

## HAMPSHIRE COUNTY COUNCIL

### Decision Report :

<b>Decision Maker:</b>	Buildings, Land and Procurement Panel
<b>Date of Decision:</b>	12 January 2010
<b>Decision Title:</b>	Procurement Initiatives
<b>Decision Reference:</b>	998
<b>Report From:</b>	Director of Property, Business and Regulatory Services

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### 1. Executive Summary

- 1.1. The purpose of this report is to provide an update on the proposed trading company for property services and the proposed arrangements for a Shared Service arrangement with Hampshire Police Authority.

### 2. Trading Company for Property Services

- 2.1. In March 2009, Cabinet approved the principle of creating a new public sector trading company, the principal stakeholder being the County Council. This would enable services (principally those for property) to be provided to other local authorities and public sector partners. The trading company will establish strategic partners through competitive tendering arrangements to provide the skills and capacity to deliver construction and procurement workstreams jointly, enabling the County Council to continue to expand its local and regional leadership role in this field.
- 2.2. Legal and financial governance arrangements to support proposals are being developed. This includes a legal framework comprising a series of shell trading companies, initially solely owned by the County Council, for which other authorities will then take a share. The legal structure has been tested with Legal Counsel and will be taken to the District Auditor for final comment.
- 2.3. The detailed business case and business plan are under preparation and market testing has commenced with authorities whom the County Council has existing relationships.
- 2.4. Once the trading company is operational, opportunities for other departments to trade through this arrangement will be explored, including for example IT Services.

### **3. Shared Service Arrangement with Hampshire Police Authority**

- 3.1. In October 2007, the Executive Member for Policy and Resources gave approval for the County Council to enter into a Shared Service agreement, through Improvement and Efficiency South East (IESE), with Reading Borough Council. Since its inception, approximately £35million of construction work has been procured on behalf of Reading, which translates into a fee income to Property Services of around £3.3 million. This arrangement is seen as a great success by both parties, with six projects of a combined value of approximately £13million completed within budget, demonstrating that two authorities can work in collaboration to achieve successful outcomes with significant efficiency savings.
- 3.2. Property Services is also working with Hampshire Police Authority on a number of high profile projects such as the New Headquarters Programme, and is providing strategic advice to the Police Authority's estates function. Based on the evidence from the Reading Borough Council arrangement, Hampshire Police Authority is exploring the possibility of entering into a formal Shared Service arrangement with the County Council for a full range of property services in connection with their built estate. In the first instance, this would be along the same lines as the Reading Borough Council arrangement, set up under the terms of section 113 of the Local Government Act 1972.
- 3.3. Hampshire Police Authority has also been briefed on the proposals for a trading company for Property Services and has expressed an interest in participating, more specifically being involved in developing the detailed arrangements with the County Council. It is the intention that the proposed Shared Service arrangement under S113 of the Local Government Act could in the future be replaced with a trading company arrangement.

### **4. Recommendations:**

#### **That the Panel advises the Executive Member for Policy and Resources:**

- 4.1. That Property Services formalise the legal structure and management arrangements for a Shared Service arrangement with Hampshire Police Authority, and formally enter into this arrangement.
- 4.2. That Hampshire Police Authority be involved in developing the detail of the trading company with a view to them being one of the first organisations to participate in such an arrangement.

**CORPORATE OR LEGAL INFORMATION:****Links to the Corporate Strategy**

<b><i>Hampshire safer and more secure for all:</i></b>	No
Corporate Business plan link number (if appropriate):	
<b><i>Maximising well-being:</i></b>	No
Corporate Business plan link number (if appropriate):	
<b><i>Enhancing our quality of place:</i></b>	Yes
Corporate Business plan link number (if appropriate):	

**Other Significant Links**

<b>Links to previous Member decisions:</b>		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Procurement Initiatives	Item 6	7 October 2008
Procurement Initiatives	Item 12	14 July 2008
Procurement Initiatives	Item 7	2 October 2009
<b>Direct links to specific legislation or Government Directives</b>		
<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.)

<u>Document</u>	<u>Location</u>
None	

## **COMPREHENSIVE RISK & IMPACT ASSESSMENT**

### **Race and Equality Impact assessment**

Race and equality impact assessment has been considered in the development of this report and no adverse impact has been identified.

### **Crime prevention issues**

The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all the decisions it makes on the prevention of crime. The proposals in this report have no impact on the prevention of crime.

### **How does what is being proposed impact on our carbon footprint / energy consumption?**

All new build projects will meet current standards for carbon and energy consumption. Refurbishment projects will generally see a reduction in energy consumption through incorporation of higher design standards with particular emphasis on increased insulation, air tightness, thermal mass, passive ventilation and reducing solar gain in order to reduce the need for mechanical ventilation. Projects also seek to incorporate efficient building services equipment and controls.

### **How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?**

Current design standards used by Property Services seek to reduce reliance on mechanical ventilation and therefore reduce energy consumption by using passive ventilation strategies with a focus on increasing thermal mass, insulation and air tightness and reducing solar gain. Efficient building services equipment and intelligent building services controls are used to support this approach. Approaches such as sustainable urban drainage (SUDs) and on site surface water storage are also considered in the design to address flood risk issues.