

HAMPSHIRE COUNTY COUNCIL

Report

Committee/ Panel:	Buildings, Land and Procurement Panel
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Title:	Managing Hampshire's Built Estate
Reference:	7994
Report From:	Director of Culture, Communities and Business Services

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1. Summary

1.1. Property Services would usually provide a detailed report annually to the March meeting of the Buildings, Land and Procurement Panel (BLAPP) on progress made against the strategic plan for Managing Hampshire's Built Estate. The annual report then goes to the following Executive Member for Policy and Resources Decision Day (EMPR) for approval, usually in April, which fits neatly between the confirmation of annual budgets and the necessary planning and delivery cycles for the associated programmes of work. Due to the cycle of meetings in 2017/18 the reporting timetable has been adjusted accordingly. This report lays the foundation for all approvals necessary to align with the timetable and ensure design and works proceed smoothly. Additional to the normal budget setting tasks necessary to inform a detailed report the schools Property Services Service Level Agreement (SLA) renewal is currently being progressed, the outcome of which is a key aspect of planning for 2017/18 and beyond. However to avoid any disruption to the 2017/18 programme of work this report has been prepared to:

- Set out the proposals for the reporting of progress against the strategic plan for Hampshire's built estate for 2017/18
- Summarise headline budgets known or anticipated for 2017/18
- Update the panel on the Property Services Schools SLA
- Update the panel on the procurement of the new Term Maintenance contracts and the Minor Works Frameworks which are key to delivery of services under the new schools SLA
- Set out proposals for some priority programmes of work to allow development of the design and procurement as first calls against known or anticipated 2017/18 budgets.

- 1.2 It is proposed that a detailed paper will then be prepared and be reported directly to EMPR in March 2017 to ensure there is no disruption to the delivery of the annual programmes of work.

2 Overall Context

- 2.1 This report notes around £52 million of capital and revenue investment is anticipated 2017/18 in the repair and maintenance of schools and corporate buildings in Hampshire. This is funded through a combination of local resources, school contributions and government grant. The work will be delivered and managed by Property Services through a series of effective and efficient mechanisms. This expenditure will continue to support the local construction economy and also ensure our estate is safe and well managed for building users, customers and visitors. This continues to be one of the largest Local Authority led building maintenance investments nationally.
- 2.2 The budgets and associated programmes of work separate expenditure on buildings between the Corporate Estate and Schools. All funding for the Corporate Estate (offices, care homes, libraries etc.) is from within County Council revenue and capital budgets. In the case of Schools funding comes from two sources:-
- Government grant for school condition improvement
 - Schools revenue funding given to the Council's Property Services to manage on their behalf

There is no County Council funding spent on school maintenance and repair. Property Services acts as the schools agent and in partnership designs, manages and delivers around £33.5m of schools own funds each year.

3 Corporate Estate- Headline Budgets for 2017/18

The table below sets out the anticipated budgets for 2017/18 for the Corporate Estate.

	Budget (£,000)
P&R Revenue Repairs and Maintenance ¹	7,565
P&R Capital Repairs ²	4,500
Total	12,065

Note:

The amounts are inclusive of fees but exclude proposed re-profiling from 2016/17 to 2017/18

¹ Includes both Corporate Risk Assessment and Other Allocations

² Total over 3 years of which £1.5m allocated in 2016/17

4 Education Estate- Headline Budgets for 2017/18

- 4.1 The table below sets out the anticipated budgets for 2017/18 for the Education Estate.

	Budget (£,000)
Schools and Academy Revenue Maintenance ¹	15,800
Schools Condition Allocation ²	17,700
Priority Schools Building Programme 2	9,800
Total	43,300

Note:

The amounts are inclusive of fees but exclude proposed re-profiling from 2016/17 to 2017/18

¹ Anticipated amount from schools buy back into the Property Services SLA and therefore subject to confirmation

² Anticipated amount but subject to confirmation by the Education Funding Agency

- 4.2 Property Services have worked closely with the Education Funding Agency to develop the final scheme of works and budget for the four SCOLA recladding projects under the Priority Schools Building Programme 2 (PSBP2). We have now received confirmation to proceed to detailed design and invitation to tender for local delivery by the County Council on behalf of the EFA. The current estimate for these works is £9.8m. This is an excellent example of Hampshire's in-house team taking responsibility to deliver projects directly on behalf of the Department for Education because of the capacity and skills available.

5 Renewal of the Schools SLA

- 5.1 The panel should note that 96% of the schools in Hampshire currently buy a comprehensive SLA service and pool their revenue funds to support the most efficient and economical delivery of a complete property management and maintenance arrangement. This includes a significant proportion of Academies who access the services of the Council through a Joint Working Arrangement. It is this arrangement between the Council and schools which maintains an estate in suitable condition with a reducing maintenance liability year on year – making best use of limited financial resources and ensuring that all funds are targeted at the right priorities through a public-public partnership. Schools represent 80% of the total County Council's portfolio of buildings.

Property Services SLA for Community and Aided Schools

- 5.2 Property Services have been offering an SLA to Schools since 1997 and the principle of the SLA, where all schools pay in a fair amount linked to their budget and receive a comprehensive Property Service in return, has remained throughout. The pool of funds is then used to ensure all liabilities amongst the schools buying into the SLA are managed on a fair basis.

The current SLA expires in April 2017 and the renewal process is being managed by Childrens Services along with the renewal of all other SLA's offered to schools. Generally there are only minimal changes to the Property Services SLA but as a summary of the changes made:-

- A reduction of the contributions schools make into the pool of funding of 10% overall.
- The SLA is 'open ended' rather for a fixed term. The SLA includes measures for varying the level of service to meet School needs and Schools can choose to leave the SLA by giving notice in accordance with the arrangements set out in the document
- There is a 'Digital Strategy' to reduce costs and increase transparency, in particular through the use of the online 'PAMS' portal
- A Simplification of the charging arrangements

- 5.3 As noted above the contributions made by schools are being reduced by 10% overall in recognition of the significant budget pressures that schools are currently facing. The saving is not however uniform across all schools and recognises that it is cheaper to deliver the service to larger schools than smaller ones. All Primary and Secondary schools will pay a reduced contribution with schools with an above average floor area getting an additional discount.

- 5.4 The SLA contributions are used for servicing, inspection and 'reactive' repairs as well as a 'planned' programme of repairs. Given the current pressure on school budgets it is appropriate that the property strategies reflect the current pressures and reduce the amount of planned work without undermining the excellent progress against the backlog liability over recent years.

6 Update on Procurement of the Term Maintenance Contract (TMC) and the Minor Works Framework (MWF)

- 6.1 The TMC and MWF are used by Property Services to procure servicing, statutory inspection, planned maintenance and reactive repair work on both the Corporate and Education estates as well as for the OPCC and HFRS partners. They are also available for other public sector bodies, including schools and Academies to use.
- 6.2 The current TMC contract ends in July 2017 and a replacement is currently out to tender with returns due at the end of January. The contracts have been redesigned to meet current needs and details of the proposals have been previously reported to this panel in April 2016.

- 6.3 The MWF is currently at invitation to tender stage (ITT) with a current planned return date in early February 2017. The MWF will provide a lot of opportunities for local SME companies to work for the County Council and again details have been previously reported to this panel.

7 Approval for Advance Design and Procurement

- 7.1 In the 30 June 2015 report to the panel it was agreed that, given the announcement by the Education Funding Agency (EFA) of the indicative level of Schools Condition Assessment (SCA) grants through to 2017/18, Property Services would commence detailed design and procurement for high priority and high value works to be programmed against the 2016 - 18 allocations. Support was given by the panel for advance design works to commence on the following schemes with procurement and spend approvals once funding was confirmed.

Connaught School	ROSLA Block roof and cladding and thermal upgrading
Test Valley School	ROSLA Block Cladding and thermal upgrading
Grange Junior School	Replacement of 2 storey block and recladding of the single storey elements.

- 7.2 Grange Junior School is one of two 2 storey timber frame school buildings constructed in the early 1960's and are both high condition priorities. Work to develop a solution at Grange is on going and is subject to an approach to the Education Funding Agency to hopefully secure funding to address these priority issues. The only alternative funding available to address the issues at these two sites is the annual SCA grant. Reliance on the SCA grant to deliver a solution at Grange and ultimately on the other similar site would mean disproportionate use of limited funds on only a few projects – to be avoided if possible.
- 7.3 It is also proposed to commence survey, specification and procurement of the proposed decorations programme for 2017/18. An early start to the specification and tendering of these works will enable the works to be undertaken as soon as the weather conditions permit in the spring. The final list of schools to be decorated will be subject to final confirmation at the March EMPR meeting when the take up of the Property Services SLA is fully known. Details of the schools it is expected will be decorated are contained within Appendix A.

Priority Schools Building Programme 2 (PSBP2)

- 7.3 As previously reported to the panel, HCC were “successful” with bids for SCOLA recladding in the PSBP2 programme for the following schools -
- Wootey Junior School
 - Talavera Infant School
 - Overton Church of England Primary School
 - Oliver's Battery Primary School

- 7.4 Approval is now in place from the EFA to proceed with local delivery to detailed design and invitation of tenders from contractors. The Panel is requested to support this next stage of these four schemes and subject to the final grant funding that contracts are let.

8 Recommendations

That the Buildings, Land and Procurement Panel recommends to the Executive Member for Policy and Resources that:

- 8.1 The headline Policy and Resources Repair and Maintenance budgets for 2017/18 contained within this report are noted and that a more detailed report seeking approval will be brought to a future Policy and Resources Decision Day.
- 8.2 The progress on the renewal on the Schools Service Level Agreements and the procurement of the Term Maintenance Contract and Minor Works Framework is noted.
- 8.3 That advance design work to progress schools Condition Projects, External Decorations and Primary Schools Building Programme 2 progress, as set out in Appendix 2, is approved including subsequent letting of contracts as soon as possible after allocations are confirmed by the Department for Education.
- 8.4 The procurement route for delivery of the revenue and capital repairs programmes (as either a suitable OJEU compliant framework arrangement or via traditional single stage competitive tender) is approved.

9 Appendices

Appendix 1: Corporate and Legal Information

Appendix 2: Impact Assessments

Appendix A: Proposed External Decorations Programme

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

Hampshire safer and more secure for all:	Yes
Corporate Business plan link number (if appropriate):	
Maximising well-being:	Yes
Corporate Business plan link number (if appropriate):	
Enhancing our quality of place:	Yes
Corporate Business plan link number (if appropriate):	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

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 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.

3. Impact on Crime and Disorder:

3.1. 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.

4. Climate Change:

4.1. Re-cladding and re-roofing SCOLA buildings has major advantages, which includes improving thermal performance, reducing solar gain, improving ventilation, reducing glare and enhancing the teaching environment whilst using less energy.

External Decoration Programme 2017/18
Schemes up to £50,000
Balksbury Infant School
Barton Stacey CE (C) Primary School
Beaulieu Village Primary School
Belle Vue Infant School
Berrywood Primary School
Crofton Anne Dale Infant School
Crofton Anne Dale Junior School
Crofton Hammond Infant School
Crofton Hammond Junior School
Cupernham Infant School
Elson Infant School
Four Marks CE (C) Primary School
Grange Infant School Gosport
Great Binfields Primary School
Halterworth Community Primary School
Hatch Warren Infant School
Hollywater School
John Keble CE (A) Primary School
Kimpton Thruxton And Fyfield CE (A) Primary School
Long Sutton Ce (C) Primary School
Lydlynch Infant School
Maple Vue Children's Centre
Marnel Community Infant School
Marnel Community Junior School
New Milton Junior School
Newport Junior School
Northern Junior Community School

Oakwood Infant School& Little Saplings Childrens Centre
Old Basing Infant School
Padnell Infant School
Smannell And Enham CE (A) Primary School
St Bede CE (C) Primary School (Winchester)
St James CE (C) Primary School (Emsworth)
St Johns Ce (va) Primary School
St Josephs RC (VA) Primary School
St Marks CE (A) Primary School (Basingstoke)
St Martins East Woodhay CE (A) Primary School
St Mary Bourne Primary School
St Matthews CE (A) Primary School
St Peters RC (VA) Primary School (Waterlooville)
Waterloo School
Weyford Junior School
Wherwell Primary School
Woodlea Primary School (Bordon)
Schemes between £50,000 and £250,000
Applemore College
Clere School And Technology College
Court Moor School
Crestwood College For Business And Enterprise (Cherbourg)
Crestwood College For Business And Enterprise (Shakespeare)
Robert Mays School
Testbourne Community School
Westgate School
Schemes over £2,000,000 (Final values will be funded by EFA Grants for the following PSBP2 projects)
Wootey Junior School

Talavera Infant School
Overton Church of England Primary School
Oliver's Battery Primary School