.
- 3.5 Property Services has led on the design and delivery of the new build element of the strategy which will deliver around 95 extra care units on County Council owned sites. The units are being delivered through a two-phase programme, Phase 1 comprises of four projects and a further two projects will be delivered in Phase 2.
- 3.6 The majority of schemes in Phase 1 of the new build programme (Jellicoe Court, Fernhill Court and Mulberry Lodge), have been completed and handed over. AHC, in partnership with the landlord and care provider, have been managing a phased occupation by residents from summer 2018 onwards. The remaining Phase 1 project (Apex Court) in Aldershot has been rescheduled and was due to be handed over to AHC in February 2019.
- 3.7 In phase 2, the Eastleigh project (on the former John Darling Mall site), commenced on site in September 2018 and is scheduled to be completed in summer 2019. Property Services have been commissioned to complete a feasibility study for a second phase of work on this site to deliver a number of units which cater for people with physical disabilities. The Fareham project (on the former Croft House site) has now secured planning approval however, due to ecology issues on site and the need to undertake a detailed cost and budget review, this project has not yet started on site.

Older Persons Extracare programme

- 3.8 The updated Strategic Business case for the Older Persons Extracare programme approved in January 2017 identified an amended and more

flexible approach to the delivery of Extracare units on the County Council owned sites through the grants programme.

- 3.9 Preparation for the development of the new Extracare scheme in Romsey is ongoing. Having completed the demolition of the former Nightingale Lodge and Master's House buildings, a number of site investigations have been undertaken. The contract award process is due to be completed shortly to enable work to commence on site. Following the selection of development partners for the Extracare schemes in Gosport (former Addenbrookes Home), New Milton (former Fernmount Centre) and Petersfield (former Bulmer House), contract negotiations are underway and development proposals are being progressed.
- 3.10 In Autumn 2018 the Council took steps to protect the planning permission secured for the Oak House Health & Wellbeing Campus. The re-procurement of the project is ongoing, the outcome of the process will be reported to the Executive Member of Policy and Resources at a future meeting.

Learning Disability Transformation Programme

- 3.11 Work continues on the objectives set out in latest updated Business Case for this programme dated 7th March 2017.
- 3.12 The scheme to construct a new respite service in Locks Heath is now complete and service commenced in early 2019.
- 3.13 Plans to identify a suitable location for a Community Link in Andover are also progressing, with an opportunity being explored for a property in Union Street owned by Test Valley Borough Council. A review is also ongoing with Adult Services focussed to the Keystone Service needed in Totton as to date no suitable opportunities have been identified.

4. Children's Services Programme

- 4.1 Property Services are continuing to work with Children's Services on the design and delivery of a significant number of new schools, school extensions, new modular classrooms and work to improve existing school buildings and their settings. These include a significant number of projects which will provide additional school places across Hampshire. There are a number of new primary schools being planned and delivered at Kings Barton, Winchester; Chestnut Avenue, Eastleigh; Boorley Green, Hedge End, and for Cornerstones Primary School; North Whiteley. In addition a new primary school, named Endeavour Kirk Campus, has been completed and opened at East Anton in Andover and the extensions at Bishops Waltham Infant and Junior Schools have also been completed. These projects represent a total capital investment of approximately £50m in additional school places.
- 4.2 There has also been good progress on securing funding and developing proposals for new schools and ongoing work with the Department for

Education and academy sponsors for a new secondary school named Deer Park School outside Botley and a new special school Austen Academy at Chineham in Basingstoke. The proposals to relocate Mill Chase Academy as part of the investment in Whitehill and Bordon regeneration plan, for which there is a significant one-off capital investment of £10m by the County Council, are progressing on site and the new school site is due to open in the autumn term. These projects provide a further £61.5m investment into improving school facilities and providing additional school places. New free school academies are fully funded directly by the Department for Education.

- 4.3 Feasibility work continues on plans for school provision to add further new school places for the projected additional primary and secondary pupil numbers across the County. These plans and projects will maintain design quality at lower cost in response to continued reductions in public spending. There is ongoing dialogue with District and Borough Councils and negotiations with developers for new school provision to secure suitable sites and funding contributions for schools in relation to planned new housing developments across Hampshire. These include significant development proposals for Welborne in Fareham and Manydown in Basingstoke.
- 4.4 Design work has commenced on the replacement of the existing school buildings at Fryern Junior School, Chandler's Ford and Grange Junior School, Gosport. The total cost estimate for full replacement of the two schools is in the order of £15m. Value for money will be achieved through the economies of scale in adopting a common approach to the design, procurement and delivery of the two school projects in one procurement arrangement.
- 4.5 In addition, the last of a series of new children's homes has been completed and opened in Winchester. This is the sixth and final project in a significant programme of investment in recent years for improved provision across Hampshire. There are also significant remodelling and improvement works now being undertaken on site for Swanwick Lodge, a secure facility that provides a safe and child centred environment for children and young people.

5. Health and Safety Management in the Built Estate

- 5.1 Property Services continues to undertake a range of activities to manage health and safety risks within the built estate. During 2018 Property Services worked closely with the Corporate Health and Safety team to review some of the current health and safety procedures and implement a number of improvements to the systems and processes that support these.
- 5.2 Legionella management has been a key area of improvement. This follows the production of new national guidance, ongoing survey work and the availability of new digital technology. A programme of pipework infrastructure improvements was completed in Spring 2018 and

subsequently further investment has been made to install a comprehensive system of temperature monitoring points throughout the County Councils corporate and community schools estate. Alongside this, an on-line legionella data management and reporting system is being rolled out across the estate. This will support a reduction in the risk of exposure to legionella by improving the accuracy of water temperature measurements and providing early warning of any issues so that these can be appropriately investigated and addressed. This is part of an on-going strategy to take advantage of modern technology to increase the efficiency and effectiveness of the management of the built estate.

- 5.3 Work has also been completed over the last year to conclude improvement works on physical fire precautions across a number of buildings identified as having a higher risk profile in relation to fire. This included 17 elderly persons residential care homes and 139 system built schools with single staircases. Property Services is continuing to work closely with the Corporate Health and Safety team to review the corporate procedures for fire safety management and ensure that the approach to ongoing surveys and associated improvement works is robust.
- 5.5 Alongside these specific improvement programmes, Property Services is reviewing its approach to risk assessment of all health and safety risks in the built estate to ensure that this is consistent with the requirements of the Health and Safety Executives HSG65 guide to Managing for Health and Safety. Given the scale and diversity of the HCC estate, a robust risk assessment process is an essential tool in ensuring that there is a structured approach to identifying areas of higher risk so that appropriate strategies and programmes of work can be put in place to both manage and address the risks. This will continue to be a focus during 2019.

6. Office Accommodation Efficiency Programme

- 6.1 As previously report to the Panel, Property Services has been working on the implementation of the office accommodation strategy agreed in November 2017 linked to the delivery of T19 savings.
- 6.2 The strategy seeks to consolidate HCC occupation of its corporate office buildings through increased utilisation supported by the roll out of new mobile IT equipment as part of the Enabling Productivity Programme (EPP). Where office space is released, it is proposed to lease this to third party organisations with a focus on partners, particularly where this supports partnership working as part of operational service delivery models.
- 6.3 Since commencement of the strategy a number of projects have been completed to release buildings or space and secure new lettings to partner organisations to achieve an ongoing revenue saving. In parallel, the planned refurbishment of the ground and first floors in EII South has been completed, increasing the capacity, modernising the workspace

and enabling the re-location of staff who were temporarily decanted to Sheridan House.

- 6.4 A number of further projects are currently underway which are expected to realise in the region of £370k saving. These include: the re-location of staff from Enterprise House to Hampshire House in Eastleigh, with the subsequent release of Enterprise House; the disposal of Old Town Hall in Aldershot; letting of space in Dame Mary Fagan House, Basingstoke to the new Kent and Hampshire joint venture partnership company for agency staff.
- 6.5 Works are also due to be delivered at a number of buildings to improve fire precautions and address maintenance and condition priorities so that the capacity of these buildings can be maximised in the future, in line with the strategy. This includes fire precaution improvement works in Ell South and Castle Avenue in Winchester.
- 6.6 The improvement works following the fire at Three Minsters House are now underway on site and it is anticipated that the building will be ready for reoccupation in the summer. In parallel with this, discussions are ongoing with partner organisations on the potential letting of additional space within our Winchester offices once Three Minsters House is back in use.
- 6.7 During 2018, Property Services has also been working closely with the HCC departments to understand how changes within their operational service delivery models may impact on the future demand for a use of the corporate office accommodation. This work has identified growth in a number of departments and services including an increased number of social workers in Children's Services and additional staff in the Integrated Business Centre (IBC) linked to the onboarding of the three London Boroughs.
- 6.8 To date it has been possible to accommodate all of this growth within the current corporate offices, ensuring that the HCC office portfolio continues to meet the evolving operational needs of the wider organisation. The reoccupation of Three Minsters House will release additional capacity back into the portfolio. However, to ensure that the portfolio continues to have the flexibility to meet emerging operational requirements, for both growth and partnership working, it has been agreed with the Corporate Directors and Chief Executive that no further buildings will be released from the portfolio, until a further review of future requirements is undertaken.
- 6.9 An operational Corporate Property Group is being formed that will bring together representatives from all departments to review future requirements and identify opportunities for further rationalisation or co-location of partner organisations. Projects that emerge from this review will be reported to future Panel meetings.

7. Carbon and Energy Reduction Programme

7.1 Electric Vehicle Charging Point framework (EVCP)

Excellent progress has been made in publicising the new framework managed by the County Councils Property Services. There are now 30 public sector organisations using the EVCP framework set up in 2018. Combined, this amounts to a total anticipated spend of £932,025 across the organisations to fund the installation of around 650 charge points. In addition to these charging points, the EVCP framework supplier has secured £4m of private sector investment for public charging points across the central southern region equating to approximately 1000 charging points.

The framework and the management costs are self funding through a combination of private sector funding and a small rebate on the installation and revenue turnover.

Interest in using the framework continues to grow from across the public sector and the Property Services energy team are engaging at various events around the region to advocate the availability of the route to market.

7.2 County Council transition to Electric Vehicles (EVs)

To facilitate the transition to EVs across the County, 31 charging points have so far been installed including: 2 in the courtyard of Eil Court, 2 at the Bar End County Supplies site, 6 at the Hampshire Scientific Services offices in Southsea and 12 in the various highway depots across the county. Two charge points have been installed in each of the four regional office hubs and, to assist with HC3S (County Council catering service) deliveries charging points have been installed at Merton Junior school, Basingstoke and Old Sarum Primary school.

Fourteen additional points are to be installed in the basement car park of Eil Court for use by elected members, staff, visitors and pool/fleet vehicles. A further 14 are planned to the rear of Athelstan House and 15 more at Capital House for the charging of the pool vehicles in central Winchester.

Good progress has been made in engaging with County Council departments to explain the advantages of EVs and many services are using or have ordered EVs. These include Hampshire Highways, Engineering Consultancy, Scientific Services, Adult Health and Care, HC3S Catering, Countryside, Hampshire Transport Management and Corporate Services.

This is all part of the programme to replace around 150 small vehicles in a phased programme delivering around £240,000 of fuel and other savings. It also demonstrates the Council commitment to the leadership

in relation to zero emission vehicles contributing to improved air quality in cities.

The Director of Culture Communities and Business Services (CCBS) has identified a requirement for charging points at the following Country Parks for fleet and courier vehicles and technical viability studies are currently underway at:

- Sir George Staunton Country Park
- Queen Elizabeth Country Park
- Royal Victoria Country Park
- Manor Farm Country Park

All of the completed and proposed charge point installations have been fully funded by the council, but the Director of CCBS is investigating, through the Southern Regional EV charge point framework, the viability of providing externally funded public charge points. Our charge point framework partner has proposed 5 country park sites and one activity centre being viable for commercial provision:

- Sir George Staunton Country Park
- Queen Elizabeth Country Park
- Royal Victoria Country Park
- Manor Farm Country Park
- Calshot Activity Centre
- Lepe Country Park

To encourage and promote the transition to and adoption of Electric Vehicles (EV's), a pilot scheme is in place in the Winchester Castle complex for an initial six month period. This pilot will be offered to Members, visitors and staff who have an EV or plug in hybrid and have access to central Winchester car parks. To incentivise the pilot scheme and raise interest in EVs it is proposed to supply electricity at no cost. The cost of the electricity is a fraction of fossil fuels and the current number of EV users is anticipated to be very small in the first instance. A charging arrangement will be introduced at the end of the pilot phase using a registration and a card payment system. The pilot will support the publicity of the EV transition programme and the charging point roll out programme across county and region.

The Directors of CCBS and Environment are continuing to actively develop and review options and technical solutions for public on street charging.

7.3 Major Solar Photovoltaic (PV) Programme

The last three PV installations at Hampshire Records Office, Bishops Waltham Depot and Royal Victoria Country Park Chapel have been tendered and the contract has been awarded. Installation work is expected to be complete by the end of the spring period.

In April 2019 the Feed in Tariff will cease which will affect the business case for installing further PV. The Director of CCBS will continue to periodically review the market and assess whether the financial viability improves. Property Services have now managed the installation of over 60 PV arrays across the Councils corporate and schools. All of the technically viable sites have been identified and completed across the corporate estate.

7.4 Major Corporate LED Programme

Projected spend for the LED programme for 1208/19 is approximately £1m. A schedule of buildings has been prepared and viability studies carried out for the next phase 2019/20 programme and will be updated on a regular basis once viability has been determined. Annual savings are anticipated to be in excess of £100k per annum arising from the 2018/19 programme. This is all part of a £1.7m programme which is already delivering significant energy and carbon reductions.

7.5 Schools Energy Reduction and Performance Programmes

Interest from schools continues to grow and the Property Services energy team are liaising with those schools who have expressed an interest. A further four schools (3 primary and 1 secondary) will have their Energy Performance Programme projects started in the February half term and 4 primary schools are programmed for the Easter holidays.

An additional 6 schools have recently returned their MoU's and business cases will be prepared for them in due course. This now means that a total of xx schools have engaged with the programme. The programmes are at no cost to the schools and use Salix interest free loan arrangements to fund the works and time of Property Services to manage the contracts.

7.6 Battery Storage

The Director of CCBS has engaged with a specialist provider through the Laser energy supply framework and selected site visits have been undertaken to establish the viability of Council sites for battery storage. As a result of this analysis, 2 sites have earmarked for technical feasibility studies; Ell Court in Winchester and Dame Mary Fagan House in Basingstoke.

Site specific technical data is currently being assembled to progress the study and initial financial assessments have identified a simple payback

of around 8 years which is positive. More work is now planned to test and refine the initial case based on further technical studies.

7.7 Conversion of Street lighting and street furniture to LED lamps

Officers from CCBS and ETE are actively reviewing options for the deployment of LED street lighting and street furniture to establish what opportunities exist. Use of the Salix loan fund is also being investigated. It is expected that savings on street lighting will form part of the next Transformation programme to deliver a significant revenue saving.

7.8 Salix Recycling Fund for Energy Programmes

The Director of CCBS submitted an expression of interest in December 2018 for the Salix Recycling Fund (renamed Salix Clean Growth Fund) for both the County Council and the Office of the Police and Crime Commissioner with a view to implementing projects in the 19/20 financial year.

The County Council proposes to commit £500k of the unallocated corporate energy fund which would be matched by Salix for energy further programmes of LED lighting, thermal efficiency, PV and heating improvements. Salix continues to be successfully utilised to lever additional loan funding to deliver more programmes of work and to a larger scale. The return on investment to the Public Sector is short and represents excellent value.

7.9 EII South Office Heating Improvement Works – Project Appraisal

7.9.1 The Panel will be aware of the Corporate Energy Performance Programmes previously approved in 2016 and updated annually thereafter, most recently in June 2018. The Energy Performance Programmes continues to support the Councils Carbon Reduction Strategy delivering cost, energy and carbon savings to support Phase 2 of the Programme (from 2015–2025), which aims to reduce 2010 levels by 50% by 2025.

7.9.2 To support the strategy a review of all corporate office accommodation was undertaken as the programme progressed. This review confirmed Elizabeth II Court South as being a key building for energy performance improvements to its mechanical heating services. It is now proposed to undertake a programme of internal improvements to the buildings heating pipework and control systems to modernise its effectiveness and improve efficiency and save energy making the buildings heating system fit for the future.

7.9.3 The proposed improvement works include:

- replacement and upgrades to the Building Management System (BMS), to provide modern services infrastructure and support energy and environmental information gathering to optimise the internal comfort of working spaces.
- installation of pipework insulation
- new thermostatic radiator controls to provide improved local office space heating control and effectiveness
- change of plant, equipment and pipework within the boiler room to support the efficiency and control of the heating system.
- commissioning and seasonal review and re-commissioning of the heating systems performance.

7.9.4 The estimated value of the works is £355,000 including professional fees. The heating improvement work and energy performance contract works will be funded from the Policy and Resources Energy Performance Programme budget which has been previously approved by the Executive Member Policy and Resources, as noted in 1.9.1, and as set out in the 'Energy Programmes Update Reports' annually since 2015.

7.9.5 As the value of this project exceeds the £250k threshold a specific project appraisal is required and this is therefore included in this report as a recommendation to the Executive Member Policy and Resources

7.9.6 It is proposed to procure the contract through the Minor Works Engineering Services Framework, with works commencing in Spring 2019. It is anticipated that the building will be fully occupied for the duration of the contract with only minor local disruption, and complete before Autumn 2019.

7.10 It is proposed that the Panel recommends to the Executive Member for Policy and Resources that the project appraisal for the Elizabeth II Court South Heating Improvement Works project, to be funded from the Policy and Resources Energy Performance Programme budget be approved at an estimated value of £355,000.

7.11 **Energy supply and contract management**

A report elsewhere on this Panels agenda recommends the procurement of the next generation of framework for energy supply to maximise the buying power of the County Council and its partners. Work is ongoing to manage the existing contract to maximise the efficiency and billing methods as reported to previous meetings of this panel.

8 Frameworks Update

8.1 As reported to the meeting in June 2018, the new Southern Construction Framework (SCF) is currently being tendered in partnership with Devon County Council and will be in place for April 2019. A replacement intermediate value framework for projects ranging

up to £4m is also currently being tendered for County Council projects which will be accessible to authorities within the local geography. All of the HCC frameworks include a rebate tariff as a source of income as part of our strategy to generate additional revenue streams to support our wider business and as a net return to the County Council by making contributions to overheads in the Property Service. In the current financial year, the overall framework income will be in the region of £800,000 which will return a surplus over and above cost of 16%.

- 8.2 There are proposals to enter into discussions with Devon County Council and Manchester City Council to jointly develop regional and national consultancy arrangements to compliment existing regional construction frameworks. Future reports to this panel will provide further details of these proposals.
- 8.3 The following is intended as an update for the panel on the achievements of SCF:
- SCF has provided evidenced savings of £200m to the Cabinet Office since 2015. These savings have been included in their reports to the Government Construction Board. These savings represent 5% of total turnover. Hence, any project using SCF can be said to guarantee 5% savings through early contractor involvement and team collaboration
 - SCF now holds data on over £6bn building projects which have been delivered through the framework since 2006, and is possibly the largest construction database in the UK. We have agreed an arrangement with Oxford University to analyse the data in more detail to produce a picture of the successes of the framework
 - SCF has also agreed to jointly sponsor a research project with Manchester City Council representing the North West Construction Hub, and the Greater Manchester Chamber of Commerce to carry out academic research into the benefits for collaboration and integrated team working in construction
 - SCF continues to chair the National Association of Construction Frameworks which has grown since its inception in 2014. The frameworks facilitate the delivery of now nearly £2bn of public sector construction projects nationally every year, and support the work of the Local Government Association.
 - SCF is used by a wide variety of public sector clients and central government. The projects include
 - Nearly 1000 houses for the Army servicemen and women and their families over three sites near Salisbury Plain
 - Three major science and research projects
 - Leisure centres across the South of England

- Social Value and localism is a key objective of the framework. SCF has now delivered over 220 years of apprentice employment through our innovative scheme with the contractors.

8.4 SCF levy income is being used to sponsor a Constructing Excellence led initiative in the South East to raise awareness of the variety of careers in construction to school children. Commencing in Hampshire, the aim is to pair individual schools with construction industry organisations to establish a programme of events. The initiative is called Inspiring Future Talent, and future reports to this panel will provide updates on progress.

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.