AT A MEETING of the BUILDINGS, LAND AND PROCUREMENT PANEL of the County Council held at The Castle, Winchester on 27 May 2010.

Councillors:
a T.K. Thornber C.B.E.

p A.P. Collett
p B.D. Dash
p C.R.H. Davidovitz
a P. Edgar
p A.D.G. Evans
p R. Ellis
p K. House
p K. Mans
p Mrs J. Porter
p J. Wall
a A. Weeks

COUNCILLOR C DAVIDOVITZ IN THE CHAIR

54 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors T.K Thornber, P. Edgar and A. Weeks.

55 DECLARATIONS OF INTEREST

Members were mindful that, where they believed they had a personal or personal prejudicial interest in any matter to be considered at the meeting, they should, normally at the time of the debate, declare their interest and, having regard to the circumstances described in paragraphs 9, 10, 11 and 12 of the County Council's Code of Conduct, consider whether to leave the meeting whilst the matter was discussed save for exercising any right to speak in accordance with paragraph 12 of the Code.

56 MINUTES

The Minutes of the meeting of the Panel held on 23 March 2010 were confirmed as a correct record.

57 CHAIRMAN’S ANNOUNCEMENTS

The Chairman explained that at a meeting of County Council on 20 May 2010, Cllr P. Edgar had been appointed to the Panel, replacing Cllr David Kirk.

Kevin Greenhough from Business Advice and Member Support who had taken over the management of the Panel from Jo Weeks was welcomed.

It was announced that Hampshire’s Property Services delivered over £5m of business to other public sector organisations and establishments through a range of commissions and shared service arrangements. This represented a third of property services turnover last year and was the most by value and percentage ever recorded

Success in winning a number of awards was also announced and congratulations to the officers involved was offered:

Elizabeth II Court refurbishment project received two awards since the Panel last met:

- Best Refurbished/Recycled Workplace Award by the British Council for Offices (BCO) South West. The judges applauded the creative reinvention of a 1960's building in poor condition and thought that the project was highly successful in implementing culture change, increasing space utilisation, creating a good working environment, and improving the external appearance of the building. This was the first award from this national body that the County Council has received.
- The Sustainability category award at the Royal Institute of Chartered Surveyors 2010 South East Regional awards. The project would now go forward to the national awards in the autumn.

Wellstead Primary School in Hedge End had won a 2010 Royal Institute of British Architects (RIBA) Award in the Southern region for design excellence. It was the only building (public and private) in Hampshire to receive an award that year and featured in a Meridian TV news feature.

58 HAVANT PUBLIC SERVICE VILLAGE

The Panel considered and approved the report of the Director of Property, Business and Regulatory Services (Item 5 in the Minute Book) concerning design proposals for the reconfiguration, refurbishment and extension of the existing Havant Borough Council Civic Office buildings in Havant, to create a Public Service Village (PSV) from which to provide a broad range of improved public services.

The Chairman noted that the project had received significant interest from outside Hampshire and it was generally felt by the panel that the new single point of contact for customers would be of considerable benefit to the public. The Panel felt that the police service should be involved and it was confirmed that this was already the case as the local chief inspector was a member of the Board. Project finances were discussed and the Director confirmed that the department would work with the contractor to ensure that the project cost did not exceed the available funding through tight control of the procurement and detailed design process, working collaboratively with the main contractor and their supply chain.

RESOLVED:

That the Panel advises the Executive Member for Policy and Resources that the design proposals for a Public Service Village at Havant within the existing Civic Offices, at a total estimated cost of £13,059,000 (including fees and loose furniture and equipment), be approved.

59 BARNCROFT PRIMARY SCHOOL, LEIGH PARK, HAVANT

The Panel considered and approved the report of the Director of Property, Business and Regulatory Services (Item 6 in the Minute Book), concerning design proposals for the amalgamation of the existing Barncroft Infant and Junior Schools, Havant, to form a two-form entry (2FE) Primary School.

The Director explained that the amalgamation followed a review of surplus school places by Children's Services and was enabled by Primary Capital Projects (PCP) finance and capital raised from the future disposal of the surplus Infant School site. The project provides the opportunity to include an ICT hub for local schools and a facility for reading, writing and training available as a county-wide resource.

RESOLVED:

That the Panel advises the Executive Member for Policy and Resources that approval is given to the proposals for the amalgamation of the existing Barncroft Infant and Junior Schools to form a 2FE Primary School on the existing Junior School building and site and for the demolition of the existing Infant School building, at an estimated cost of £6,291,000 (including professional fees, fixed furniture and equipment and temporary accommodation).

That further to the above, the Director of Property Business Regulatory (Strategic Manager - Assets and Development), be authorised to:

a) Develop an appropriate disposals strategy for the surplus land, having regard to the options for future use and market conditions at the time the land is released.
b) Enter into any appropriate planning and legal agreements necessary to secure planning consents in respect of the surplus land, and to settle terms relating to such agreements.

60 PROCUREMENT INITIATIVES, PERFORMANCE ASSESSMENT AND BUILDING COST TRENDS

The Panel considered and approved the report of the Director of Property, Business and Regulatory Services (Item 7 in the Minute Book) concerning forthcoming procurement projects and a summary of the performance analysis for construction projects completed in 2009/10.

The Director explained that ongoing performance improvements were still continuing, but were now relatively modest owing to already high performance levels. The benefits and efficiencies of the procurement framework were highlighted; it was confirmed that framework procurement arrangements saved the County Council approximately £3.6 million in the past year and that the scheme had received national attention as an example of best practice. The Panel congratulated the department on its success.

The square metre cost of construction in comparison with Department for Children Schools and Families (DCSF) benchmarks were discussed and Members expressed an interest in seeing predicted lifetime building costs in the future. The numbers of projects not completed on time was questioned and the Director confirmed that delays were typically very minor and within planned time contingencies. It was agreed that future reports should include a graphical representation of the scale of delays, including between days, weeks and months.

RESOLVED:

That the Panel advises the Executive Member for Policy and Resources that:

a) The selection and appointment of a contractor through the Improvement and Efficiency South East (IESE) Tier 2 Framework to provide preconstruction services to a maximum value of £25,000 for the improvement and refurbishment works at Hampshire House in Eastleigh be approved.

b) The selection and appointment of a contractor through the Improvement and Efficiency South East (IESE) Tier 2 Framework to provide preconstruction services to a maximum value of £150,000 for the formation of Cranford Park Primary School in Yateley be approved.

c) The proposal to create a new framework for Asbestos Repair, Management and Minor Removal commencing with expressions of interest be approved.

d) The procurement of a regional ICT managed services framework on behalf of the Regional Education Partnership subject to approval of the Department for Education be approved.

e) The additions and amendments to the NDS Programme and other miscellaneous approvals as set out in Appendix 3 of the report be approved.

f) That the summary of the performance analysis for construction projects completed in 2009/10, be noted.

61 STRATEGIC ASSET MANAGEMENT AND AN ASSET MANAGEMENT PLAN

The Panel considered and approved the report of the Director of Property, Business and Regulatory Services (Item 8 in the Minute Book) concerning. a new approach to strategic management of the County Council's assets (and potentially those of other public sector organisations) that the County Council may wish to adopt.

The Director confirmed that this initiative was being driven by the need to reduce costs and increase efficiencies, as well as being part of the emerging "Total Place" initiative .

The concept of producing a comprehensive geographical database of Hampshire's assets was raised and it was confirmed that while the information was currently available further work is needed to pull information and data together in one place so that it can be consolidated for more uses and shared with public sector partners in a concise way.

RESOLVED:

That the Panel advises the Executive Member for Policy and Resources that:

a) The Strategic Asset Management proposals set out in the report, including the preparation of an Asset Management Plan, be approved in principle.

b) The development of the Strategic Asset Management principles be the subject of a further report to the October Panel.

c) That progress on the current Asset Management priorities set out in the earlier Strategy for the Built Estate reports be endorsed.

62 DISPOSALS POLICY FRAMEWORK AND COMPLIANCE WITH EU PROCUREMENT DIRECTIVES

The Panel considered and approved the report of the Director of Property, Business and Regulatory Services (Item 9 in the Minute Book) concerning a Disposals Policy for County Council land and property as recommended by the Audit Commission in the recent Review of the County Council's management of its disposals.

The Director explained that there had been a change in EU case law and that subsequent legal advice was that a new Policy was required.

RESOLVED:

That the Panel advises the Executive Member for Policy and Resources that: authority be given to:

a) The approval of the framework for a Disposal Policy in respect of County Council land and property sales as set out in the report;

b) Progress the marketing of County Council owned surplus land and property on the basis as set out in the report to ensure compliance with EU Procurement Directives.

63 BUSINESS SERVICES GROUP – REPORT AND ACCOUNTS 2009/10

The Panel considered and approved the report of the Director of Property, Business and Regulatory Services (Item 10 in the Minute Book) concerning the financial performance of the self-funding business units within Property, Business and Regulatory Services for 2009/10, including an overview of the aggregate accumulated surpluses.

During the discussion it was explained that it had been a particularly successful year for the business units. The large surplus for catering services was questioned and it was noted that this was partially as a result of increased uptake, but was also intended to absorb the imminent loss of school meals grants without further price increases.

The advantages of buying rather than leasing vehicles was raised and it was confirmed that this would have no impact on the County Council's flexibility to meet environmental targets.

RESOLVED:

That the Panel advises the Executive Member for Policy and Resources that the 2009/10 report and final accounts for the Business Services Group be approved.

64 MAJOR PROJECTS UPDATE

The Panel considered and approved the report of the Director of Property, Business and Regulatory Services (Item 11 in the Minute Book) concerning the major projects currently being progressed relating to:

- Building Schools for the Future (BSF)
- Children's Centre Strategy
- Affordable Housing (Project 500)
- Ringwood Gateway Project

The projects were summarised by the Director and it was noted in particular that a national decision on the future of BSF was still pending.

RESOLVED:

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

a) That progress on each of the projects be noted.

b) That in respect of the Ringwood Gateway proposals the Director of Property, Business and Regulatory Services identify and secure the necessary funding with a view to the scheme being added to the Capital Programme and in the meantime the design proposals be progressed

65 EXCLUSION OF PRESS AND PUBLIC

RESOLVED:

That in relation to the following items the public be excluded from the meeting, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the items there would be disclosure to them of exempt information within Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the reports.

66 TRADING COMPANY FOR PROPERTY SERVICES

The Panel considered and approved the exempt report of the Director of Property, Business and Regulatory Services (Item 13 in the Minute Book) concerning a proposed trading company arrangement for Property Services.

The Director clarified comments by the District Auditor (DA) regarding the application of the 1972 Local Government Act to the trading company. It was confirmed that this was a proposal to provide shared services under modern legislation that came into force in 2003.

The DA noted that there were some risks associated with any innovative funding arrangements like this and asked to be kept informed as the matter progressed. The Director explained to members that given Property Services' excellent track record of delivery for other organisations for nearly 20 years and the supportive opinion of Counsel, that these risks can be robustly managed without due concern to the Council..

It was explained that there is always an opportunity for third parties to challenge in the future and that case law is developing in this area. However, it was recommended to members that the Trading Company would be supported, given that the benefits to the Council in income and reputation outweigh the risks of future challenge and any limited potential for claims against the Council.

RESOLVED:

That the Panel advises the Executive Member for Policy and Resources that:

a) The Trading Company arrangements for Property Services as outlined in the report be established.

b) That the procurement of a private sector partner or partners in accordance with the pre-existing framework arrangements be commenced.

67 MERTON RISE, BASINGSTOKE - PROJECT UPDATE AND MARKETING STRATEGY

The Panel considered and approved the exempt report of the Director of Property, Business and Regulatory Services (Item 14 in the Minute Book) concerning a new Marketing Strategy for Merton Rise

The Panel was updated on progress at Merton Rise and the potential marketing strategies to achieve a balance of design control and reliable sales were discussed. There was concern that the current market was not the best time to sell and the Director confirmed that uplift clauses would be included in any contracts, therefore income to the Council was maximised. It was also noted that other recent land and property disposals had exceeded price expectations despite the current weak market. It was agreed that the outcomes from the initial marketing exercise should be reported to the Panel prior to any decision being taken about disposal.

RESOLVED:

That the Panel advises the Executive Member for Policy and Resources to progress the marketing of Merton Rise, Basingstoke on the basis of the strategy outlined with the outcome of marketing to be reported to a future meeting of the Panel prior to disposal.

68 LINDEN HOUSE, LYMINGTON

The Panel considered and approved the exempt report of the Director of Property, Business and Regulatory Services (Item 15 in the Minute Book) concerning the selection of a preferred purchaser for Linden House, Lymington, following the recent marketing exercise.

The Director confirmed that several robust expressions of interest had been made to develop the site into a (private) care home facility. The Panel noted that it had always been the intention to retain a care facility on the site and that the site was unsuitable for extra care housing. It was also clarified that a condition of sale would be to obtain detailed planning permission, therefore a level of control over the development would be retained.

The Panel were advised that a resident in the neighbouring property had been in contact with the Director of PBRSIT expressing an interest in purchasing access rights over the main entrance. The Director explained that given the importance of this main access to the overall viability of the site, it was not in the County Council’s interest to enter into any negotiations with the resident.

RESOLVED:

That the Panel advises the Executive Member for Policy and Resources that authority be given to:

a) The sale of Linden House, Lymington on the basis as set out in the report, and

b) The Director of Property, Business and Regulatory Services (Strategic Manager - Assets and Development) to settle detailed terms and conditions, including adjustment to the purchase price as may be necessary.