

AT A MEETING of the BUILDINGS, LAND AND PROCUREMENT PANEL held in
the Chute Room, Elizabeth II Court South, Winchester, on
5 January 2016

Councillors:

p. Chairman: Councillor Mel Kendal
p. Vice-Chairman: Councillor Peter Edgar

p. Keith House
p. Frank Pearce

p. Martin Lyon
p. John Wall

102 BROADCASTING ANNOUNCEMENT

The Chairman announced that the press and members of the public were permitted to film and broadcast the meeting. Those remaining at the meeting were consenting to being filmed and recorded, and to the possible use of those images and recording for broadcasting purposes.

103 APOLOGIES

There were no apologies received.

104 DECLARATIONS OF INTEREST

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest and, having regard to Part 3, Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Personal Interest in a matter being considered at the meeting they considered, having regard to Part 5, Paragraph 4 of the Code, whether such interest should be declared, and having regard to Part 5, Paragraph 5 of the Code, considered whether it was appropriate to leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with the Code.

105 MINUTES

The Minutes of the meeting held on 12 October 2015 were confirmed by Members as a correct record and signed by the Chairman.

106 CHAIRMAN'S ANNOUNCEMENTS

The Chairman announced that the County Council's Bid to the Local Government Association (LGA) on behalf of Hampshire Local Authorities, the Enterprise M3 Local Enterprise Partnership and other public sector organisations had been successful. The Chairman informed Members that the Cabinet Office and the LGA had recently received funding from Government in the recent Autumn Statement. The Hampshire partnership venture had secured four hundred thousand pounds of this funding and would be used to facilitate improved efficiency across the public estate and towards the co-location of facilities to reduce building occupancy costs. The Chairman announced that there were also opportunities to explore community hubs and the creation of a Hampshire Public Asset Board.

The Chairman informed the Panel that the major extension to Calthorpe Park Secondary School had been completed and would increase pupil capacity by three hundred places. This investment, of over ten million pounds, is the first of over twenty planned extensions and new buildings across the secondary sector in the County as a result of pupil growth and new housing development.

The Chairman was pleased to announce several recent awards for Property Services as outlined below:

- The CEMAST project in Lee-on-Solent had received a Highly Commended Award at the SPACES (Society of Public Architecture, Construction, Engineering and Surveying) Building of the Year Annual Ceremony in Bristol in November 2015.
- HMS M33 restoration had received a Commendation in the 2016 Civic Trust Awards for the sensitive refurbishment of the historic early 20th Century warship.
- Berewood Primary School had been awarded Highly Commended in the South East Regional Royal Institute of Chartered Surveyors Awards.
- Westgate Primary School had recently been shortlisted for the RIBA Journal's McEwen Award 2016 in the 'Learning and Doing' category.

107 DEPUTATIONS

There were no deputations on this occasion.

108 WINCHESTER DISTRICT ENERGY SCHEME: OUTCOMES OF THE FEASIBILITY STUDY

The Panel considered the report of the Director of Economy, Transport and Environment which presented the findings of a feasibility study investigating the technical and financial viability of a district energy scheme within Winchester.

Members were informed that the study was conducted by WSP Parsons Brinkerhoff and consultants from the firm attended the meeting to provide technical and financial support.

It was reported that the County Council partnered with the University of Winchester and the Royal Hampshire County Hospital to undertake the study. HM Prison Winchester was involved in early discussions however further involvement was withdrawn by the Ministry of Justice due to uncertainty over the future of the prison site.

Members heard that District Energy Schemes of this nature were very complex and that it was unlikely that the Council would be able to secure grant money to contribute towards funding the project. Furthermore, due to the complexity and scale of the project, a number of risks had been identified and these were highlighted to the Panel and listed within Section 4.2 of the report. Principally, a key risk was that of the uncertainty surrounding the longer term future of public sector sites and buildings in Winchester, namely the Royal Hampshire County Hospital and potentially the HM Prison Winchester .

The report concluded that the Winchester District Energy Scheme is technically and financially viable whilst acknowledging that specific risks do exist.

At this stage, at the invitation of the Chairman, Councillor Jackie Porter addressed the Panel. Councillor Porter was very supportive of the scheme and advocated implementing innovative ideas on the public estate. Councillor Porter requested that Members give this scheme due consideration despite the range of risks identified. The Chairman thanked Councillor Porter for her contribution. The Chairman distributed copies of correspondence he had undertaken with the director of a Winchester based climate change charity.

The Panel discussed this agenda item in detail and Members engaged the consultants in questioning regarding the more technical and financial aspects of the feasibility study.

It was confirmed, in response to Member's questions, that:

- It would be a possibility for County Council to outsource the installation and implementation of this project to a specialist civil engineering contractor.

- Both stakeholder organisations had encountered challenges in terms of their existing energy management.
- County Council officers would, following the meeting, continue to engage with the Local Planning Authority to discuss the potential for collaborative working.
- Gas and renewables would soon become the primary energy source within the United Kingdom over the next fifteen to twenty years. The heat recovery aspect of this District Energy Scheme would recover more energy and deliver greater efficiencies.
- In terms of resilience, all buildings linked to the scheme would remain connected to the National Grid meaning that the resilience level would remain as it is currently.
- The network and infrastructure for the scheme, once installed, has a long lifetime and it would be possible to change the fuelling system within this time whilst not needing to replace the infrastructure itself.
- Full commitment to the scheme from some of the stakeholder organisations/partners had not been obtained despite negotiations conducted as part of the feasibility study.

Overall, Members were enthusiastic about the concept of a Winchester District Energy Scheme and noted that this would be a positive project should it reach implementation stage. However, Members also discussed the risks to the project and it was emphasised that, until certain key potential public sector partners were able to develop greater certainty about the future of their sites and commit to a partnership, the project would not be progressed further at this stage.

The Panel agreed to amend the original recommendations within the report and the new recommendations are listed below.

RESOLVED:

That the Panel:

- i. welcomes the viability of the scheme subject to securing viable long term partnerships as identified in Section 3.4 of the report.
- ii. asks that the identified risks of the scheme be monitored such that were circumstances to change, such as:
 - the uncertainty over the future of the Public Sector estate in Winchester, in particular the provision of health services
 - the County Council's priorities

the business case will be reviewed and the Executive Member for Income and Capital Receipts updated as and when appropriate to do so.

109 ENERGY PROGRAMMES UPDATE REPORT

The Panel considered the report from the Director of Culture, Communities and Business Services providing an overview on energy programmes completed, currently underway and planned for the future.

Members received specific updates on particular projects such as:

- the future installation of PV arrays on county farm buildings
- the next phase of Energy Performance Programme across the corporate estate
- the development of a proposal for a first Phase of Energy Performance Programme including, for example, LED lighting replacement projects across the schools estate using specific loan funds available nationally to promote efficiency and energy reduction
- the successful outcome of Phase 1 of the Carbon Management Plan and the considerations for Phase 2 of the Plan which would be brought to the Panel at a subsequent meeting

The Director confirmed, following Members' questions, that there was an efficient and coordinated contracting arrangement being used to purchase PV array equipment at best consideration to the Council.

It was also confirmed, with reference to Section 8.1 of the report, that a 65% reduction in Feed in Tariffs for PV installations would be introduced by Government from the end of March 2016.

RESOLVED:

The Panel:

- i. Noted the successful Energy Programmes to date, as referred to in the report.
- ii. Supported the further development of Energy and Carbon Reductions Programmes by the Director of Culture, Communities and Business Services, including:
 - PV on County Farm buildings.
 - Energy Performance Programme (EPP) Phase 3 on the Corporate Estate.
 - EPP for Schools Phase 1.
 - Carbon Management Plan Phase 2.

The above work to be funded from the Policy and Resources Capital Programme Energy Budget where appropriate.

- iii. Noted that a report would be brought to a future meeting of the Panel with recommendations for further energy investment programmes.

110 PROPERTY SERVICES BUSINESS PLAN 2015 TO 2020

The Panel considered the report of the Director of Culture, Communities and Business Services providing an overview of Property Services' Business Plan for the period from 2015 to 2020.

A copy of the Business Plan document was distributed at the meeting. The Plan outlined known priorities and potential opportunities for Property Services and key strategies that would ensure the team continued to have the skills and capacity to meet future challenges and business demands.

The Director reported that Property Services is committed to developing and maintaining external business alongside capacity for the Council and that partnership working with the Office of the Police and Crime Commissioner, Hampshire Fire & Rescue Services, Isle of Wight Council, Reading Borough Council and Hampshire schools and academies would continue.

The Chairman and Vice Chairman thanked the Director for the standard and quality of a successful growing service which was appreciated by members as one with good business acumen. The Vice Chairman asked that the Director circulate the Plan to all members on behalf of the Panel.

RESOLVED:

The Panel endorsed the Property Services Business Plan 2015-2020. It was noted that this endorsement would enable the service to:

- Meet the growing demand in the County Council's capital programme
- Support the work of partners and clients in the future to meet their needs.
- Take advantage of new business opportunities when they arise in line with the Traded Services Strategy generating income and broadening skills and capacity to the benefit of the Council.
- Become ever more self sustaining in financial terms with limited reliance on revenue budget funding from the County Council.

111 PROPERTY SERVICES MAJOR PROGRAMMES UPDATE REPORT

The Panel considered the report of the Director of Culture, Communities and Business Services providing an update on programmes being progressed within Property Services.

The Panel received an update on various building repair, maintenance and improvement programmes. Notably, school design schemes being progressed as a result of the indicative 2016/17 Schools Condition Allocation grant, planned re-roofing works to Three Minsters House, the progressive Workstyle refurbishment of EII South and glazing safety in SCOLA buildings.

Members were pleased to hear that the Education Funding Agency had selected Property Services to pilot local delivery of a number of Priority Schools Building Programme (PSBP2) projects which were currently at feasibility stage.

The Panel also received updates on the successful bid and LGA funding of four hundred thousand pounds for a third phase of the One Public Estate programme. A number of partnership projects were included within the bid which were currently at an early stage.

Discussion was held regarding the construction industry's shortage in key materials and skilled labour and the impact that this had had upon the rise in tender price inflation.

In answer to a Member question it was confirmed that the County Council, via Hampshire Futures in Childrens Services Directorate, is taking a proactive lead in providing and facilitating significant number of apprenticeship and training opportunities for young people.

RESOLVED:

That the Panel make the following recommendations to the Executive Member for Policy and Resources for approval:

- The proposal to allocate £3m of the indicative 2016/17 – 2017/18 Schools Condition Allocation Grant towards detailed design work on the projects listed in section 2.5 of this report. That approval is also granted to subsequent letting of contracts as soon as possible after the indicative allocations are confirmed by Government.
- An increase in value of the re-cladding project at Crofton School to £2.275m to include additional works funded by the School and the advancement of a future phase of works to benefit from the economies of scale.

- Additional repair and maintenance works to Three Minsters House to include window replacement, ceilings, lighting and internal decorations at a cost of £600,000 to be funded from existing identified budgets.
- A further phase of improvement and maintenance works in EII Court South as part of the successful Workstyle Programme. This to include replacement of drainage and life-expired electrical services as well as refurbishment of toilets and replacement of work out finishes. The cost of £980,000 to be funded from within existing Workstyle, Maintenance and Departmental budgets.
- That setting up the contracts for the establishment of a Joint Working Arrangement with Academy Schools in Hampshire is approved.