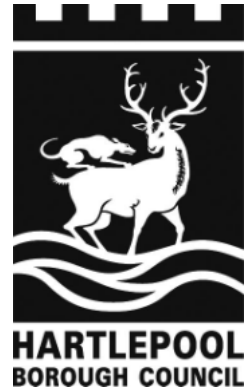


# **FINANCE AND PROCUREMENT PORTFOLIO**

## **DECISION SCHEDULE**



**Thursday 22<sup>nd</sup> July 2010**

**at 10.00 am**

**in Committee Room C  
Civic Centre, Hartlepool**

Councillor R Payne, Cabinet Member responsible for Finance and Procurement will consider the following items.

**1. KEY DECISIONS**

1.1 Jesmond Road School – *Assistant Director (Resources)*

**2. OTHER ITEMS REQUIRING DECISION**

2.1 Progress Report on the Delivery of Key Education Projects – *Assistant Director (Resources)*

**3. ITEMS FOR INFORMATION**

3.1 Update on Corporate Procurement Issues / Activities – *Assistant Director (Resources)*

**4. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS**

No items

**5. LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006**

**EXEMPT ITEMS**

Under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in the paragraphs

referred to below of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006

**6. EXEMPT KEY DECISIONS**

No items

**7. OTHER EXEMPT ITEMS REQUIRING DECISION**

- 7.1 Hartlepool People Centre – Rent Arrangements (Para 3) – *Assistant Director (Resources) and Chief Finance Officer*
- 7.2 Health and Safety Issues at Steetley Pier (Para 3) – *Assistant Director (Resources)*

**8. EXEMPT ITEMS FOR INFORMATION**

- 8.1 Briarfields Building Plot (Para 3) – *Assistant Director (Resources)*
- 8.2 Joseph Row ntree Housing Foundation – Apartment 109 Hartfields Manor – *Director of Child and Adult Services and Assistant Director (Resources)*

## **FINANCE AND PROCUREMENT PORTFOLIO**

### **Report to Portfolio Holder**

22<sup>nd</sup> July 2010



**Report of:** Assistant Director (Resources)

**Subject:** JESMOND ROAD SCHOOL

---

## **SUMMARY**

### **1. PURPOSE OF REPORT**

To seek Portfolio Holder's approval to the commencement of marketing of the current Jesmond Road School site.

### **2. SUMMARY OF CONTENTS**

The report outlines the surplus nature of Jesmond Road school subsequent to a new school being constructed and highlights the considerations in the potential of marketing the surplus site.

### **3. RELEVANCE TO PORTFOLIO MEMBER**

Portfolio Holder is responsible for the Council's land and property assets.

### **4. TYPE OF DECISION**

Key test (i) and (ii) applies – Forward Plan Reference No. RN13/09

### **5. DECISION MAKING ROUTE**

Portfolio Holder only

**6. DECISION(S) REQUIRED**

It is recommended that marketing of the property is commenced as soon as possible, to try to achieve a sale completing on satisfactory terms in the summer of 2011 if possible.

**Report of:** Assistant Director (Resources)

**Subject:** JESMOND ROAD SCHOOL

---

## **1. PURPOSE OF REPORT**

To seek Portfolio Holder's approval to the commencement of marketing of the current Jesmond Road School site.

## **2. BACKGROUND**

- 2.1 Work has now begun on the construction of the replacement school building for Jesmond Road School under the Primary Capital Programme. Completion is scheduled for June 2011.
- 2.2 On completion of the new school building in Jesmond Gardens, the existing school building will be vacated. Options have been considered by officers as to whether the property is to be retained for operational use, or sold for development.
- 2.3 The school which comprises the main buildings, caretaker's house and playgrounds, and a separate, smaller, site used as a staff car park, are situated in a mainly residential area dominated by older housing but also near two of the Housing Market Renewal areas, namely Trinity Court and the Headway site. There are also some shops in the area. The sites are shown hatched on the plan at **Appendix 1**.
- 2.4 Consideration has been given to retaining the school to accommodate potential temporary de-canting from other schools undergoing major renovation or rebuilding work, but this option has now been discounted by the Schools Transformation team and confirmed by the Director of Child and Adult Services.
- 2.5 In asset management terms it is not appropriate for operational requirements, and with the emphasis on cost reduction and property rationalisation under Business Transformation, the principle is that surplus property should be sold.
- 2.6 The school site is considered suitable in terms of planning and marketability for residential conversion or redevelopment. Retail uses would also be considered. A draft development brief has been prepared by the planning department (see **Appendix 2**)

- 2.7 Options for the school site have been discussed at Strategic Capital Resource and Asset Project Team and it was agreed that the site is surplus to the Council's current requirements and that a marketing exercise should be undertaken subject to the approval of the Portfolio Holder.

### **3. PROPOSALS**

- 3.1 It is proposed to commence marketing of the site by informal tender in order to obtain tenders later this year. This should allow sufficient time from the receipt of an acceptable tender for planning permission and funding to be obtained, such that completion of the sale takes place in the summer of 2011 if possible.
- 3.2 The marketing strategy will include contact with known developers, press advertising and a large "For Sale" board on the property. Interested parties will have the benefit of the Development Brief and will be able to discuss development options with the planning department and will be able to view the school buildings after school hours with the School's permission.
- 3.3 The current market for residential building land, is, whilst well below the levels seen around 2005-7, relatively healthy if value expectations are set at a realistic level, and it is considered that the property is likely to sell to a locally or regionally based developer bearing in mind its size and location.
- 3.4 The tenders will be evaluated on the basis of price offered, funding, design of scheme and the employment and training opportunities offered by the tenderer.

### **4. RISK AND FINANCIAL CONSIDERATIONS**

- 4.1 The Risk and Financial Considerations part of this report is confidential and can be read as Appendix 3.

**This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3) information relating to the financial or business affairs of any particular person (including the authority holding that information)**

## **5 ASSET MANAGEMENT CONSIDERATIONS**

- 5.1 The attention of the Portfolio Holder is drawn to the Asset Management element of the Business Transformation programme. The decision by Cabinet of January 2009 requires a commercial, proactive approach to be taken on Asset Management issues.
- 5.2 The decision to adopt a commercial approach to asset management requires the Council to realise the full value of any properties or property rights that it disposes of.

## **6. RECOMMENDATIONS**

- 6.1 It is recommended that marketing of the property is commenced as soon as possible, to try to achieve a sale completing on satisfactory terms in the summer of 2011 if possible.

## **7. REASONS FOR RECOMMENDATIONS**

- 7.1 The school buildings will become redundant when the new school opens and sale of the sites will produce a capital receipt.
- 7.2 The security and/or demolition costs that would be incurred if the school is not sold soon after it is vacated would be substantial.
- 7.3 The Council is unlikely to have any accommodation requirements that would be appropriately met by the school buildings or land, particularly given the cuts to the schools building programme.
- 7.4 Cabinet at its meeting on 17 July 2009 decided that a recommended method of disposal and marketing strategy for acceptance and the timing of any marketing / disposals will need to be considered against the background of the Council's budgetary requirements, together with the current state of the property market.

## **8. CONTACT OFFICER**

Philip G Timmins BA Hons MRICS  
Regeneration and Neighbourhoods (Resources)  
Estates Section

Telephone No 01429 523228  
[philip.timmins@hartlepool.gov.uk](mailto:philip.timmins@hartlepool.gov.uk)

## APPENDIX 1





# DRAFT

## Jesmond Road School Sites

### Planning Development Brief

Hartlepool Borough Council

July 2010



# Contents

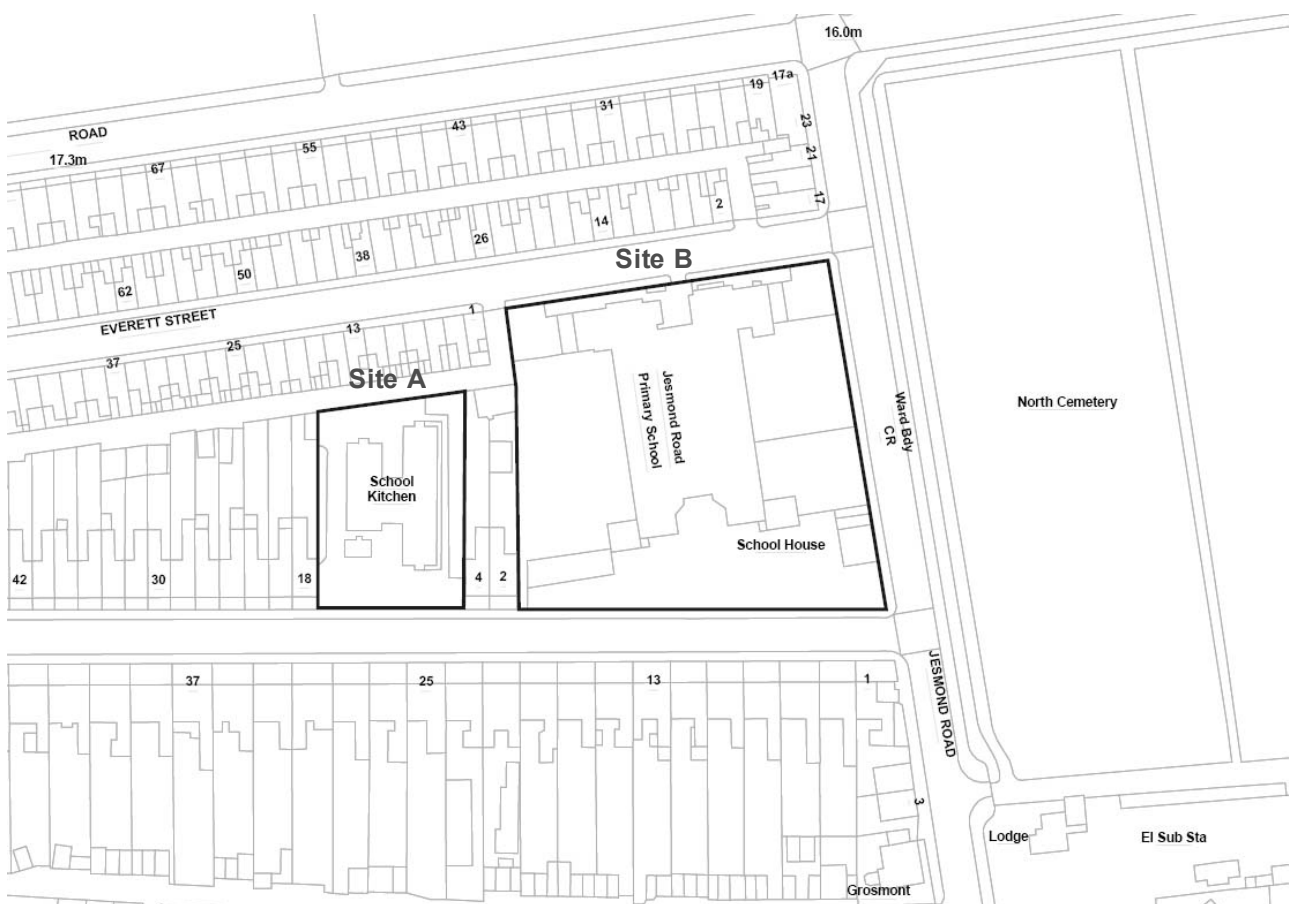
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# 1. Introduction

- 1.1 The purpose of the brief is to secure a high quality residential development on the two sites that make up the Jesmond Road School redevelopment. The smaller Site A is 0.14ha and larger Site B is 0.5ha in size. Altogether the two sites contribute a development site of 0.64ha. The site boundaries are illustrated on figure 1.
- 1.2 The brief is intended to support the Council's aspirations for the regeneration and redevelopment of existing vacant and/or underused buildings within the existing urban area. Through identifying opportunities, constraints and considerations the Brief will provide clear guidance for potential purchasers and developers in terms of planning and design.
- 1.3 The site is identified for housing use and this brief is intended to provide clear guidance to potential developers in terms of planning and development in order to secure a high quality regeneration scheme.

## 2. What is the Council Looking For?

- 2.1 A range of uses could be suitable on the two sites, however the Council, as landowner, is seeking to achieve a sustainable residential development that will contribute positively to the surrounding area.



*Figure 1: Jesmond Road School Site Boundary*

### 3. Jesmond Road School Site

#### **Context and Connectivity**

- 3.1 The 0.14ha and 0.5ha sites are in Hartlepool, in the Throston ward. Hartlepool is located in the North East of England and forms part of the Tees Valley sub-region. There is a population of one million people within 30 minutes and 2.6 million within one hour drive of the town.
- 3.2 Hartlepool is served by the Durham Coast rail line that provides connections to the East Coast Main Line, the Trans Pennine rail network and a direct service from Hartlepool to London. The development site is a 30 minute walk away from the town's railway station and is well served by nearby bus, pedestrian and cycle routes.
- 3.3 Hartlepool has a relatively congestion free internal road network with excellent access direct from the town centre to the A19 strategic road network via the A689 dual carriageway and the A179. The town lies within about 18 miles of the Durham Tees Valley International Airport whilst Newcastle International Airport is a 50 minute drive away.
- 3.4 The site is located in the north-west area of Hartlepool, just off the A179 and A689 roads going in and out of town.

#### **Site Description**

- 3.5 The overall redevelopment site is split into two sites A & B; separated by two semi-detached houses. Site A is currently being used as a surface car park serving the adjacent school. Site B consists of the current school building, outbuildings and associated hard standing. The site is Council owned land that is surrounded on three sides by housing, and on one side by an area of green infrastructure; North Cemetery.

#### **Site History**

- 3.6 Previous to the school being built, the land was all residential, consisting of terraced houses. Some of the terraces were demolished to make way for the school, and the Jesmond Road School has occupied both the sites since the 1900's and continues to be a functioning school today.

## 4. Potential Constraints

### Habitats, Biodiversity and Trees

- 4.1 No surveys have been carried out on the site as yet with regard to habitats, biodiversity and trees. **COUNCIL OFFICERS TO ADD HERE.** Before any works to the school buildings are undertaken a full bat survey should be carried out.

### Flood Risk

- 4.2 The site is not directly located in either Flood Zone 2 or Flood Zone 3 as a result there is not specific identified flood risk.

### Access

- 4.3 Both the sites have exclusive vehicular access from Percy Street [There's no access formed at the moment though obviously there could be]. The larger site B has pedestrian access from Everett Street and Jesmond Rd, whereas site A only has pedestrian access from Percy Street.

### Neighbouring Uses

- 4.4 To the north, west and south the sites are adjoined by housing and associated car parking, footpaths, front and rear gardens. To the east of site B, fronting Jesmond Gardens, the whole boundary is adjoining North Cemetery, which is classed as green infrastructure.

### Utilities and Services

- 4.5 It is assumed that a full range of utility services is available on site resulting from the current school and the adjoining residential area.

## 5. General Design Guidance

### General Requirements Summary

- 5.1 As previously stated, it is considered that the most appropriate use of the site is residential development. Redevelopment of the site should be seen as an opportunity to provide a sustainable residential development that will contribute positively to the surrounding area through:

Site A: A new build residential scheme complementing the surrounding dwellings on Percy Street and Everett Street.

Site B: Converting the existing main school building to residential use.

### New Access

- 5.2 Vehicular access for both sites should be gained by creating a new access points from Percy Street only. Pedestrian access should link up with the existing surrounding footpaths on all boundaries.

### Existing Buildings to be Retained

- 5.3 Site B is only site that requires buildings to be retained. The large school building is of local architectural merit and adds positively to the character of the surrounding area. The school building, surrounding grounds and means of enclosure create the character and architectural focal point of the immediate residential area.
- 5.4 The main school building should be retained and converted into residential use. Any annexes or extensions that do not add to the architectural merit or character of the building do not need to be retained.
- 5.5 The overriding aim is that the integrity of the school building is retained and enhanced through the residential conversion.

### New Building Form

- 5.6 Site A offers the opportunity for a new build residential development independent of the existing school buildings on site B.
- 5.7 The building form, size and massing, typical of the dwellings immediately surrounding the site should be recreated on the site. Building heights in the surrounding area vary between one and two storeys. It is considered that no more than two storeys would be desirable, with some provision given to single storey dwellings.
- 5.8 The assumption is that all new dwellings should essentially reflect the existing vernacular. Bearing this in mind dwellings could be terraced or semi-detached and should be designed so as to incorporate rear and front gardens and in-curtilage parking wherever possible.
- 5.9 The Council seeks to ensure adequate space is provided between houses. Where practical minimum separation distances at 20m where principal elevations face or 10m where a blank gable wall would face the front or back of a property are normally required.

### **Car Parking Provision**

- 5.10 There is an expectation that a minimum of 1.5 car parking spaces per dwelling should be provided as part of any development. This is of particular importance as there are already existing on-street car parking issues on Percy Street and Everett Street serving the development.

### **Public Realm**

- 5.11 There are dedicated areas of green infrastructure adjacent to and nearby the development sites that can be accessed by the future residents of the development. Because of the nearby open space it is considered that there is no need to provide any meaningful public realm or open space that can be accessed by the wider public within the site.
- 5.12 Within site B, the development conversion will be high density with the majority of the units being flats which will not have the opportunity to have private gardens. Therefore the development needs to provide some areas of doorstep incidental open space to serve the residential conversion within the curtilage of site B.
- 5.13 At present there are very few trees on either development site. Comprehensive planting should be incorporated into any development, including street trees along the boundaries or adjacent to footpaths and in private gardens.

1



### **Site B: Jesmond Road School**

Picture 1 shows the imposing school building that is to be retained and converted into residential use. The picture also reveals the boundary consisting of walls and iron railings which add to the overall character of the school site and create an attractive frontage to the curtilage. Comprehensive planting should be incorporated into the development to soften the hard boundary.

2



### **Dwellings Between Site A and Site B**

Picture 2 shows the pair of semi-detached dwellings that divide site A from Site B. The picture reveals the linear build form and the void that is the entrance to Site A.

The picture gives an indication of the on-street parking issues on Percy Street, leading to the desire to see in curtilage parking provided as part of the development.

3



### **Site A: Car Park**

Picture 3 shows the hard standing car park that makes up Site A.

The car park offers the opportunity to create a new build sustainable residential development that complements the existing dwellings on Percy Street (see picture 2).

4



### **Site B: Hard Standing**

Picture 4 shows the hardstanding within the curtilage between the frontage and school building.

It is envisioned that this area would provide vehicular access from Percy Street and also the majority of the off-street parking, areas of informal doorstep open space and planting.



## 6. What Extra is Expected of the Developer?

### **Residential Development Delivery Requirements**

- 6.1 Any development proposals would have to be in accordance with the planning policies set out in appendix 1.

### **Affordable Housing**

- 6.2 The Council is currently at the Preferred Option consultation phase of the Affordable Housing Development Plan Document. The document is advocating that any residential developments of 15 dwellings or more should contribute at least 10% of the dwellings as affordable houses. Bearing this in mind, at least 10% of the dwellings must be provided as affordable housing.
- 6.3 The affordable housing need in the Throston/Dyke House/Grange area of Hartlepool is primarily for larger 3 bedroom family houses; however there is also a need for smaller 1-2 bedroom dwellings.

### **Developer Contributions**

- 6.4 The relatively compact nature of the site and the nearby green infrastructure open space means that it may not be possible for the developer to provide substantial areas for open space, play equipment, sporting or recreational facilities on site. Bearing this in mind the developer will be required (via GEP9 in the Local Plan and the emerging Planning Obligations SPD) to make the following financial contributions of:
- £250 per dwelling to contribute to play provision elsewhere in the surrounding area.
  - £250 per dwelling to contribute to green infrastructure in the surrounding area.
  - £250 per dwelling to contribute to built sports facilities elsewhere in the Borough.
- 6.5 Continuing monitoring and the Council's PPG17 Open Space Assessment will be used to identify areas most in need of investment.

### **Local Training and Employment**

- 6.6 There will be a requirement on the developer to recruit local people as employees or placement trainees/apprentices in relation to the construction of buildings granted planning permission and utilise, with the support of Hartlepool Borough Council's Hartlepool Working Solutions team, a Targeted Training & Employment Charter to encourage sub contractors to recruit local people.
- 6.7 A Targeted Training and Employment Charter will be agreed by the developer and the Council before the development commences on site. Further information on establishing a Training and Employment Charter can be gained by contacting the Council's Economic Development team; details can be found in the Useful Contacts section in appendix 2.

### **Renewable Energy**

- 6.8 The Council expects that any scheme would secure a large proportion of their energy supply from decentralised and renewable or low-carbon sources, unless, having regard to the type of development involved and its design, this is not feasible or viable and suitable evidence is provided to that effect. All new build dwellings would need to achieve at least Code for Sustainable Homes level 3 or higher.

## 7. The Application Process

### **Pre-Planning Application Discussions**

- 7.1 Developers should undertake pre-planning application discussions with the Council at the earliest possible opportunity in order to deliver appropriate development on the site.

### **Submission Requirements**

- 7.2 In addition to the usual plans and elevations at an appropriate scale, a Design and Access Statement will be required with the submission of the planning application. The Design and Access Statement should detail the context of the area, design considerations of the site, materials to be used and the proposed access arrangements. It would also be advisable to provide an artists impression of the development.
- 7.3 As well as the above considerations regarding submission of a planning application, any submission resulting from this development brief should include the following information:
- A full design and layout proposal for the site demonstrating how the design requirements of this brief have been met.
  - A detailed plan including phasing and timescales of development with target dates and key.
  - A proposal of how the developer will work with the local community, identifying any proposed consultation and employment and training opportunities provided to local people.
  - An outline of the measures taken to ensure that all dwellings will meet at least Code for Sustainable Homes level 3.
  - An outline of how renewables will be incorporated into the development.

### **Building Regulations**

- 7.4 Hartlepool Borough Council offers a service of inspection under the Building Regulations. See appendix 2 for useful contacts.

# Appendix 1: Planning Policy

The following sources of planning policy need to be taken into consideration when creating proposals for the development of the site.

## **National Policy**

Any future development proposals need to take into account:

PPS 1: Delivering Sustainable Development (2005)

PPS 3: Housing (2006)

PPG 13: Transport (2001)

PPG 17: Planning for Open Space, Sport and Recreation (2002)

## **Development Plan Policy: Local**

Any future development proposals need to take into account the following policies from the Hartlepool Local Plan adopted 2006, including saved policies as of April 2009:

### *General Environmental Principles*

GEP1 General Environmental Principles

GEP2 Access for All

GEP3 Crime Prevention by Planning and Design

GEP9 Developers' Contributions

### *Housing*

Hsg5 Management of Housing Land Supply

Hsg9 New Residential Layout – Design and Other Requirements

Hsg12 Homes and Hostels

### *Transport*

Tra 16 Car Parking Standards

### *Recreation and Leisure*

Rec2 Provision for Play in New Housing Areas

### *Conservation of the Historic Environment*

HE12 Protection of Locally Important Buildings

## Appendix 2: Useful Contacts

The following officers within Hartlepool Borough Council would be useful points of contact with regard to discussing elements identified in the Brief:

Department	Name	Telephone	Email
Planning	Andrew Carter	(01429) 523279	andrew.carter@hartlepool.gov.uk
Conservation	Sarah Scarr	(01429) 523275	sarah.scarr@hartlepool.gov.uk
Building Control	Garry Hutchison	(01429) 523290	gary.hutchison@hartlepool.gov.uk
Highways	Mike Blair	(01429) 523252	mike.blair@hartlepool.gov.uk
Contamination	Dennis Hancock	(01429) 523207	dennis.hanncock@hartlepool.gov.uk
Legal	Peter Devlin	(01429) 523003	peter.devlin@hartlepool.gov.uk
Estates	Philip Timmins	(01429) 523228	philip.timmins@hartlepool.gov.uk
Economic	Diane Martin	(01429) 523509	diane.martin@hartlepool.gov.uk
Housing Regeneration	Nigel Johnson	(01429) 284339	nigel.johnson@hartlepool.gov.uk

## **FINANCE AND PROCUREMENT PORTFOLIO**

Report to Portfolio Holder

22<sup>nd</sup> July 2010



**Report of:** Assistant Director (Resources)

**Subject:** PROGRESS REPORT ON THE DELIVERY OF  
KEY EDUCATION PROJECTS

---

### **SUMMARY**

#### **1. PURPOSE OF REPORT**

To advise the Portfolio Holder of the progress made on the new Jesmond Gardens School and at the former Brierton School and Pupil Referral Unit (PRU) and Rossmere Primary School where the procurement route was via the in-house constructor and to consider procurement of future schemes.

#### **2. SUMMARY OF CONTENTS**

The report gives a detailed overview of the progress made on work at Brierton to facilitate the decant from Dyke House School and preparations for the remodelling at Rossmere School. The report also considers procurement options for improvement works at Eldon Grove School and provides an update on the new Jesmond Gardens Primary School

#### **3. RELEVANCE TO PORTFOLIO MEMBER**

Falls within the remit of the Portfolio Holder.

#### **4. TYPE OF DECISION**

Non Key Decision.

#### **5. DECISION MAKING ROUTE**

Finance and Procurement Portfolio

**6. DECISION(S) REQUIRED**

- That the Portfolio Holder notes the progress on projects at Brierton, Rossmere and Jesmond Gardens Schools.
- That Portfolio Holder approves one of the suggested procurement strategies for Eldon Grove School improvement works detailed in Section 5.

**Report of:** Assistant Director (Resources)

**Subject:** PROGRESS REPORT ON THE DELIVERY OF  
KEY EDUCATION PROJECTS

---

## **1. PURPOSE OF REPORT**

- 1.1 To advise the Portfolio Holder of the progress made on the new Jesmond Gardens School and at the former Brierton School and Pupil Referral Unit (PRU) and Rossmere Primary School where the procurement route was via the in-house constructor and to consider procurement of future schemes.

## **2. BACKGROUND**

### **2.1 Former Brierton School (Dyke House Decant facility)**

- 2.1.1 As a consequence of the proposals in the Building Schools for the Future (BSF) programme to extensively refurbish Dyke House School it was necessary to provide a temporary decant location fit to deliver it's curriculum for a period of up to two years.
- 2.1.2 A feasibility study looking at adapting the former Brierton School to bring it up to an acceptable standard as a temporary decant location was carried out by GWK Architect together with cost estimates. Three options were investigated as part of this exercise.
- 2.1.3 The option that is being delivered includes the refurbishment of the former Brierton school block to minimum standard together with a partial regeneration and refurbishment of the former PRU building for two year groups, sharing kitchen facilities with the main block.
- 2.1.4 In accordance with the BSF programme, Dyke House School will be required to vacate the current site in July of 2010 (subject to Government approvals).

### **2.2 Rossmere Primary School**

- 2.2.1 Rossmere Primary school will be the second school to receive Primary Capital Programme (PCP) funding. The brief is to carry out Phase 1 of a refurbishment master plan to bring up to current standards as part of the Council's transformation programme with an initial budget of £1.4 million pounds.



### 3. CONSIDERATION

- 3.1 The schemes discussed are all part of Hartlepool Borough Council's schools transformation programme but unlike the BSF programme where there are prescriptive procurement rules, those governing the primary capital schemes at Rossmere Primary and Brierton which is a temporary decant building for Dyke House School are less prescriptive and gave the Council the opportunity to select the best procurement route for each scheme.
- 3.2 As part of the Dyke House decant scheme construction work was required at Brierton School and the Pupil Referral Unit (PRU) sites. However to facilitate the construction works within the existing PRU building staff and pupils needed to be accommodated in another building. The Educational Department Centre (EDC) at Golden Flatts was identified as the logical site.
- 3.3 A decant date had been agreed with the PRU and took place in the October half term 2009.
- 3.4 It was therefore essential that the required construction works at the EDC were completed in advance of this date to enable the decant to proceed with minimum disruption to the operation of the PRU.
- 3.5 The in-house construction team (FM team) had initially been selected to carry out the construction work at the EDC however after detailed discussions with them in respect of their commitments, which included the completion of the Civic Centre scheme, the Dyke House Decant scheme, Warren Road ATC scheme and the schools capital works programme together with the tight timescale required to complete the scheme it was agreed to allocate this work to another contractor. This would enable them to complete all of their current workload on programme and to a high standard
- 3.6 The Building Consultancy sought and received Portfolio Holder approval to procure these works through the LEA partnership framework. This accelerated the procurement process and assisted the Council in achieving the construction deadlines required to ensure that the EDC works were complete for the PRU Decant.
- 3.7 The Building Consultancy also procured adaptation works within the Municipal Building to allow Adult Education to move from the EDC to free up additional space. These works were carried out by the in-house FM team
- 3.8 These were both part of a jigsaw of projects that will ultimately allow completion of the Dyke House Decant by June 2010 in readiness for the first phase of BSF to proceed on programme.

## **4. PROCUREMENT.**

### **4.1 Brierton School**

- 4.1.1 The decision by the Portfolio Holder, in conjunction with the Portfolio Holder for Children's Services, to use the in-house FM team, project managed by the Building Consultancy (BC) has been justified in terms of the delivery of the project. The in-house FM team supplemented by specialist sub contractors have completed the project within the agreed timescales and costs. The close working relationship between both sections in partnership with the school has delivered a scheme that meets the school curricula requirements to the required standard.
- 4.1.2 This scheme has gone very well on site and the relationship with Dyke House School has improved as a result.
- 4.1.3 The teams responsiveness to change during the site works stage of the contract has been excellent. There are, when working in existing buildings always unforeseen / unexpected problems together with specification and design changes. These have all been met with a positive attitude by the team and were not allowed to jeopardise the programme. The solutions have always been found that do not have a direct effect on the scheme or scheme delivery. This has been a strong team effort however there have been two officers whose day to day contribution cannot be overstated. These officers are Darron Pearson (BC) and Tommy Storer (FM).
- 4.1.4 The prioritisation of the workloads and not to "overstretch" has contributed greatly to the success of the scheme delivery.
- 4.1.5 This also shows that the decision not to try and carryout all of the work available but to do what was achievable with the resources available has paid dividends.
- 4.1.6 The BC and FM teams now work in a more integrated way and workload is monitored and matched at any given time to available resources. In the past resources have been overstretched often causing delays and reduction in quality. By being more pragmatic in planning and allocating work the success and profile of both sections will be raised and more clients will be satisfied with the product supplied.
- 4.1.7 The Brierton project will be brought in within the agreed adjusted budget and it should be noted that the Building Consultancy carried out the detailed design, post contract works and project management functions duties on this scheme without receiving a fee which would have been in the region of £130k. This has been achieved by efficient working and increased external income. This

was possible because of the flexibility of having an internal consultancy. The external consultants GWK were paid their full fee for the feasibility work they carried out..

#### **4.2 Rossmere Primary School.**

- 4.2.1 The procurement strategy to utilise the in-house FM Team for Rossmere Primary School is the same as that recommended for the former Brierton School and PRU site.
- 4.2.2 There is however an additional element to this scheme in that the school will still be occupied during construction. The in-house team is experienced in working in occupied buildings and working with clients to minimise disruption.
- 4.2.3 The emphasis of the design has changed a number of times in recent months to meet the priorities of education transformation it is only very recently that a design has been agreed upon. This scheme will be the first phase of proposed improvements and will concentrate on areas for nursery and Key Stage 1 provision. This project is therefore somewhat behind the original programme and at present above the budget available for the first phase. A Value Engineering process is under way to match the construction figure with the available budget with the in-house FM Team having an active part in this process.
- 4.2.4 The planning submission was made in May 2010. The anticipated start on site in July 2010 fits with the completion of Brierton in June 2010 and at present gives the in-house team continuity of work through to completion which is expected prior to the Easter Holidays (April) 2011.

#### **4.3 Jesmond Gardens Primary School**

- 4.3.1 Surgo were appointed as preferred bidder and have worked closely with the design team in the value engineering process. The design team working with the school are continuously looking at further areas of savings to bring the scheme within the budget allocated. The realisation of these savings together with target savings within other budget areas should bring the scheme within the £7m budget.
- 4.3.2 Planning approval was granted 19<sup>th</sup> May 2010. There were however several matters to discharge before start on site could be achieved. Resolution of these was achieved by 17<sup>th</sup> June 2010.
- 4.3.3 Surgo commenced on site on 17<sup>th</sup> June 2010 with the official ground breaking ceremony being held on 23<sup>rd</sup> June 2010. Practical

Completion and handover to School is programmed for 1<sup>st</sup> June 2011.

- 4.3.5 A school decant and fit-out is planned to start (provisional dates) 1<sup>st</sup> June 2011 with completion achieved by 27<sup>th</sup> June 2011. The school will occupy the building from 27<sup>th</sup> June 2011.
- 4.3.6 Staff will use this period to familiarise themselves with the new building and enable the school to be fully operational for the new September Term 2011.
- 4.3.7 The future of the existing Jesmond Road School once vacated is currently under consideration.

## 5. FUTURE SCHEMES

- 5.1 Although the in-house FM Team will be starting on the Rossmere scheme in July there is a programme of other corporate and education works in place to provide a full workload..
- 5.2 One of the major schemes is the HCIL (Hartlepool Centre for Independent Living) within the Havelock Day Centre that has a value of £500k. This scheme has already been allocated to the in-house team and is due to start shortly with some work being complete in time for the Tall Ships.
- 5.3 There is a further £3m of work within the Schools condition and modernisation programme for 2010/11 which will require a significant input of resource , including project management to deliver success to key school clients.
- 5.4 A further scheme that is being considered is at Eldon Grove Primary School. This is a £500k three classroom , link corridor extension with some internal adaptations as part of the Council's transformation agenda. Funding was secured at the Schools Forum Capital Sub Group and reported to the Children's Services Portfolio Holder. This scheme is currently at sketch plan stage. Initial meetings have been held with the school and Members of the Schools Transformation and Building Consultancy teams to develop the concept into a detailed design.
- 5.5 The anticipated start on site is 1<sup>st</sup> October 2010 with completion expected by 1<sup>st</sup> April 2011.
- 5.6 The concept scheme is currently undergoing a Value Engineering process by the Building Consultancy to match the construction figure to the available budget. The Headteacher and the schools transformation team are taking an active part.

- 5.7 The existing school boilers and associated equipment are to be upgraded/replaced during the school summer holiday period. This project has a value of £90,000 and is to be undertaken by Gus Robinson Development Ltd under the Construction Partnership Scheme.

All of the partnership schemes were offered to the in-house team first; however this was one of the schemes they declined because of resource issues. The remainder of the schemes were then offered to the other partners and Gus Robinson was the chosen constructor.

- 5.8 This mechanical and electrical scheme will include enabling works in respect of the pipework distribution installation to serve the new extension(s) as a method of minimising the disruption to the school when the main construction works start later in the year.
- 5.9 In respect of the procurement of the main construction scheme there are a number of options. The first option considered was for the works to be carried out by the in-house FM team. This satisfies a number of criteria including timescale.
- 5.10 The in-house team were initially offered the opportunity to carry out the construction work for the new classrooms at Eldon Grove, however, after detailed discussions with them in respect of their commitments, available resources and the tight timescale required to complete the suggested scheme it was agreed an alternative procurement route needed to be considered. After discussion with the Portfolio Holder this has been reviewed.
- 5.11 This scheme was considered in great detail however the current resources available to the team are not sufficient to move forward with this option. Prior to the start on site at Brierton School a recruitment drive was carried out.
- 5.12 An example of resource difficulties was experience at the Brierton project where prior to the start on site a recruitment drive was carried out. The authority received around one hundred applications across all trades. Of these only around seven operatives were appointed and two of these have now been released because their work was not to an acceptable standard.
- 5.13 This exercise highlights the problem experience by the FM team when trying to resource projects. The availability of appropriately qualified and experience operatives even with the current high levels of unemployment in Hartlepool are not available. The team therefore needed to sub-contract some of the works to local contractors to meet the programme. The time required to repeat this exercise is not available and we would expect the result to be the same.
- 5.14 There are a number of options available and these are discussed in the following clauses:

### 5.15 In-House Option

- 5.15.1 The only option available to us if the in-house team is to carry out this scheme is to use operatives available (if any) within the organisation and use sub-contractors for the majority of the works to supplement this. Specialist sub-contractors would be needed similar to other projects.
- 5.11.2 The major risk to delivery is capacity for site management and the FM team does not have a adequate resources to carry out this function due to the extent of the existing commitments.

### 5.16 Single Stage Tender (First past the post)

- 5.16.1 The single stage tender route would use contractors from our select list. The select list is however being fully updated as is required every five years. This is nearing completion however a report needs be taken to Contract Scrutiny Committee for it to be approved.
- 5.16.2 If this option is pursued, we would require for the purposes of this scheme, approval of the following suggested list of contractors to progress this scheme in accordance with the required programme. All of the contractors have been through our selection process and will appear in the new select list:

Gus Robinson Developments, Hartlepool  
 RI Construction, Middlesbrough  
 D.H. Potter, Hartlepool  
 Dunelm Property Services, Durham  
 Morgan Ashurst PLC, Durham  
 Surgo, Newcastle

**Reserves:**

ROK Building Ltd, Stockton  
 Turney Wylde Construction Ltd, Wallsend

- 5.16.3 This method of procurement may have an effect on the overall contract delivery programme as this route is front loaded in terms of the production of construction information specification and other contract documentation together with the tender and evaluation process.
- 5.16.4 However this method of procurement does give us the opportunity to test the market rather than following the “partnering” route. An added advantage would be that this competitive arena may give some additional savings required to deliver this scheme on budget over and above other methods of

procurement. There are also a number of local companies that could be involved which could stimulate the local economy.

- 5.16.5 This procurement route is favoured by the Schools Transformation Team.

## 5.17 Partnership Route

- 5.17.1 The partnership route would see us using one of the strategic partners to complete the work (Dunelm Construction or Gus Robinson Developments). The Construction Partnership contract has already been competitively tendered to speed up the procurement process to meet the operational requirements of clients
- 5.17.2 An exception to the contract procedure rules would be needed as the contract only allows for work up to the value of £100k. We would therefore require Portfolio Holder approval to follow this route.
- 5.17.3 We could either opt for one of the contractors and negotiate a cost or carry out a mini competition.
- 5.13.3 The mini competition method of procurement may have an effect on the overall contract delivery programme as again this route is front loaded in terms of the production of construction information specification and other contract documentation together with the tender and evaluation process.
- 5.17.4 This method of procurement does give some of the competitive element that may realise the additional savings required to deliver this scheme on budget, but not to the extent that the tender route would give due to the greater competition involved.

## 6. RECOMMENDATIONS

- 6.1 That the Portfolio Holder notes the progress on projects at Brierton, Rossmere and Jesmond Gardens Schools.
- 6.2 That Portfolio Holder approves one of the suggested procurement strategies for Eldon Grove School improvement works detailed in Section

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## **FINANCE AND PROCUREMENT PORTFOLIO**

Report to Portfolio Holder

22<sup>nd</sup> July 2010



**Report of:** Assistant Director (Resources)

**Subject:** UPDATE ON CORPORATE PROCUREMENT  
ISSUES / ACTIVITIES

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### SUMMARY

**1. PURPOSE OF REPORT**

To update the Portfolio Holder on a number of ongoing activities and issues relating to corporate procurement across the Council.

**2. SUMMARY OF CONTENTS**

The report highlights progress on activities.

**3. RELEVANCE TO PORTFOLIO MEMBER**

Portfolio Holder is the Council's Procurement Champion.

**4. TYPE OF DECISION**

Non Key.

**5. DECISION MAKING ROUTE**

Portfolio Holder only

**6. DECISION(S) REQUIRED**

That the Portfolio Holder notes for information the issues and ongoing progress described in the report.



**Report of:** Assistant Director (Resources)

**Subject:** UPDATE ON CORPORATE PROCUREMENT  
ISSUES / ACTIVITIES

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## **1. PURPOSE OF REPORT**

- 1.1 To update the Portfolio Holder on a number of ongoing activities and issues relating to corporate procurement across the Council.

## **2. BACKGROUND**

- 2.1 The Corporate Procurement Function is involved in a wide variety of workstreams across the Council. This report has been compiled to appraise the Portfolio Holder of the more significant of these workstreams and the work which is ongoing in pursuit the various workstream objectives.

## **3. PROCUREMENT UPDATE**

### **3.1 UPDATE ON CATEGORY MANAGEMENT**

#### **HBC actions**

- 3.1.1 As defined in the Council's Commissioning and Procurement Strategy 2010-2011 the Council's number one procurement priority is the adoption of a Category Management approach in the planning of its procurement activities.
- 3.1.2 A number of actions were identified to achieve this objective and these, and progress to date, are detailed in the table below:

<b>Priority 1</b>	<b>Transition to Category Management</b>	<b>Progress to date</b>
Actions •	<ul style="list-style-type: none"> <li>Category Teams established</li> </ul>	The new Procurement and Category Managers (PCM's) are now in place and responsibility for Departments and Categories have now been allocated.
	<ul style="list-style-type: none"> <li>Department key stakeholders identified and actively</li> </ul>	PCM's are currently developing their category strategies and as part of this process they are contacting key

	involved with Category Teams.	stakeholders and developing an understanding of the Council's needs.
	<ul style="list-style-type: none"> <li>• Scope of each category defined – incorporating information from 5-year procurement plan (including SDO's)</li> </ul>	As part of the ongoing data processing / cleansing activities a clearer picture of what and how the Council procures is being developed. This is highlighting many areas of expenditure where a co-ordinated approach to procurement should yield benefits.
	<ul style="list-style-type: none"> <li>• Category strategies completed</li> </ul>	The strategies are not yet complete, however working models have been developed in several areas.

### Regional approach

- 3.1.3 The Council's move toward Category Management dovetails with a regional shift in this direction. The Regional Improvement and Efficiency Partnerships (RIEP) are operating several category management workstreams at present and details of these are provided below:

### Category Management pilot

- 3.1.4 As well as the Council looking across its own organisation to identify its spending patterns, the same approach is being taken by the RIEP through a pilot programme.
- 3.1.5 The following areas have been identified as offering opportunities for a regional collaborative approach and north eastern council's are in the process of compiling data to feed into the process:

- \* ICT Hardware
- \* Security
- \* Advertising and Print
- \* Consultancy
- \* Building Materials
- \* Heavy Plant and Equipment
- \* Adult Social Care - Residential and Nursing Homes
- \* Children and Young People - Adoption
- \* Children and Young People - Educational Supplies

Local Authorities have committed to provide data to support these pilots to the RIEP.

- 3.1.6 The timing of these pilots is good as it will enable the Council to incorporate any regional actions into its local category strategies.

### **Category Management training programme from the RIEP**

- 3.1.7 As well as those areas of the Council specialising in procurement, it is vital that an all-encompassing, organisation-wide approach to procurement like category management is understood and supported by all areas of the Council.  
In order to support this aspect of category management adoption, the RIEP are planning to deliver a number of training events for staff at management levels and in all areas of the Council.
- 3.1.8 A draft plan for these training events was presented to the RIEP's Tactical Action Group on 17<sup>th</sup> March. The draft report was shared with their capacity management board on the 26<sup>th</sup> March and a final version tabled at the last meeting on the 27<sup>th</sup> April.
- 3.1.9 Further comments on the training plan have been sought from the capacity management board and it is expected that the recommendations will be implemented over the forthcoming weeks following discussion at Collaboration North East.
- 3.1.10 It is expected these training events will provide:
- An awareness training on category management –the majority of affected managers outside of procurement have limited knowledge of the proposed future arrangements at present
  - An understanding of the relationship between commissioning and procurement (some services)
  - The ability to develop needs assessment and establish aggregation/ service specification/ future demands
  - Business and service planning skills, to involve procurement in needs assessment / demand projections
  - An understanding of business process re-engineering

As well as staff, there are plans to provide awareness training for elected members along with briefings on the potential of each of the categories; and once developed on the category sourcing strategies.

### **Sub-Regional approach**

- 3.1.11 In addition to supporting the work going on at a regional level, the Council is also an active participant in the Tees Valley Joint Procurement Group (TVJPG). This collaboration of the 5 Tees Valley Council's has also adopted a category management approach to its activities and is developing a collaborative procurement action plan which will complement the ongoing local and regional activities.

The plan is currently under development and will shortly be presented to the Tees Valley Strategic Resources Group (TVSRG) which is

made up of Directors of Finance and Resources from the Tees Valley authorities.

## PROCUREMENT SAVINGS

- 3.2.1 Establishing and securing savings has been listed in the Council's Commissioning and Procurement Strategy 2010-2011 as its second highest priority. As with the transition to Category Management priority, a number of actions were identified to achieve this objective and these, and progress to date, are detailed in the table below:

Priority 2	Establish and secure savings	Progress to date
Actions •	<ul style="list-style-type: none"> <li>Identify opportunities for savings.</li> </ul>	All of these actions are ongoing and will continue for this financial year, and beyond.
	<ul style="list-style-type: none"> <li>Record opportunities on savings record and maintain up to date information.</li> </ul>	Through the category management activities described above, a number of opportunities for savings have been identified and these have been recorded on the Corporate Procurement Unit's Savings Record.
	<ul style="list-style-type: none"> <li>Ensure savings are captured and where possible, budgets defunded</li> </ul>	The Savings Record tracks identified savings, defunded budgets and it is reviewed on a monthly basis by the Corporate Procurement Group (CPG).
	<ul style="list-style-type: none"> <li>Report ongoing savings progress to CPG</li> </ul>	

- 3.2.2 A summary of the Procurement transactions that could produce savings is included in Confidential **Appendix A This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3) information relating to the financial or business affairs of any particular person (including the authority holding that information**

## 3.3 REGIONAL PROCUREMENT

- 3..1.1 There has been a wide ranging consultation process undertaken with regard to the development of a regional procurement body and the RIEP has issued an update has been issued detailing the following:

### Leadership Review - activities to date:

The following timescales have been adhered to for consultation with the exception of the ANEC leaders meeting which was postponed owing to the proximity to the general election:

- Four sub regional Chief Executive representatives – **26 February**
- Tyne & Wear Chief Executives – **5 March**
- Collaborative Procurement Programme Board – **5 March**
- Collaboration NE – **10 March**
- Tees Valley Chief Executives – **17 March**
- Technical Advisory Group (TAG) - **17 March**
- NEPO Joint Committee Steering Group – **30 March**
- IESG – **30 March**
- NEPO Joint Committee – **14 April**
- Regional CEXs – **16 April**

3.3.3 Throughout the approval process further amendments / considerations were sought and following this, final approval was sought from:

- ANEC Leaders & Elected Mayors – **15 June - FINAL APPROVAL GRANTED**

3.3.4 Following approval on the 15<sup>th</sup> June it was agreed that local authorities would consider local organisational arrangements by the 1<sup>st</sup> October 2010.

In terms of Hartlepool Borough Council's considerations and approvals process, Cabinet have been asked by the RIEP / NEPO to approve on the proposals relating to this matter and it is anticipated that a decision will be made in September 2010.

#### **Leadership Review – forthcoming actions:**

3.3.5 Interim arrangements are to be determined to take this work forward, prior to a new Chief Officer being in post. A small sub group has been formed to take this forward, comprising Mike Barker and Andrea Tickner (Gateshead / NEPO) and Martin Ryan and Diane Nielsen (RIEP).

#### **Future Workplan**

3.3.6 Following agreement of the business plan at regional Chief Executives on the 16<sup>th</sup> April, the capacity management board has proposed a future workplan which will support the transition arrangements into the new structure. The areas to focus on have been proposed as follows:

- Implementation of the training plan
- Obtaining formal approval of the business plan
- A legal review of the constitution

- Agreement and development of transition plans
- Review of the KPI's for the new organisation
- Oversee systems requirements for the new organisation

### 3.4 CONTRACT PROCEDURE RULES REVIEW

#### Issues

- 3.4.1 A working party was assembled last year to look at the Council's existing Contract Procedure Rules (CPR's). The group has met on several occasions and there were a wide number of issues identified as being worthy of review.

It was agreed that some issues were quite complex and could require some significant consultation and work to introduce any change whereas some other issues were less complex and be relatively straightforward to implement.

In order to maintain momentum with this review it was agreed to tackle the 'easier' issues first and to work to get these through the appropriate scrutiny and approvals processes.

The issues identified are listed below, along with a brief explanation:

#### Tender thresholds

- 3.4.2 There has been work carried out on a regional basis to harmonise, as far as possible, the tender thresholds used by the various north-eastern council's. An analysis has been made on the impact of any changes and this will be included in a report for consideration by the necessary council bodies. By increasing tender thresholds a great opportunity for local companies to provide quotations will be achieved.

#### Collaborative procurement

- 3.4.3 The current CPR's refer to the use of existing collaborative contracts, however the reference relates specifically to contracts let by the North East Purchasing Organisation (NEPO). Procuring collaboratively is becoming a significant issue and there is an increasing number of collaborative contracts available to the Council which provide good value for money but which are not accessible via NEPO. On this basis a change to the specific reference in the CPR's will enable us to make use of these arrangements without contravening the CPR's.

#### E-procurement

- 3.4.4 The push to increase our levels of e-procurement activity is complicated by the Council's current working practices in relation to the opening of tender documents. Whilst this is not an insurmountable

problem there will be a need to review how the Contract Scrutiny Committee (CSC) performs this aspect of its role.  
A report will be drawn up and presented to the CSC to advise them of the issues surrounding e-procurement and tender opening and to suggest possible alternatives.

### **Next steps**

- 3.4.5 Reports will be drawn up as indicated above and passed by the CPR working group for comment.

Following submission to the relevant parties, papers will be drawn up for submission to the Constitution Committee recommending the relevant changes to the CPRs'.

Following on from these changes work will continue in relation to other CPR related issues.

## **3.5 SUSTAINABLE PROCUREMENT STRATEGY**

- 3.5.1 Following on from the recent approval of the Council's Sustainable Procurement Policy, work is currently underway on a Sustainable Procurement Strategy. This strategy will follow the 'flexible framework' structure described in the Local Government Sustainable Procurement Action Plan.

- 3.5.2 Development of this strategy will be co-ordinated with the development of the Council's Sustainable Construction Strategy with a view to submitting these jointly for approval, depending on the speed of progress of each workstream.

## **3.6 CORPORATE PROCUREMENT GROUP**

- 3.6.1 The newly constituted Corporate Procurement Group (CPG) has now met twice since its inception.

The group has been reduced in size and now has senior representation from each of the Council's three departments. Representation is sufficiently senior to allow decisions which affect departments to be made at CPG Meetings.

The membership of the group is:

Graham Frankland – Assistant Director (Resources) & Head of Procurement, Regeneration and Neighbourhoods Department  
Alan Dobby – Assistant Director (Support Services), Child and Adult Services Department  
Chris Little – Chief Finance Officer, Chief Executives Department  
David Hart – Strategic Procurement Manager, Regeneration and Neighbourhoods Department

To date decisions have focused on the reporting arrangements which will support the group.

It has been agreed that there will be a number of reports submitted at various timescales which will serve to advise the CPG on progress against planned activity.

#### **4. RECOMMENDATIONS**

- 4.1 That the Portfolio Holder notes for information the issues and ongoing progress described in the report.

#### **5. BACKGROUND PAPERS**

Appendix A – Current Savings Record

#### **6. CONTACT OFFICER**

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