

HCC Property Services



Business Plan 2015 to 2020

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1. Executive Summary

Welcome to the 2015 to 2020 Hampshire County Council Property Services Business Plan. This document has been prepared in a simple format which, I trust, is easy to read and understand. Its purpose is to reflect on our Service 'journey' from 2011 to date and, more significantly, set a clear direction of travel for the next five years. Reading about how we have achieved so much of our previous 2011-2014 Plan has been a pleasure and it is a credit to the teams and individual staff who have grasped the opportunities we had and delivered a result which far exceeded expectations. Now that the business is 60% larger than it was only four years ago (in financial terms), our vision over the next five years is to:

- **Consolidate the recent growth** and target certain key business lines for **limited volume expansion** with a higher quality and return.
- **Understand the rapid change** being experienced in the public sector as a result of revenue budget reductions and **move in an agile, creative and intelligent way** to deliver the right product and service for our customers.
- **Take a longer term view** now we have real confidence about **sustainable work volume** in capital programmes (one of our core businesses), taking the opportunity to **modernise, improve and build capacity** for the future.
- Retain our strong professional competence and **broaden complementary and additional skills** through team development, recruitment, partner engagement and trainee programmes.
- **Embed ourselves locally and regionally** as a recognised property service of experience, innovation and skill to make the most of the opportunities that exist in the public sector environment, spot them and fulfil our potential. As I often say: "**Where there is change, there is work for us**".
- **Thoroughly focus on value for money** for both service and the product we create – responding to what our clients, customers and partners require in these challenging times.
- **Be open to challenge** and do so to ourselves – **don't just accept the status quo**.

I am proud that we are a successful team and we demonstrate that an in-house public service can be a class leader in so many areas. Our diversity is both a strength and a challenge to manage – maybe 'unique' is not too strong a word to use for us. Well done again to all my team and the colleagues around the Council that work with us to achieve so many common objectives – genuinely **'a modern public sector business building solutions for communities'**.



Steve Clow
Assistant Director
HCC Property Services

A handwritten signature in black ink that reads "Steve". The signature is written in a cursive, slightly stylized font.

2. Introduction

The Property Services' Business Plan 2015 to 2020 sets out the direction for Hampshire County Council (HCC) Property Services for the next 5 years, taking into account the anticipated demand and opportunities arising from our existing clients as well as the potential for further growth and development of the business with new clients and in new sectors.

The plan:

- **Reflects** on the key achievements from the 2011 to 2014 business plan;
- **Establishes** the strategic context for Property Services over the next 5 years;
- **Identifies** known and anticipated programmes of work and the potential opportunities for development of the business;
- **Provides** financial forecasts to support business planning;
- **Outlines** the operational strategies required to respond to demand and take up new opportunities;
- **Considers** key risks and opportunities.

3. Vision and Values

In 2013 Property Services defined its vision and values. These are summarised below:

**HCC Property Services: A modern public sector business
building solutions for communities**

We will:

Deliver high quality, value for money services to our existing and new customers in Hampshire and neighbouring regions.

This will be recognised through:

- Being first choice for internal and external clients, recognised nationally as a leading property organisation;
- Consistently delivering quality solutions and services, with satisfied clients, stakeholders and service users;
- Managing our business through a robust and agile commercial model.

Build capacity to deliver these services, providing opportunities for staff to continually develop themselves, their careers and expertise. This will be done through:

- Recruiting new staff with relevant skills, knowledge and behaviours;
- Drawing on our reputation and rewards to attract and retain the best staff, who will feel passionate and proud to work for us;
- Expanding our capacity through partnership working across the public sector and through strong links with the private sector.

Make a contribution back to the Council to support our wider activities through:

- Delivering excellent value for money to public sector organisations in and beyond Hampshire, which will also represent value for taxpayers' money;
- Contributing back to HCC from FY16/17 to fund overheads and investment in other services.

The rationale for our approach:

- Consistently excellent products and services enhance the quality of place and customer experience.
- Bringing an innovative approach helps clients get the right property solution to meet their needs.
- Generating value for money solutions maximises the public benefit from finite resources.
- Diversity of work (both geographically and range of work) allows us to extend our influence, improving the public sector well beyond the boundaries of Hampshire.
- A diverse client base and portfolio of work provides resilience to ongoing revenue funding pressures and external market shifts, and enhances our ability to anticipate and respond to market trends.
- Developing our reputation (across sectors and the region) increases our influence within the Council, with partners, and with government.
- Maintaining a critical mass of resource allows us to accommodate varying workload and retain depth of knowledge and specialisms within the department, enabling us to provide end to end customer solutions.
- Developing our staff and giving them the very best development opportunities maintains our expertise and high standards.

In 2015 our Vision and Values was translated into five strategic goals to provide a performance framework for the service under HCC's new Valuing Performance system:

- 1** **Manage assets strategically** to their full potential; managing risks, improving the revenue position and enabling economic prosperity.
- 2** **Design and deliver high quality cost effective projects and programmes of work** for the people of Hampshire and other clients; supporting local communities and service transformations.
- 3** **Lead our people** to achieve their full potential; developing their behaviours, talents and skills within our creative, collaborative and forward looking public service culture.
- 4** **Build capacity for the public sector**; achieving a balance of resources within our operating model and processes; harnessing the expertise and capability of all of our partners.
- 5** **Develop a Property Services with a national reputation** for excellence in strategy, design and delivery supported by a financially sound business model that generates surpluses and Traded Services objectives.

The Vision and Values together with our strategic goals provide the framework for this business plan.

4. 2011-2015 Review

HCC Property Services' updated business plan for the period 2011 to 2014 set out five strategic aims:

Aim 1: Win new business and maintain existing client base

Aim 2: Develop the workforce

Aim 3: Improve operational effectiveness and efficiency

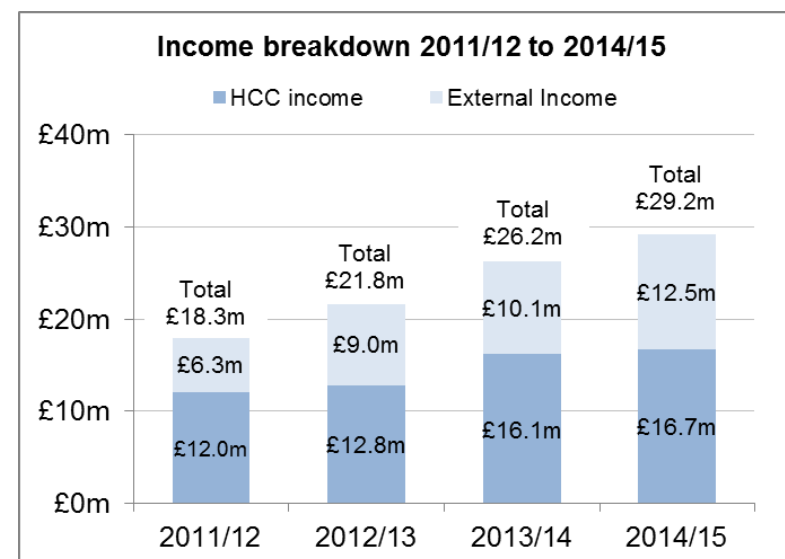
Aim 4: Exercise robust financial management

Aim 5: Support corporate priorities

The key achievements and outcomes against these aims are summarised below.

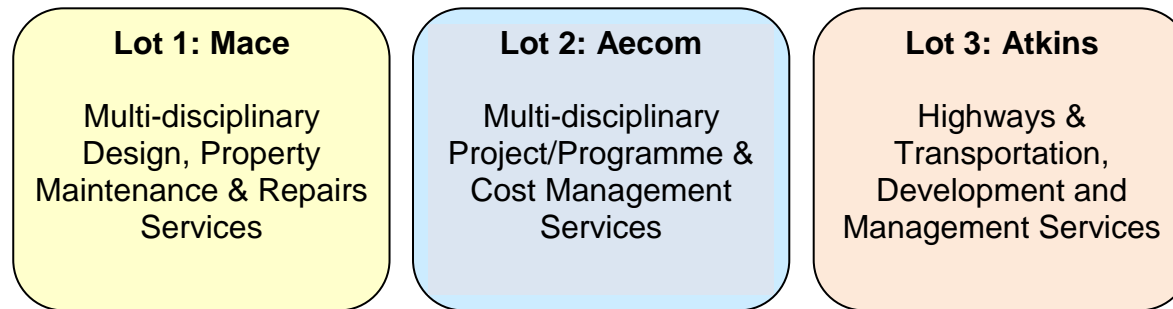
Aim 1: Win new business and maintain existing client base - outcomes

- Retention of schools' and academies' business through new 5 year service level agreement (SLA) and agreement on the central management of CERA funding;
- Shared services arrangements and joint programme office with Surrey County Council and West Sussex County Council, as part of the 'Property Services Cluster';
- The successful transition of the Reading Borough Council shared services arrangement to the Reading Hampshire Property Partnership (RHPP);
- Key role in the South East 7 network of local authorities;
- Delivery of joint working arrangements with the Office of the Police and Crime Commissioner and Hampshire Fire and Rescue Service;
- Increase in total income from external clients from £6.3m in 2011/12 to £12.5m in 2014/15, a 98% growth;
- Growth in total income from £18.3m in 2011/12 to £29.2m in 2014/15, a 60% growth.



Aim 2: Develop the workforce - outcomes

- Recruitment of new staff into Property Services to grow from approximately 280 full time equivalents (FTEs) in mid 2012, to 338 FTEs at the end of 2014/15; 20% growth;
- Procurement of the new strategic partner arrangements jointly with ETE, facilitating an increase in the capacity provided by the private sector in order to deliver the County Council's programme of work and meet commitments with external clients;



Strategic Partner Contracts

- Re-profiling of Property Services' directly employed workforce, reducing senior management from 14 to 13 posts, increasing I and H grade roles to provide additional targeted management and leadership capacity and maintaining the proportion of staff at grade G or below at 68-69%.
- Development of the generalist graduate programme for non-cognate graduates in order to grow flexible resource capacity with a broad skill set;
- An increase in the proportion of staff aged 40 or under from 29.9% in 2012 to 33.1% in 2014;
- Continued focus on learning and development with high levels of staff participating in the Hampshire Own Grown and CCBS Management Development programmes; strong representation on the Transformative Leadership Programme; implementation of the career development programme for graduates and a bespoke customer focussed delivery course for Property Services' staff.

Aim 3: Improve operational effectiveness and efficiency - outcomes

- Delivery of revenue savings targets for 2012 and 2015 across the cash limit, revenue maintenance and direct services budgets, removing in excess of £3 million of revenue funding over the period to April 2015;
- Introduction of productivity targets (i.e. proportion of chargeable time) as part of the new financial model;
- Downward trend for the average nett build cost of new primary schools evidenced through benchmarking data analysis;
- Leadership of the South East and London Regional Construction Framework and the procurement of the new Southern Construction Framework;
- Development of a suite of regional and local procurement arrangements covering small, medium and high value construction projects;
- Development of the first corporate strategic asset management plan.

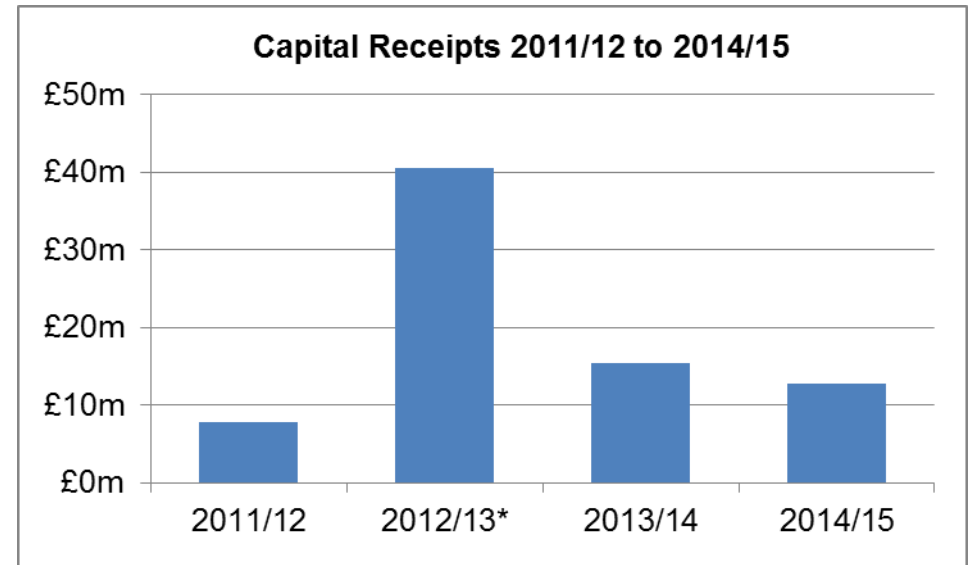
Aim 4: Exercise robust financial management - outcomes

- Development of a new financial model and hourly charge out rates for Property Services;
- Reduction in overhead costs as a proportion of total resource costs;
- Introduction of new financial forecasting, management and reporting processes;
- Improved cost management of capital projects working closely with the corporate capital finance team.

Aim 5: Support corporate priorities - outcomes

- Delivery of approximately 50% of an 11,000 pupil place programme of school expansion across the County;
- Strategic support to, and delivery of, Adult Services' learning disability and extra care transformation programmes;
- Continued delivery of capital maintenance and Children's Services' funded improvements to schools, including delivery of kitchen upgrades to enable the implementation of the uniform infant free school meals policy;
- Continued maintenance of the corporate estate despite reducing revenue budgets;

- Achievement of the carbon reduction targets across the corporate estate and delivery of a range of energy saving measures in both the schools' and the corporate estate;
- Enabling of the Hampshire Workstyle programme through delivery of capital projects, acquisitions and disposals;
- Delivery of £76.5m of capital receipts and advancement of the strategic land programme;
- Increase in total fee income from HCC programmes of work from £12.0m in 2011/12 to £16.7m in 2014/15.



*2012/13 peak due to completion of Merton Rise sale

5. Business Context

Key Events 2015-2020

It is challenging to set targets for our business due to the many unknown influences that can arise within a 5 year horizon in local government. However it is possible to identify a number of known and potential key events over the next 5 years which will impact on the shape and size of the service and the workload priorities and these events provide the context for this business plan.

Key events	2015/16	2016/17	2017/18	2018/19	2019/20
Wider public sector & local government	<i>Spending Review</i> <i>Devolution & Hampshire & Isle of Wight model</i>		<i>1% freeze on public sector pay</i>		<i>Build up to general election 2020</i>
Corporate	<i>New Chief Executive</i> <i>Public consultation on transformation</i>		<i>Council elections</i> <i>Revenue budget reductions</i>		<i>Further revenue budget reductions</i>
HCC workstreams	<i>Continued delivery of primary programme</i> <i>Strategic land programme underway</i>	<i>Manydown planning application submitted</i>	<i>Delivery of T2017 revenue savings</i>	<i>Secondary programme at peak resource levels</i> <i>Transformation to 2020</i>	
Joint working & traded services	<i>← PCC Estate Change Programme →</i> <i>← HFRS estate rationalisation programme →</i> <i>Surrey major programme complete</i>	<i>Reading major programme complete</i>	<i>Potential for new partners through Hampshire & IoW devolution model</i>		
Schools	<i>Diocese academisation</i>	<i>Increased academisation</i>	<i>SLA renewal</i> <i>Reduced revenue funding</i>		
Frameworks	<i>Launch modular build framework</i>	<i>Launch minor works framework</i>	<i>New term contact arrangements</i>	<i>1st strategic partner extension option</i>	<i>SCF and ICF retendered</i>
Traded Services / Consultancy	<i>Implementation of strategy</i>	<i>Potential modular build product offer</i>			<i>Delivery of £320k surplus to reinvest</i>

The **key themes that emerge** from these events include:

Local government consolidation and devolution

It is anticipated that further change will be driven over the period of the current government by the devolution agenda with the potential for significant changes to the shape of local government and a likely increased emphasis on regional working and collaboration or consolidation. For HCC Property Services, the Hampshire and Isle of Wight devolution proposal may present opportunities for new joint working and traded services arrangements but could also significantly change the political and cultural environment within which the services operates.

Corporate challenges

The £98m revenue savings target for 2017 and anticipated further revenue savings to 2020 will continue to dominate the County Council's strategic plan. Combined with the continued demographic challenges of an ageing population and rising birth rate and the increased expectations of service users regarding choice, flexibility and quality of services, transformation of services will be a high priority for the corporate management team and all departments.

The continued drive for greater efficiencies is likely to lead to wider collaboration and partnership working with other public sector organisations and the voluntary sector, and increased revenue generation in order to sustain service delivery.

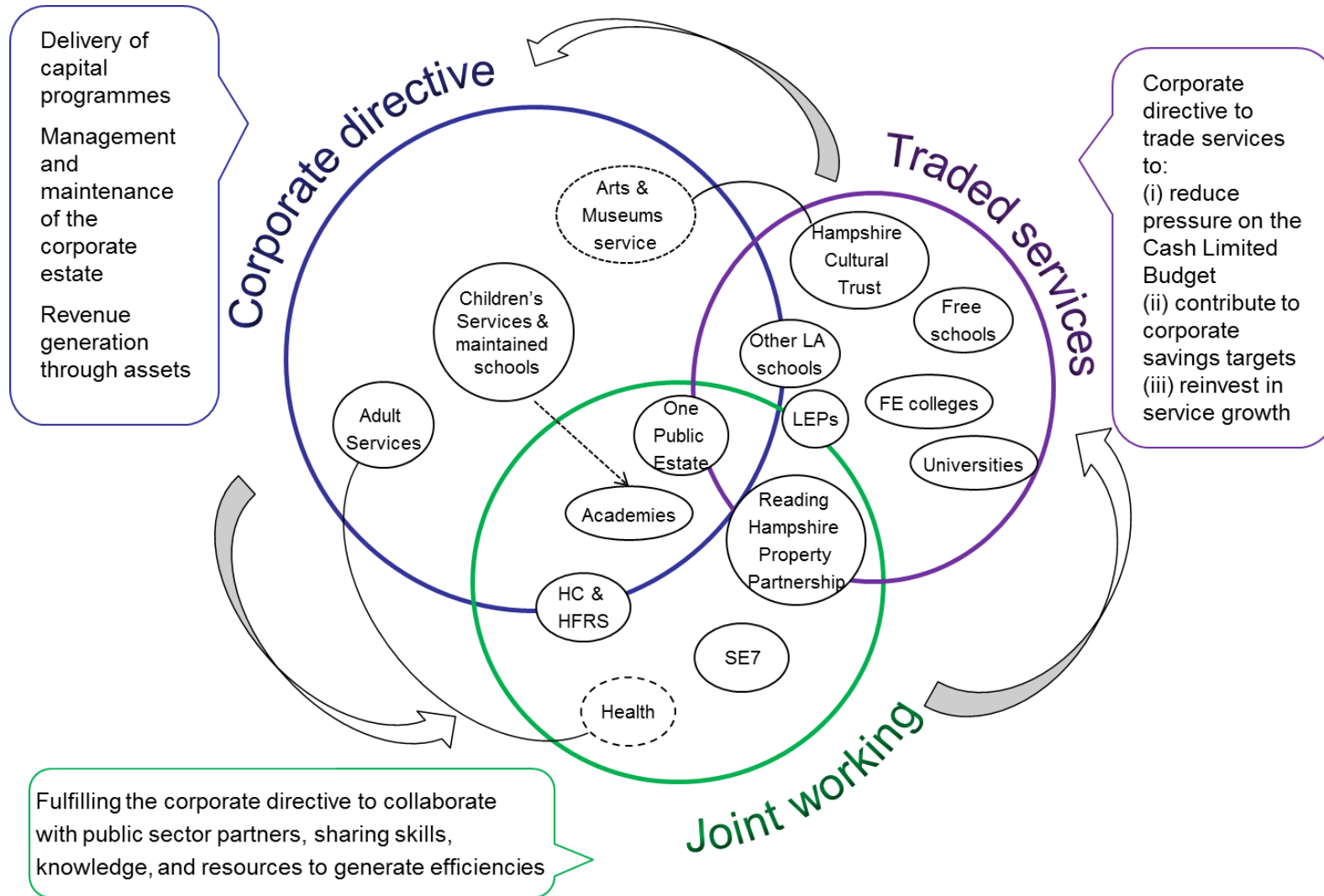
The recruitment of a new Chief Executive in 2015 coupled with the Council elections in 2017 introduce a degree of uncertainty regarding the future strategic leadership and political context and increase the likelihood of organisational restructuring. This could impact on the relationships between services and departments and necessitate a change to our operating model.

Joint working and traded services

The Council has a clear strategic direction for a number of its services to engage in partnerships and joint working with other public sector organisations. This will enable it to maximise the efficiencies that can be obtained through shared services, maintain capacity and skills and provide quality, coherent public services provision to the people of Hampshire and beyond. Through the Integrated Business Centre, the Council is actively engaging as a supplier of transactional services to other organisations. Under the traded services strategy it is also encouraging parts of the organisation to develop new external business opportunities with a view to also making a financial contribution to the organisation.

This tripartite requirement, for corporate efficiencies, joint working and traded services has been articulated regularly over recent years, and was set out most recently in [Future-proofing services](#). It can also be seen running through the County Council's strategic plan to 2017: [Shaping Hampshire](#).

This model recognises the scale and capacity for change within the public sector, where we see organisations or funding streams amalgamated to drive efficiencies and increasing levels of service provision through public sector partnerships and engagement with the voluntary, community and private sectors.



Interrelationship between corporate priorities, joint working and traded services

6. Workload Priorities & Business Opportunities

Providing high quality, value for money property services to HCC and its joint working partners will remain core to Property Services' business over the next 5 years. HCC Property Services is also committed, through the traded services strategy, to sustaining and developing our external business. This will allow us to maintain a critical mass and further broaden skills and services for the County Council, increase our profile and reputation as a leading public sector property organisation and deliver workload resilience in the future.

Corporate Priorities

Corporate priorities for HCC Property Services will continue to focus on:

- Delivery of the County Council's capital programme, primarily the provision of new primary and secondary school places on behalf of Children's Services;
- Supporting the successful achievement of revenue savings through the [Transforming the Council to 2017](#) initiative, particularly Adult and Children's Services and our peer services within Culture, Communities and Business Services (CCBS);
- A growing role to facilitate service transformation through delivery of innovative asset solutions to support achievement of service led revenue savings for 2017 and beyond. Building on the knowledge and experience gained through delivery of the Hampshire Workstyle and Adult Services' learning disability and extra care programmes;
- Effective management and maintenance of the corporate estate in line with the [Strategic Asset Management Plan](#) (SAMP) within reducing revenue budgets, with an increasing focus on strategic management of corporate assets, estate consolidation, rationalisation and shared occupation of assets;
- Achievement of capital receipt targets primarily through enabling development of HCC's strategic land holdings;
- Identification of potential new revenue income streams through our existing asset portfolio and new investment opportunities.

Capital Programme Delivery

- **Children's Services capital programme** – increasing workload to at least 2018/19 from the basic need primary schools programme and a growing secondary schools programme.
- **Repairs and maintenance for the corporate estate and schools** – ongoing capital investment in the corporate and schools estate at a similar level to recent years. Increased academisation may require work to be secured directly from the academy schools or trusts.
- **Strategic land development** – the promotion of sites for development will be a growing programme of work and the focus for generating capital receipts beyond 2015/16.

Asset Management & Maintenance

- **Revenue savings strategy** – for the Property Services cash limit and direct services budgets.
- **Renewal of the term maintenance arrangements** - with potential for increased integration of hard and soft facilities management services.
- **Corporate landlord model** - to facilitate strategic decisions regarding the estate, and support service integration and co-location.
- **Revenue through assets** – utilising property assets for investment and identifying other ways to generate revenue from assets.
- **Energy workstreams** – implementing energy saving measures and new technologies.

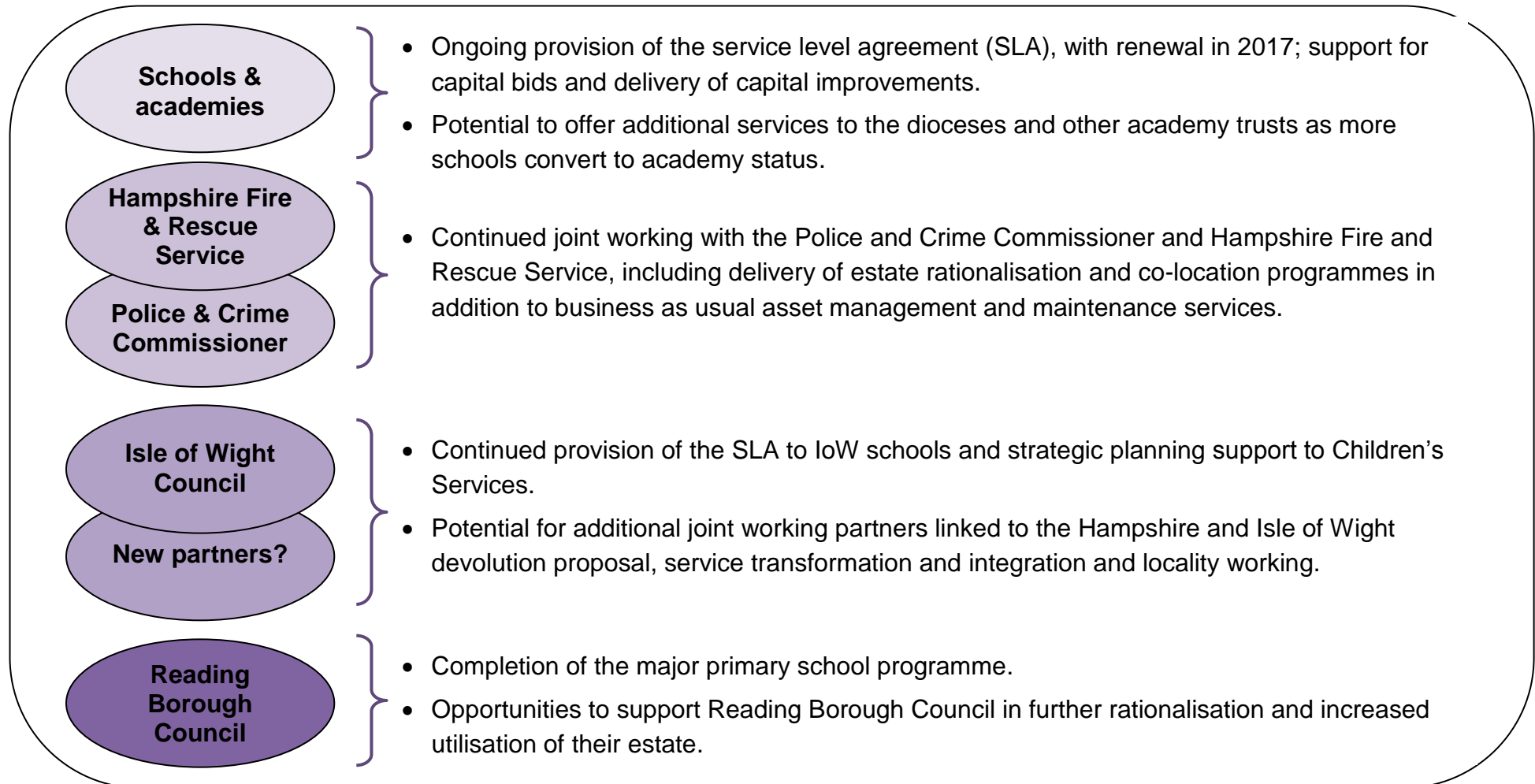
Service Transformation & Asset Rationalisation

- **Adult Services transformation** – ongoing support to social care transformation programmes and integration with health through the estates enabler workstream.
- **Office Accommodation** - ongoing rationalisation and modernisation of the corporate office portfolio for HCC and partners.
- **Community Hubs & Locality Working** - facilitating multiple services and organisations providing a range of public services from shared locations.
- **Further service transformation** – supporting further transformation to achieve revenue savings across HCC.

Corporate Priorities

Traded Services

We will continue to work closely with our current joint working and shared services partners, providing both business as usual property services and enabling specific investment, rationalisation and transformation programmes.



Joint Working & Shared Services

Implementation of the Hampshire and Isle of Wight devolution proposal is likely to offer opportunities to forge new joint working partnerships either as Property Services or as part of a wider corporate initiative.

The [Traded Services Strategy](#) sets out proposals to focus and develop our external business by:

Concentrating on growing and emerging public sector markets that also provide opportunities to build on our existing relationships with other County Council departments to meet strategic priorities, support transformation and jointly develop business opportunities.

Key markets identified in the strategy include:

- Education
- Adult Social Care & Health
- Economic Development
- Housing
- Assets

Markets

Moving up the customer chain to focus effort at a level where opportunities and influence are maximised due to our reputation and standing, with particular focus on Tier 1 and Tier 2 customers:

Tier 1: Budget holders & funding agencies

e.g. DCLG, EFA, SFA, HCA

Tier 2: Programme clients

e.g. LEAs, LAs, academy trusts, dioceses, health trusts, universities

Tier 3: Project clients

e.g. schools, FE colleges, district councils, housing associations

Customers

Targeting **higher value strategic services** and **procurement solutions** and being **more selective about full design service opportunities** to ensure we prioritise professional delivery capacity to focus on HCC's capital programme growth.

The principal services identified in the strategy include:

- Strategic Consultancy
- Asset Optimisation
- Programme Shaping & Management
- Framework & Procurement Solutions
- Specialist Services
- Asset management

Services

Targeting **higher value strategic services** and **procurement solutions** and being **more selective about full design service opportunities** means we can ensure that we prioritise professional delivery capacity to focus on HCC's capital programme growth. The strategy is also aligned with the corporate agenda to build capacity through a highly skilled, flexible workforce able to tackle the complex challenges faced by the public sector.

HCC Property Services can provide a range of **specialist services** including historic buildings, landscape strategy and caretaking support services and, where there is a sound business case to do so, we will continue to market these specialist services alongside the wider traded services strategy.

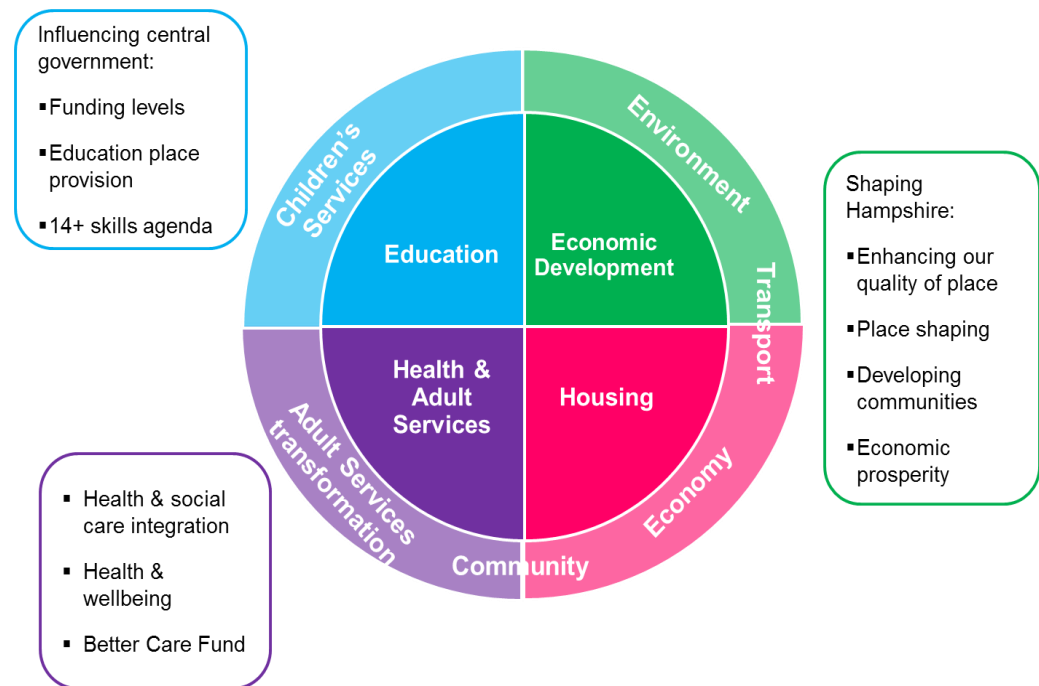
Early successes from implementing the traded services strategy include:

- Development of the business case to procure a pan-regional modular buildings framework arrangement;
- Working with Children’s Services, the Solent and Enterprise M3 Local Enterprise Partnerships (LEPs) and local colleges to secure investment in further education and skills across Hampshire;
- Securing additional funding from the Department for Communities and Local Government (DCLG) to support the development of land at Manydown to the west of Basingstoke in partnership with Basingstoke & Deane Borough Council and the Enterprise M3 LEP;
- Programme management and workload pipeline analysis work on behalf of the South East Construction Hub¹
- Provision of programme management services to the Enterprise M3 LEP;
- Working with the HCC Economic Development team to secure investment and employment opportunities in Hampshire;

Aligning traded services and corporate priorities

In addition to building on these early successes, we will continue to identify new public sector markets and funding streams and establish relationships with potential customers in order to secure a pipeline of new opportunities.

This will ensure we maintain our capacity in the longer term and continue to contribute to the wider corporate objectives through our traded services strategy as well as the work we do directly for HCC.



¹ A collective of local authorities in the South East of England collaborating to shape and manage the regional construction market to ensure capacity for delivery of capital programmes.

7. Business Plan Forecasts

Overall Financial Position

We anticipate that the growth in HCC's capital programme together with the opportunities to support service transformation programmes and asset rationalisation work, will mean that our total income will continue to increase over the next 3 years, but at a slower pace than during the last 4 years.

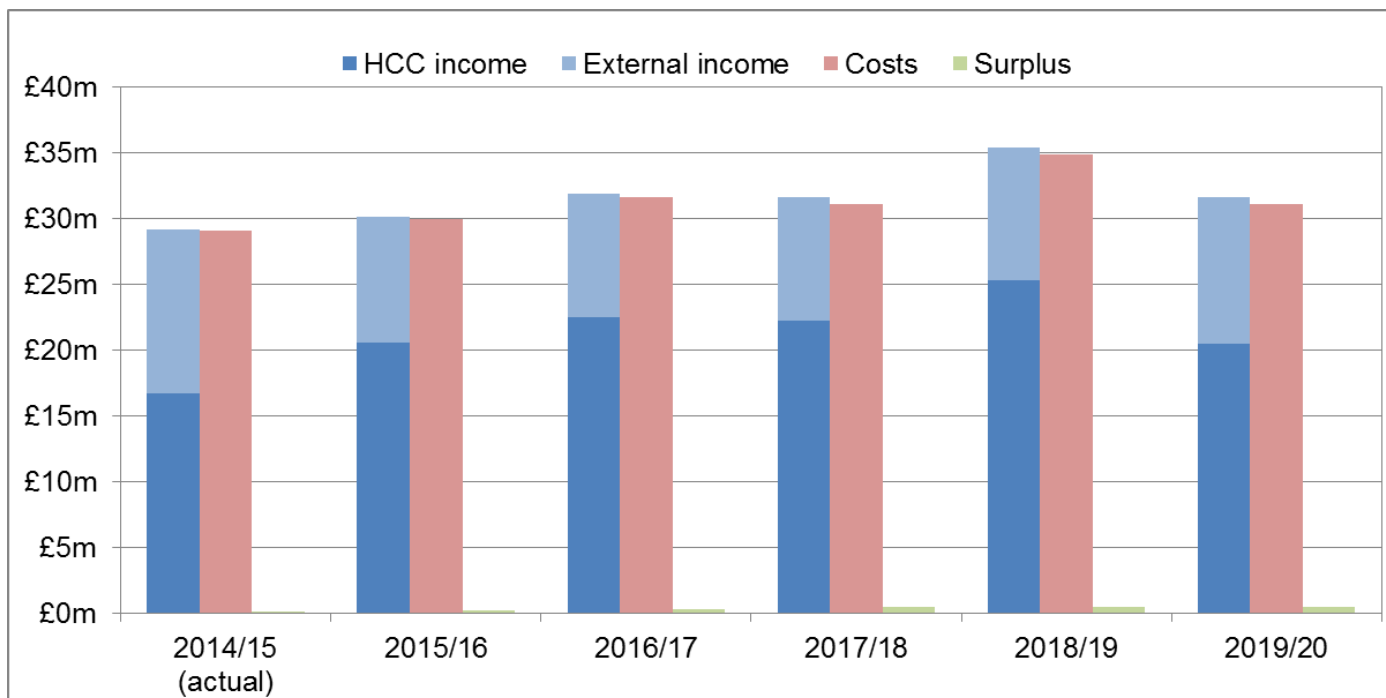
There will be a reduction in external income as we complete the delivery of the current Surrey County Council capital programme delivery and re-focus our approach to traded services.

Growth beyond that period will depend on the strategies we adopt, but there are likely to be opportunities that would allow us to build on the experience we have gained working for HCC and use it to support new external clients, in line with the traded services strategy.

By careful management of costs and applying appropriate pricing strategies for our external work, we will target a modest but increasing surplus each year for reinvestment in the business.

		reasonable certainty			options & opportunities		
		2014/15 (actual)	2015/16	2016/17	2017/18	2018/19	2019/20
HCC income	£'000	16,721	20,550	22,540	22,250	25,300	20,500
External Income	£'000	12,487	9,625	9,380	9,400	10,100	11,100
Total income	£'000	29,208	30,175	31,920	31,650	35,400	31,600
Costs	£'000	29,085	30,000	31,600	31,150	34,900	31,100
Surplus	£'000	123	175	320	500	500	500

Financial forecasts 2015-2020



Financial forecasts 2015-2020

Income forecasts by sector

We anticipate that more than two thirds of our total income and funding will be from HCC programmes for the next 3 to 4 years as the primary school programme continues, the secondary school programme comes fully on-stream, and the strategic land programme starts to move into the outline planning phase.

Programme		2015/16	2016/17	2017/18	2018/19	2019/20
Primary school places	£'000	9,300	5,800	5,000	5,000	5,000
Secondary school places	£'000	2,500	8,140	8,700	11,500	6,800
Children's Services block funding	£'000	2,000	2,000	2,000	2,000	2,000
Policy & Resources	£'000	3,000	2,800	2,700	2,600	2,500
Transformation	£'000	200	200	200	400	400
Strategic Land	£'000	750	1,000	1,250	1,500	1,500
Revenue	£'000	2,800	2,600	2,400	2,300	2,300
	£'000	20,550	22,540	22,250	25,300	20,500

HCC income forecast by programme

Beyond that, there may be opportunities to increase our external income by using the knowledge, skills and capacity developed through delivery of HCC programmes to develop new external business opportunities.

Programme		2015/16	2016/17	2017/18	2018/19	2019/20
Long term major clients (shared services)	£'000	5,800	5,000	4,000	3,000	3,000
Schools	£'000	2,000	2,000	2,000	2,500	2,500
Academies	£'000	500	500	500	750	1,000
Project Delivery - LEPs, FE and Universities	£'000	100	200	500	1,000	1,200
Programme Shaping	£'000	0	200	500	750	1,000
Strategic Consultancy	£'000	125	230	440	580	750
Frameworks	£'000	1,100	1,250	1,360	1,380	1,500
Asset Management	£'000	0	0	100	140	150
		9,625	9,380	9,400	10,100	11,100

External income forecast by programme

Costs

The majority of our costs will continue to be driven by our in-house and partner staff resource and we will implement new planning tools to ensure that these are balanced with the forecast income. We will continue to manage our overhead costs to ensure these remain in proportion to our resource costs and we will work closely with the Business Support team to provide a cost effective administrative support across HCC Property Services.

Resource Profile

Current forecasts indicate growth in the number of directly employed staff from 338 FTEs at the end of 2014/15 to up to 390 FTEs within 1 to 2 years, depending on the success in recruiting across all disciplines.

Directly employed Property Services staff accounted for 57% of our resource costs in 2014/15, with the remainder of resources comprising a mix of agency, ETE staff and strategic partner resource. The proportion of strategic partner resource is currently higher in some disciplines and, where an ongoing demand is clear and the skills are available within the wider construction market, we will seek to rebalance by recruiting additional staff directly to Property Services. Retaining an appropriate proportion of strategic partner resource will ensure that we have the means to regulate our resource capacity and therefore cost according to the anticipated workload.

At the end of 2014, women comprised just over 30% of staff, while only one third of staff was aged 40 or under. By ensuring that HCC Property Services is a welcoming and inclusive working environment, actively promoting the benefits of working for us and supporting career development and progression, we will attract and retain the best talent and expect to see a more balanced workforce profile by the end of the business plan period.

Revenue Savings Targets

CCBS is tasked with achieving £5m revenue saving by March 2017 to contribute to the wider corporate saving of £98 million.

The current 2017 revenue savings target for HCC Property Services is £377k across all revenue budgets, although these are still to be finalised within the overall CCBS savings target. It is anticipated that further savings will be required by 2020 but these are not currently confirmed.

We will seek to protect the revenue maintenance budget for the corporate estate from further reductions but will be required to make savings from both the Property Services' cash limit for staff costs associated with revenue services, and the direct services budgets which are used to manage and maintain specific assets within the corporate estate.

8. Operational Management

Organisational Structure & Operating Models

Property Services' current organisational structure comprises three strategic groups focused on complementary service areas. The structure will continue to develop and evolve to meet new and emerging service requirements and business opportunities.

Joint working arrangements with Hampshire Fire and Rescue Service and the Office of the Police and Crime Commissioner have resulted in staff transferring into HCC Property Services from those organisations. A Teckal company, called the Reading Hampshire Property Partnership, was formed with Reading Borough Council in April 2014.

Different operating models will be further explored under this business plan to ensure the best fit for the future needs of both HCC and new business opportunities.

Target outcomes:

- An organisational structure that meets the future anticipated demands of both internal and external customers;
- Flexibility for effective matrix working;
- Options and operating models that fit with the future needs of HCC and new business opportunities;
- The flexibility and freedom to continue to trade positively and not restrict potential growth.

Resourcing

We will continue to recruit new staff where our pipeline and resource planning processes demonstrate there is an ongoing demand for the skills and additional capacity, and where we consider there to be a good chance of success within the recruitment market.

There will be a particular focus on recruiting to more junior grades across all disciplines, to ensure we have a cost effective resource profile to meet the requirements of the anticipated programmes of work. This will include 'growing our own' by building relationships with schools, colleges and universities. We will also seek to build a cohort of non-cognate staff which offers a different skill set that complements the existing technical and professional expertise, and therefore allows us to broaden our service offering to both internal and external clients.

The strategic partners will continue to provide additional capacity to ensure that we can flex our resource in line with workload and address areas that we cannot recruit to or that require specialist skills not available in-house. The proportion of private sector resource will be maintained at a level that is sufficient to ensure we have the flexibility to manage fluctuations in our workload.

Target outcomes:

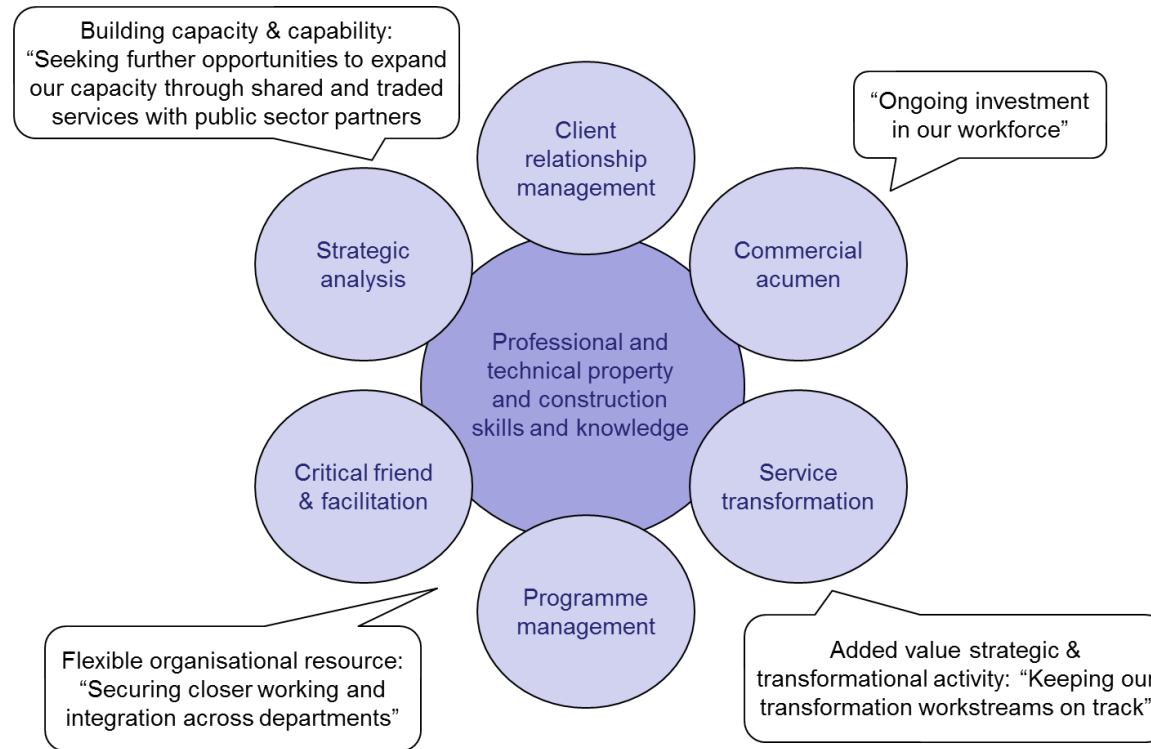
- Sufficient capacity to deliver internal and external programmes of work;
- Improved forecasting of workload to support longer term resource planning;
- A skill and grade profile that supports cost effective service delivery;
- High performing private sector resource that complements our in-house capacity;
- An appropriate balance of in-house and private sector partner resource.

Skills, culture & behaviours

Property Services' learning and development strategy will support the on-going development of our staff to ensure that we have the technical, business and interpersonal skills to meet current and emerging business opportunities and to provide leadership capacity for the service and the wider organisation.

Professional construction qualifications will continue to be a pre-requisite for many of our roles and we will offer work based training, day release schemes and financial support to help staff achieve the appropriate qualifications.

Development of a wider skill base will help to ensure we have a flexible workforce that can adapt to new opportunities. In particular we will target the skills required to support internal departments to deliver their transformation programmes and to deliver our own traded services strategy.



Development of a broader skill set

We will encourage staff to participate in corporate learning and development opportunities to develop a broader skill set and help to progress their careers. We will also continue to develop training and development opportunities that meet Property Services' specific requirements and encourage individual development and flexibility through matrix working arrangements, short term placements and longer term secondments.

Robust application of HCC's performance management approach, '[Valuing Performance](#)', will ensure that stretching targets continue to be achieved but with an increased focus on behaviours. High performance will be recognised and rewarded.

We will ensure that HCC Property Services is a welcoming and inclusive working environment so that we can attract and retain the best talent. Through proactive promotion of the benefits of working for HCC Property Services we expect to see a more balanced workforce profile in terms of gender and age.

Target outcomes:

- Core technical and professional expertise maintained across all disciplines;
- A more flexible workforce with the skill set to maximise business opportunities;
- Leadership capacity for the service and the wider organisation;
- A customer-centred culture supported by business focused learning and development priorities;
- Robust management of performance including behavioural competencies;
- A more balanced workforce in terms of gender and age.

Procurement and supply chain

The building construction category plan will inform the procurement arrangements to be put in place to deliver the County Council's programmes, creating long term, cost effective relationships with suppliers.

As existing frameworks near expiry, we will assess their future potential against our traded services objectives to ensure the next iteration is aligned with the business strategy and capitalises on commercial opportunities.

We will assemble long term pipelines for HCC, our shared services arrangements and through the South East Construction Hub to: ensure sufficient delivery capacity; facilitate good construction supply chains; and develop a range of standard products that are attractive to our clients and offer very good value to the County Council.

Target outcomes:

- A suite of construction procurement arrangements that support delivery of both HCC's programmes and the traded services strategy;
- Development of at least one standard building solution;
- Effective supplier relationship management to deliver capacity and quality.

Systems and Processes

Property Services will continue to develop its business processes to support continuous improvement in service delivery, increase productivity and reduce costs in order to maximise the public value across all our work.

Our IT strategy will seek to ensure that our systems and technology meet the needs of the business while recognising the constraints of the corporate digital strategy and IT infrastructure. Where practicable, we will take advantage of new technologies to: improve the speed and quality of service delivery; work more effectively with partners; support our business planning and management; and drive out cost from our processes.

Target outcomes:

- Full implementation of the Property Asset Management System (PAMS);
- New resource and programme management processes and supporting tools;
- Development and implementation of a coherent building information modelling (BIM) and computer aided design (CAD) strategy covering all aspects of current and future requirements;
- Use of new digital technology to improve service delivery and reduce costs.

9. Risks to the Plan

In developing this plan it is necessary to acknowledge that there are many external influences that will impact on our ability to achieve the forecasts set out in section 8. These require proactive leadership and management to ensure we capitalise on the opportunities available to us whilst managing the risks we face.

Risk	Actions
Hampshire County Council	
<p>Ongoing revenue reductions or potential collapse in revenue funding.</p> <p>Resource pressures from our own and joint working arrangements or an unmanageable pace of growth risk creating tensions in the organisation.</p>	<p>Growing our external business provides financial resilience and long term sustainability of the service. There is scope to explore the conversion of revenue services to fee earning opportunities for clients.</p> <p>Strategic pipeline planning will provide a medium term view of the scale of work, enabling us to plan resource and maximise efficiencies in planning and programming our collective activities.</p> <p>Use of our strategic partner arrangements enable us to flex capacity and capability to respond to the pace of an increasing workload. Over the medium term our recruitment strategy and staff development initiatives are designed to ensure our workforce is equipped with the skills and capabilities the business requires for its future success.</p> <p>Careful management of demand against capacity will ensure that we do not become overstretched.</p>

Risk	Actions
Public Sector	
<p>Market competition: There has been market consolidation and a range of competitors are now experienced in working with public sector clients.</p> <p>Funding pressures and unrealistic cost expectations: Ongoing budget reductions place strain on all public bodies, impacting their capacity to commission services or jointly fund initiatives. These pressures may also lead to unrealistic cost expectations when set against the inflationary pressures of the construction sector.</p> <p>Continued trend towards decentralisation and fragmentation of our core markets.</p>	<p>Market awareness - We need to be flexible, agile and commercially astute, especially as competitors seek to grow their markets. Communicating developments, opportunities and threats across the service is essential, with a role for everyone in horizon scanning and timely information sharing.</p> <p>Utilising our influence with national bodies and government departments raises our profile, enabling us to exert influence directly and indirectly e.g. work undertaken on cost benchmarking that has been taken up by the EFA to engage with central government on the cost of pupil places. We have representation on task groups and other bodies advising government such as the Cabinet Office and Local Government Association. We will proactively pursue more opportunities to engage with these strategic and influential organisations for the benefit of HCC Property Services and the wider Council.</p> <p>By developing innovative partnerships that are seen as class leading we can influence how the sector develops. Diversifying our client base, and developing new products and services will broaden our appeal, enabling us to move into new growth markets and respond to market shifts.</p>

Risk	Actions
Construction Industry	
<p>Recovery within the construction sector presents the risk of resource shortages and challenges in attracting and retaining staff of the right quality.</p> <p>Purchasing criteria: Customers' expectations of best value solutions and consistently high level of service must be satisfied, or we face a loss of business to competitors with greater customer focus.</p>	<p>Explicit strategies for recruitment, coupled with our ability to offer excellent staff development opportunities and with our reputation within and beyond Hampshire, enable us to position Property Services as an 'employer of choice' within the regional market.</p> <p>Excelling in the service we provide to our customers generates ongoing business relationships and extends and enhances our reputation. Putting customer-focus at the heart of what we do is critical to our success.</p> <p>Continuing to develop and modernise our products and services will ensure we can retain business and develop new markets.</p>



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