

# AGENDA

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**Meeting:** CABINET CAPITAL ASSETS COMMITTEE  
**Place:** Council Chamber - Council Offices, Bradley Road, Trowbridge  
**Date:** Tuesday 26 July 2011  
**Time:** 1.30 pm or on the rising of Cabinet, whichever is later

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Please direct any enquiries on this Agenda to Chris Marsh, of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line (01225) 713058 or email [chris.marsh@wiltshire.gov.uk](mailto:chris.marsh@wiltshire.gov.uk)

Press enquiries to Communications on direct lines (01225)713114/713115.

This Agenda and all the documents referred to within it are available on the Council's website at [www.wiltshire.gov.uk](http://www.wiltshire.gov.uk)

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## Membership:

Cllr John Noeken	Cllr Toby Sturgis
Cllr Fleur de Rhe-Philippe	Cllr John Thomson
Cllr Jane Scott OBE (Chairman)	

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# AGENDA

## Part I

Items to be considered while the meeting is open to the public

1. **Apologies**

To receive any apologies for absence.

2. **Minutes of the previous meeting** *(Pages 1 - 4)*

To confirm and sign as a correct record the minutes of the Cabinet Capital Assets Committee meeting held on 14 June 2011.

3. **Chairman's Announcements**

4. **Declarations of interest**

To receive any declarations of personal or prejudicial interests or dispensations granted by the Standards Committee.

5. **Policy for the Transfer of Community Assets** *(Pages 5 - 12)*



To consider the attached report of the Head of Strategic Property Services, regarding proposals for a revised Community Asset Transfer Policy.

6. **Mechanical & Electrical Servicing Contracts** *(Pages 13 - 20)*

To consider the attached report of the Head of Strategic Property Services, regarding proposals to delegate to the Director, Resources, to award contracts for future mechanical and electrical servicing of Council buildings.

7. **Corsham Mansion House & Library** *(Pages 21 - 36)*

To consider the attached report of the Programme Director – Transformation, ICT and Information Management – regarding the proposed disposal of Corsham Mansion House and Corsham Library.

8. **Urgent items**

Any other items of business that the Chair agrees to consider as a matter of urgency.

**Part II**

Items during whose consideration it is recommended that the public should be excluded because of the likelihood that exempt information would be discussed

None

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## **CABINET CAPITAL ASSETS COMMITTEE**

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**MINUTES OF THE CABINET CAPITAL ASSETS COMMITTEE MEETING HELD ON 14 JUNE 2011 AT COMMITTEE ROOM A - COUNCIL OFFICES, MONKTON PARK, CHIPPENHAM.**

**Present:**

Cllr John Noeken, Cllr Fleur de Rhe-Philippe, Cllr Jane Scott OBE (Chair) and Cllr Toby Sturgis

**Also Present:**

Cllr John Brady, Cllr Lionel Grundy OBE, Cllr Alan Macrae and Cllr Jeff Osborn

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36. **Apologies**

There were no Apologies for Absence.

37. **Minutes of the previous meeting**

The minutes of the meeting held on 19 April 2011 were presented and it was,

**Resolved:**

**To approve and sign the minutes as a correct record.**

38. **Chairman's Announcements**

The Chairman announced an additional meeting of the Cabinet Capital Assets Committee to be held at 1.30 pm on Tuesday 26 July at City Hall, Malthouse Lane, Salisbury, in order to consider matters arising.

39. **Declarations of interest**

There were no Declarations of Interest.

40. **Capital Budget Monitoring 2010/11 Outturn Report**

The Chief Accountant, Resources, introduced the report and summarised the recommendations made.

Members' attention was drawn to the final position of the 2010/11 Capital Budget, including the final underspend and proposed changes to reprogramming of the Capital programme.

Following discussion regarding the points raised and recommendations made in the officer's report, it was,

**Resolved:**

- a. **To note the final outturn position of the 2010/11 Capital programme.**
- b. **Note the budget changes in section 1 and 2 of Appendix B of the report.**
- c. **Approve the reprogramming of schemes as detailed in Appendix A of the report.**

41. **Castledown Business Park, Ludgershall**

The Service Director, Economy & Enterprise, introduced the report and summarised the recommendations made.

Members' attention was drawn to the update received from the South West Regional Development Agency regarding ownership of the land set out in Phase 1 of the proposals, and it was confirmed that Wiltshire Council owns the leasehold to this site on a protected basis.

The Cabinet Member for Waste, Property, Environment and Development Control questioned the status of a Section 106 agreement on the development of the land and it was confirmed that this had been secured, in addition to Wiltshire Council retaining land use restrictions on the development of the site to uses B1, B2 and B8 of the Use Classes Order.

The Cabinet Member for Economic Development and Spatial Planning noted the advantageous nature of developing the site, noting the above Member's observation on the complex nature of the development agreement, in cementing good relations with the Ministry of Defence.

The Service Director, Economy & Enterprise advised Members that costs were to be recovered over 10-15 years with the development of the site, and that the proposals had been cleared by the Regional Development Agency and the Council's legal advisors.

The Leader raised a question in respect of the potential use of part of the site by Castledown Academy. It was confirmed that this remained a valid option subject to planning being achieved. The proposed purchase cost of the site was discussed in respect of the business case for acquiring the site, along with the previous comments, and it was,

**Resolved:**

**To acquire the 17.75 hectares (31.1 acres) of land at Castledown Business Park, Ludgershall, for a net sum of up to £180,000 on terms set out in the Council offer.**

42. **Urgent items**

There were no Urgent Items.

(Duration of meeting: 1.30 - 1.50 pm)

The Officer who has produced these minutes is Chris Marsh, of Democratic Services, direct line (01225) 713058, e-mail [chris.marsh@wiltshire.gov.uk](mailto:chris.marsh@wiltshire.gov.uk)

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## WILTSHIRE COUNCIL

### CABINET (CAPITAL ASSETS) COMMITTEE 26 July 2011

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**Subject:** Policy for the Transfer of Community Assets

**Cabinet Member:** Toby Sturgis – Waste, Property and Environment

**Key Decision:** Yes

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#### **Purpose**

1. To request that members confirm the Council's policy in respect of the Transfer of Community Assets.

#### **Background**

2. The Community Asset Transfer Policy was approved by Cabinet on 15<sup>th</sup> December 2009. It set out a framework whereby all properties declared surplus by the Council would be subject to consultation with Area Board members. There were three main strands:
  - Area Board Members should be pro-active in identifying priority community projects to ascertain whether the Council can assist delivery of that project through asset transfer;
  - There should be some tangible benefit to the community with the transfer being a specific catalyst to achieve a specific objective.
  - To make the process quick and easy, through the use of short-form templates and applying standard transfer documents as far as possible.
3. Cabinet resolved on 14<sup>th</sup> September 2010 to apply a further clarification to the process, by proposing a distinction between strategic and non-strategic property sales recognising the need to streamline the process to reflect the volume of sales expected through the Workplace Transformation Programme and the Corporate Plan. A strategic property is defined as having a value in excess of £250k, or if it has been identified to fund a strategic corporate project. A similar approach is taken where the property is being sold or transferred to a third party to deliver a corporate policy or statutory function.
4. The Cabinet Capital Assets Committee resolved on 10 January to request the Director of Resources to carry out a review of the Community Asset Transfer policy, and to report to a future Committee meeting with a proposed amended policy.

## **Main Considerations**

### **Policy Description**

5. The Council will promote and facilitate the transfer of assets currently in its ownership to community groups where the community value of such a transfer can be demonstrated to exceed the strategic value to the Council. The policy should sit alongside the equivalent policy regarding the delegation of services to Parish and Town Councils, but seeks to take a pragmatic approach to avoid unnecessary duplication between them.

### **Categorisation of Assets**

6. Applications for a Community Asset Transfer will be considered in three main categories.
  - Category 1 – Applications for an asset that is defined as “Strategic” in terms of its contribution to the Council’s aims.
  - Category 2 – Applications for an asset that is not defined as strategic, but where the asset has third party land interests, complicated legal title issues, or where the asset is a building. Applications in this category may include instances where the status of the community group requires further confirmation.
  - Category 3 – Applications for an asset that is not defined as strategic, where the transfer would be a straightforward exercise following satisfactory legal title verification, and the community group’s status is clear or requires no further investigation.
7. By categorisation in this way, the following process will be tailored to suit the level of complexity associated the application and the asset in question.

### **The application process**

8. It is proposed that further work be carried out between the relevant Area Board Manager, officers in Strategic Property Services, Legal Services and the Community Governance team to develop and update the guidance documents available to community groups, members, Area Board members and officers, to provide a clear and concise guide to the process and their roles within it.
9. It is proposed that three main stages exist for all community asset transfer requests:

- 1) Pre-application Stage
  - 2) Application Evaluation and Decision Stage
  - 3) Legal implementation Stage
10. At the end of each stage, a key gateway exists. Key aspects of each stage are outlined below:

#### *Pre-application Stage*

11. Advice is available from officers in Strategic Property Services in advance of an application being made, to assist enquiries from groups who may be looking for piece of land or a building to meet a specific need.
12. During this stage, it should be possible to identify which of the above categories an eventual application may sit within, and to enable the depth of supporting business case and application information to be tailored accordingly.
13. This stage of the process should culminate in the following being produced:
  - Completed Community Asset Transfer Application Forms
  - Applicants Business Case
  - Community Area Managers Report
14. At the pre-application stage, any links between an Asset Transfer within scope for this policy, and a Service Delegation should be identified. It should be established at between the parties and officers of the relevant Council Departments which is the predominant factor. The predominant factor should dictate which policy prevails, in order to avoid duplication in processes and unnecessary complexity to the application and approval processes.

#### *Application Evaluation and Decision Stage*

15. On receipt of the application, Strategic Property Services will allocate it to the appropriate category. The governance and decision making process proposed is as follows:
16. For Category 1 applications – the application must first be considered by the Area Board to determine whether they support the application, and are satisfied by the credentials of the applicant and its business case. This should be based on the template report, and completed by the Area Board Manager.
17. If the Area Board recommends the approval of the application, they should submit the Community Area Manager's report to the Cabinet (Capital Assets) Committee for consideration as a strategic asset. The Committee will decide whether the application's community benefits outweigh the strategic importance of the asset either in terms of its continued ownership

by the Council or in terms of its importance to the Council's financial planning.

18. For Category 2 applications – the application will be considered by the Area Board on the basis of the Community Area Manager's Report. The Area Board has delegated authority to approve or reject the application, noting any complexities associated with the transfer process. A suitable outline timescale for the transfer should be identified, and the applicant should be able to confirm that they have the support available to progress the transfer process and respond to complex title issues within reasonable timescales.
19. Area Board Members in consultation with officers may need to consider:
  - (i) Any Legal matters relating to the property/terms of transfer.
  - (ii) Any financial costs/benefits/issues arising from the proposal.
  - (iii) Experience/capacity/capability of the Council/organisation involved.
  - (iv) Detailed risk assessment of the proposal.
  - (v) Details of the transfer agreement.
20. For Category 3 applications – the application will be considered by the relevant Area Board who will have delegated authority to approve or reject an application, on the basis of adequate checks by Strategic Property Services and Legal Services. Subject to the satisfactory input from the applicant, and reasonable timescales for responses from their legal advisors, such applications are expected to be completed within an eight week period from the point of approval of the application.
21. Where this period is likely to be exceeded for reasons that emerge through the process, the Council may consider the use of a licence to pass early possession of the asset to the applicant ahead of the formal transfer being completed. However, this approach should be reserved for exception cases, and priority focused on completing the land transfer within the timescale outlined in 20. above.
22. In all cases, the community proposal applicant would be required to submit a formal Business Case to support the proposal. This would enable officers to fully consider the implications to the Council of any asset transfer.
23. In straight forward cases, this could be done using a short form, the template for which could be prepared and managed by the Community Area Manager in conjunction with the applicant to speed up the process of assessing applications.

#### *Legal Implementation Stage*

24. This is the stage at which the legal transfer will be completed. During this stage, contact between Strategic Property Services, Legal Services and the applicant and their legal advisors will be ongoing. Even in straight-

forward Category 3 transfers, this process may involve numerous exchanges, and this should be expected. The timescales within which each party responds should be reasonable, but it should be noted that the Council will do all that is reasonable to expedite the transfer once a decision has been made.

25. The use of standard template documentation is intended to ensure consistency and fairness, but also to help speed up the process of transfer.
26. Where the property concerned is land, in order to be consistent then this should be transferred to the community group (including Parish or Town Councils) on the same terms as those which were passed across to Salisbury City Council.
27. Where the property concerned is a building, there may be more complex terms to be applied. This should be noted by all parties, and explained carefully to applicants to avoid expectations on the speed of transfer to be unduly raised.

### **Environmental and climate change considerations**

28. None.

### **Equalities Impact of the Proposal**

29. The Business Case submitted by community groups should identify how they intend to provide equality of access for their proposed use of the asset. This should be a core consideration in evaluating applications.

### **Risk Assessment**

30. Whilst there is a clear intention in favour of transfer of assets to provide local community services in appropriate cases, the Council has to consider its statutory and financial obligations as part of any such arrangements.
31. Members should note that this policy should not seek to pass across properties that become liabilities to community projects. There is a risk that a community proposal identifies a property that is not fit for purpose thereby undermining the sustainability of that project through an opportunistic transfer.
32. There may be risks resulting from some specific proposals but these will be dealt with as part of the individual assessment of each case.

### **Financial & Legal Implications**

33. Members will be aware that in some cases the asset will underpin the

Council's budget in terms of specific service reviews, including the Campus and Operational Delivery Programme. The loss of a significant capital receipt may be financially and legally unacceptable without being off-set by identified compensatory savings, irrespective of the merits of the community proposal. These implications will be assessed by the Cabinet Capital Assets Committee in evaluating Category 1 applications as determined in paragraph 16.

34. There may be other financial and legal issues connected with some specific proposals but these will be dealt with as part of the individual assessment of each case.
35. Since its introduction in December 2009 a high number of applications and pre-application requests have been received. This has thus far placed an unfunded revenue pressure on Strategic Property Services and Legal Services. The Council's Section 151 Officer has confirmed that the Council's internal staffing costs in Property and Legal Services associated with applications under this policy are able to be legitimately recovered from Capital Receipts. This will enable resource to be dedicated to the operation of this policy and would enable applications to be dealt with more pro-actively than has been possible until now.
36. Members are asked to note that since its introduction a backlog of requests has built up. This backlog will take some time to clear, but the above described policy and process will enable applications to be dealt with more swiftly in future.

### **Conclusions**

37. This paper proposes a number of amendments to the Community Asset Transfer policy that are intended to improve the speed and clarity with which applications are dealt.
38. The implications of implementing the changes are considered to be minimal on applicants to the process, but will assist officers in progressing straight forward applications with a minimum of delay.
39. Further guidance will be developed to ensure that all parties involved in transfers are clear of the policy, its implementation and the roles and responsibilities of those involved.

### **Proposal**

40. That the Cabinet (Capital Assets) Committee approves the above approach to the transfer of community assets.
41. That Cabinet (Capital Assets) Committee approves the following delegations of authority under this policy:

- a) Decisions related to Category 2 applications under the policy are delegated to Area Boards;
- b) Decisions related to Category 3 applications under the policy are delegated to the Director Of Transformation & Resources following consultation with the Cabinet Member, Property and Development Control;

42. That a plan for communication of this decision be developed in conjunction with Democratic Services, Area Board Team and Communications, together with the development of an improved guidance document to support all parties involved in the process.

### **Reason for Proposal**

43. To ensure that the Community Asset Transfer policy continues to be deliverable and that the policy remains relevant to the Council's objectives in line with the Business Plan, and evolving work related to building resilient communities.

**Dr Carlton Brand**  
**Director of Transformation & Resources**

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Report Author:  
Neil Ward  
Head of Strategic Property Services  
Tel. 01225 713298

Date of report:  
4<sup>th</sup> July 2011

### **Background Papers**

The following unpublished documents have been relied on in the preparation of this report:

None

### **Appendices**

None

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**Wiltshire Council**

**Cabinet (Capital Assets) Committee**  
**26 July 2011**

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**Subject: Award of Mechanical and Electrical (M&E) Servicing Contracts**

**Cabinet Member: Councillor John Noeken – Resources**

**Key Decision: No**

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## **Executive Summary**

As part of the Council's Procurement and Commissioning Programme, Strategic Property Services are in the process of rationalising its existing contractual arrangements for the management and maintenance of its buildings. Cabinet approved the award of a Building Term Maintenance Contract on 24<sup>th</sup> May 2011, and work has subsequently been focussed on progressing the procurement of Mechanical and Electrical Servicing Contracts for commencement in October 2011.

Regular servicing and planned preventative maintenance of Mechanical and Electrical (M&E) installations within Wiltshire's non-residential property stock is currently undertaken by a large number of contractors. Each of these contracts has its own individual service specification and contract terms, inherited from legacy arrangements that were in place prior to the creation the Unitary Authority.

Procurement of new M&E Servicing contracts is being conducted under the overarching governance of the Procurement and Commissioning Programme. An Opportunity Assessment has been completed ensuring that lessons are learned from previous contracts, and that opportunities are identified, captured and implemented to maximise the savings available through the current procurement process.

A contract strategy has been devised and is being implemented to reduce considerably the total number of separate servicing contracts and to achieve efficiencies and economies of scale. It is expected that approximately 60 separate existing contracts will be replaced by fewer than 7 contracts. The contracts are being procured under the OJEU Restricted Procedure comprising a Prequalification stage followed by a Tender stage.

The initial Prequalification stage has been successfully completed and tenders have been invited from shortlisted applicants. Tenders are due to be returned on 27<sup>th</sup> July 2011 and will be evaluated in August and early September with a view to putting new contracts in place for October 2011.

It is anticipated that the new M&E Servicing contracts will deliver cashable savings in terms of reduced contract rates for undertaking specified servicing work and will be more efficient to administer than the former contracts, facilitating administrative efficiencies across the Business Services team.

It has been estimated that saving of up to 10% of contract values will be achieved through economies of scale by letting the M&E Servicing Contracts as a small number of bundled packages of services. On a baseline revenue spend of £1.25 million, saving of the order of £125,000 per annum are anticipated, which equates to £10,400 per month. These savings will be captured by the Procurement and Commissioning Programme, and a benefit tracking process will be put in place to confirm that savings achieved match those expected.

This current exercise captures the majority of the Councils revenue spend on servicing of M&E plant and equipment, but a further exercise will follow on smaller packages of services, where the nature of the work is more piecemeal, and the savings and other benefits are expected to be of a smaller scale.

### **Proposal**

That the Corporate Director, Resources be given delegated authority to award M&E Servicing Contracts following the satisfactory conclusion of the formal tendering process that is currently underway.

### **Reason for Proposal**

To put in place means to maintain Mechanical and Electrical installations within the Council's premises following the expiry of the existing M&E Servicing contracts.

### **Carlton Brand**

Corporate Director – Department of Transformation and Resources

**Subject:** Award of Mechanical and Electrical (M&E) Servicing Contracts

**Cabinet Member:** Councillor John Noeken – Resources

**Key Decision:** No

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### **Purpose of Report**

1. To seek delegated authority for the Corporate Director Resources to award M&E Servicing contracts on satisfactory completion of the formal two-stage tendering process.

### **Background**

2. The Council is responsible for maintaining over 900 non-residential premises throughout the County comprising school buildings, school caretakers' accommodation, administration buildings, registry offices, highway depots, libraries, social services buildings, youth and community centres, leisure centres, other public buildings and publicly owned sites. These buildings need to be maintained and serviced to enable the Council to meet its statutory duties and to ensure Council services can continue to be delivered.
3. Building Term Maintenance Contracts have already been put in place commencing 1<sup>st</sup> July 2011 to provide reactive maintenance and repairs to building fabric and to deliver planned building maintenance and refurbishment works.
4. There is a requirement to appoint Mechanical and Electrical (M&E) Servicing Contractors to undertake regular servicing and planned preventative maintenance of Mechanical and Electrical (M&E) installations within these buildings. The scope of requirements is:
  - Servicing: To service and maintain Mechanical and Electrical (M&E) equipment in the Council's property stock throughout Wiltshire
  - Repairs: To provide a call out service to attend to breakdowns of equipment and to undertake repairs.
5. M&E Servicing is currently carried out by a large number of contractors, each with individual service specifications and contract terms resulting from legacy arrangements prior to the creation the Unitary Authority. Annual expenditure on these essential servicing and maintenance contracts (including reactive repairs to M&E equipment) is approximately £1.25M per annum.

## **Main considerations for the Council**

### Procurement Strategy

6. The M&E Servicing Procurement Strategy has been devised to meet the needs of the major restructuring of Wiltshire's property portfolio that is taking place under the Campus and Operational Delivery (CAOD) Programme and to deliver the following benefits:
  - To reduce unit costs of M&E servicing contract activities and deliver cashable savings;
  - To reduce the contract administration burden on Property Services' personnel and thereby enable a smaller number of Wiltshire staff to manage M&E servicing of the property portfolio than was previously the case;
  - To provide all necessary evidence of statutory compliance and quality assurance through improved availability of servicing data, reports and test certificates;
  - To maximise market response through appropriate bundling of services in contract packages, to attract national players and local firms to tender;
  - To use current competitive market conditions to Wiltshire's advantage;
  - To manage commercial risk by balancing cost and quality considerations to ensure that critical M&E servicing is carried out to standards that achieve optimum safety, reliability and asset life, all at a fair price.
7. The requirements have been compiled in 7 lots, as follows (approx annual values for servicing element in brackets):
  - Lot 1 (£200k pa) Comprehensive servicing Large Buildings North
  - Lot 2 (£100k pa) Comprehensive servicing Large Buildings South
  - Lot 3 (£75k pa) Heating Ventilating and Air Conditioning (HVAC) Other Buildings North
  - Lot 4 (£75k) HVAC Other Buildings South
  - Lot 5 (£150k pa) Electrical Testing County-wide
  - Lot 6 (£150k pa) Fire and Security County-wide
  - Lot 7 (£100k pa) Legionella County-wide
8. The lot structure was devised to ensure:
  - The widest possible interest in tendering opportunities, attracting national players and local firms;
  - Flexibility to seek multi-lot discounts for certain groupings of lots (Lots 1-4);
  - Providing realistic tender opportunities for smaller, local firms who could bid particularly competitively for specialist services Lots 5-7 alongside the nationals.
9. The lot structure that is being implemented represents a major step change from the multiplicity of small contracts that are currently in place. It provides a robust mechanism for securing savings and benefits without necessarily taking the

ultimate step of putting all servicing requirement in the hands of a single service provider.

10. This progressive approach enables Strategic Property Services personnel to gain experience of working with major providers with a robust delivery model during a crucial period of transformation in the property estate. Experience gained in the operation of these contracts will then enable a future procurement programme to build on the foundations and successes of the current programme, and may see further rationalisation of the supply chain.
11. The initial contract terms will be for periods of 3.5 years from October 2011. Contract period extensions of a maximum of 2 further years may be granted by the Authority, subject to satisfactory performance by the contractors.
12. The contracts are being procured under the OJEU Restricted Procedure comprising a Prequalification stage followed by a Tender stage. Suitably qualified Contractors may apply for one or several lots, and are encouraged to offer discounts if awarded two lots or four lots associated with comprehensive servicing of installations in Large Buildings and / or HVAC servicing in other buildings.
13. The tender evaluation methodology has been developed to ensure that combinations of quality, price and lot discounts can be objectively compared and evaluated to enable Wiltshire to accept the most economically advantageous proposition(s).
14. Price will be evaluated by reference to a quantified schedule of rates, reflecting anticipated servicing activities in the first year of the contract.
15. Quality and price are weighted 50:50 in the tender evaluation to reflect the critical importance of quality of service in ensuring that Wiltshire Council fulfils its statutory obligations with respect to servicing of safety-critical items (gas soundness, electrical safety testing etc) and that high value assets are optimally maintained to extend their useful working lives. Current competitive market pressures and the discount structure will ensure that tender prices deliver value for money.

#### Progress to date

16. Progress of the implementation of the Procurement Strategy is reported regularly to the Procurement and Commissioning Board. The Prequalification Stage has now been completed and suitably qualified applicants have been invited to tender. Tenders are due to be returned on 27<sup>th</sup> July 2011.
17. A Contract Notice for the Service Contracts under the heading *UK-Trowbridge: repair and maintenance services of electrical and mechanical building installations* was published in the Official Journal of the European Union (OJEU) ref 2011/S 46-075812 on 8th March 2011 under the Restricted Procedure inviting Expressions of Interest from suitably experienced Contractors.
18. The Contract Notice gave details of the 7 lots and stated that the number of operators who will be invited to tender or to participate would be 5 for each lot. The tender award criteria would be the most economically advantageous tender.

19. A total of 103 firms requested copies of the Information Memorandum and Prequalification Questionnaire (PQQ). Forty three separate firms submitted their responses to the Prequalification Questionnaire by the deadline of 13:00 on 15<sup>th</sup> April 2011. Some applicants submitted applications for one lot only, others for multiple lots.
20. The procurement timescale is to have new contracts in place for October 2011.

### **Environmental and climate change considerations**

21. Contractors will be required to comply with regulations on Site Waste Management, and Environmental Performance, which commits them to recycling waste, minimising risk of environmental incidents such as oil tanks spillages and the like.
22. Regular and expert servicing of mechanical and electrical equipment will ensure optimum energy efficiency of units and thereby keep CO<sub>2</sub> emissions in check.

### **Equalities Impact of the Proposal**

23. One of the criteria for short listing was that applicants were required to hold and implement an Equal Opportunities Policy.

### **Risk Assessment**

24. The key risks associated with the contract award are listed below:
  - a. Challenge from unsuccessful bidders – this is a risk in all procurement projects. The risk is being mitigated by close adherence to Public Contracts Regulations throughout the procurement process.
  - b. Financial security of contractors – the current market place is considered to be extremely tough, and there is a risk that contractors may come under continuing pressure over the term of this contract. The contract management team will be vigilant in monitoring performance of the contractors. In the event of a company failure, individual lots could be re-tendered relatively quickly now that new contract documentation has been prepared.
  - c. Claims-based approach from contractors – with a greater level of pressure expected in the market over coming years, it is to be expected that contractors will take a stronger line in testing the boundaries of contracts. Specifications and pricing documents have been prepared to provide the contract management team with a set of robust tools for managing the contracts and the contractors, including fixed price schedules for undertaking defined categories of servicing work.

- d. Delay in contract commencement due to TUPE issues – at this stage, it is not clear what the TUPE implications between new and old contractor would be. Complexities in this process could delay the award of some lots of the contract. This will be kept under review with tendering contractors.

## **Financial Implications**

25. The tender pricing schedules provide fixed prices for undertaking carefully specified servicing activities. Multiple lot discounts provide mechanisms for capturing benefits for the Council that will result from contractors' economies of scale.
26. An Opportunity Assessment has been undertaken within the governance of the Procurement and Commissioning Programme to review the appropriateness and adequacy of the procurement strategy and its targeted benefits.
27. The initial scope of work is defined by reference to the quantified servicing requirements of the current property stock. Quantities applied to the priced scheduled of rates will be reassessed as the contract progresses to reflect actual servicing requirements, year on year, in line with changes in property stock resulting from implementation of the CAOD Programme. Rationalisation of property stock, and thereby rationalisation of M&E Servicing requirements, should therefore lead to reductions in annual servicing costs over the lives of the contracts, which are captured within the savings projected by the CAOD programme.
28. A full evaluation of anticipated savings will be undertaken when tenders have been received and fully evaluated. The overall savings are expected to be in line with Strategic Property Services' overall projections for procurement programme savings. In addition, the rationalisation of contract management arrangements has been a factor in facilitating the headcount reduction that has taken place this year in Strategic Property Services, in anticipation of the new streamlined contract arrangements. Further benefits presented across the Business Services Team through handling fewer transactions, are being captured through the relevant workstream within the Procurement and Commissioning Programme.
29. It has been estimated that saving of approximately 10% of contract values will be achieved through economies of scale by letting the M&E Servicing Contracts as a small number of bundled packages of services. On a baseline revenue spend of £1.25 million, saving of the order of £125,000 per annum are anticipated, which equates to £10,400 per month. These savings will be captured by the Procurement and Commissioning Programme, and a benefit tracking process will be put in place to confirm that savings achieved match those expected.

## **Legal Implications**

30. Legal Implications are included within the main body of the report.

## **Conclusion**

31. It is recommended that the Director of Resources be delegated authority to award the M&E Servicing Contracts following satisfactory conclusion of the formal tendering process that is currently underway.

Carlton Brand  
Corporate Director – Transformation and Resources

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Report Author:  
Neil Ward, Head of Strategic Property Service

Background Papers:

The following unpublished documents have been relied on in the preparation of this Report: None

Appendices None



**WILTSHIRE COUNCIL**

**CABINET CAPITAL ASSETS COMMITTEE**

**26 JULY 2011**

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**Subject: CORSHAM MANSION HOUSE AND LIBRARY**

**Cabinet member: STUART WHEELER**

**Key Decision: No**

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## **Executive Summary**

The Council is proposing to construct an Operational Campus in Corsham, following which the Mansion House and Library will become surplus to requirements.

A local company, Hadston, wishes to acquire the property for community purposes and is prepared to pay open market value reflecting alternative commercial uses.

Members are invited to consider whether the community benefits proposed warrant an 'off-market' sale

## **Proposal(s)**

To sell the Mansion House and Library at Pickwick Road Corsham to Hadston, or its nominated charitable trust, for community purposes at a price that reflects open market value for alternative uses, subject to officers being satisfied that the proposals are fully funded.

## **Reason for Proposal**

To provide community benefits whilst ensuring that the Council receives market value for the property.

## **Mark Stone**

**Programme Director – Transformation, ICT and Information Management**

## **WILTSHIRE COUNCIL**

### **CABINET CAPITAL ASSETS COMMITTEE**

**26 JULY 2011**

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**Subject: CORSHAM MANSION HOUSE AND LIBRARY**

**Cabinet member: STUART WHEELER**

**Key Decision: No**

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#### **Purpose of Report**

1. To seek authority for the sale of the Mansion House Youth Centre and Library in Pickwick Road Corsham to Hadston or a charitable trust nominated by the company.

#### **Background**

2. At the 15 February 2011 Cabinet meeting, councillors approved a programme of work to deliver community campuses across the county. Corsham is in the first phase of the programme. The working proposal for the Corsham community campus proposes the collocation of services and, including those currently provided at the youth centre and library.
3. Once the Corsham Community Campus is operational the Mansion House, which is currently used as a youth centre, together with the library building which is located in the grounds of the property will be surplus to requirements, and therefore sold on the open market.
4. The Mansion House is a Listed building and is considered to be suitable for conversion to residential or as an hotel. A site plan can be found in Appendix 1.
5. The Council has been approached by Hadston, the owners of Hartham Park in Corsham, who are interested in acquiring the property for community purposes.

#### **Main Considerations for the Council**

6. The proposal by Hadston is to retain both the Mansion House and the library buildings and use them for educational accommodation, a local information centre, community booking office, and a student led 'digital library which would enable community broadcasting using advanced information technology. Further details can be found in Appendix 2.
7. The company would set up a charitable trust to run the proposed facility.

8. Hadston is keen to undertake much needed repairs to the property in the Autumn, whilst ensuring that the Council can remain in occupation.
9. The structure of the transaction would be such that the Council would occupy the building rent free, with no obligation to put it in a better condition than currently exists. In practice the company would undertake repairs that it considers necessary to preserve the fabric of the building.
10. The price for the property is to be assessed but would reflect the market value of the alternative uses to which it could be otherwise command. This indexed payment would be received once the Council had vacated the property.
11. The company would be limited to using the property for community purposes for 10 years, and if it was to be used for any other purpose thereafter not reflected in the purchase price, then the Council would receive the full additional value. This 'overage' would fall away after 30 years.
12. Members are invited to consider whether the community benefits of Hadston's proposals warrant an 'off-market' sale at open market value.

#### **Environmental and climate change considerations**

13. No environmental or climate change considerations are considered to arise from the proposal.

#### **Equalities Impact of the Proposal**

14. There are no equalities issues arising out of the proposal.

#### **Risk Assessment**

15. There is a risk that Hadston, or the charitable trust does not have sufficient funds for the project. Officers will undertake financial checks of those organisations to ensure that the proposal is fully funded.
16. In the event that the Operational Campus is not provided, then the transaction will become null and void at no cost to the Council.

#### **Financial Implications**

17. The Council will receive a capital receipt at the earliest practical date after it has moved into the new facility, thereby giving certainty whilst removing the cost to maintenance and security to an empty building.
18. Maintenance costs will be reduced between completion of the Agreement and vacating the building.

## **Legal Implications**

19. As the Council will be paid the open market value for the property it is considered that the obligation to get the best price possible is satisfied.

## **Options Considered**

20. The Council could reject the request from Hadston to acquire the building.
21. The community benefits that the company is proposing are unlikely to be achieved, the Council would have a continuing maintenance liability for this Listed building, and the level of capital receipt on the future sale would be uncertain

## **Conclusions**

22. That the Council should dispose of the Mansion House and Library at Pickwick Road Corsham to Hadston or its nominated charitable trust.

## **Proposal**

**To sell the Mansion House and Library at Pickwick Road Corsham to Hadston, or its nominated charitable trust, for community purposes at a price that reflects open market value for alternative uses, subject to officers being satisfied that the proposals are fully funded.**

## **Reason for Proposal**

23. To provide community benefits whilst ensuring that the Council receives market value for the property.

## **Mark Stone**

## **Programme Director – Transformation, ICT and Information Management**

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Report Author:

Mark Hunnybun  
Strategic Projects and Development Manager

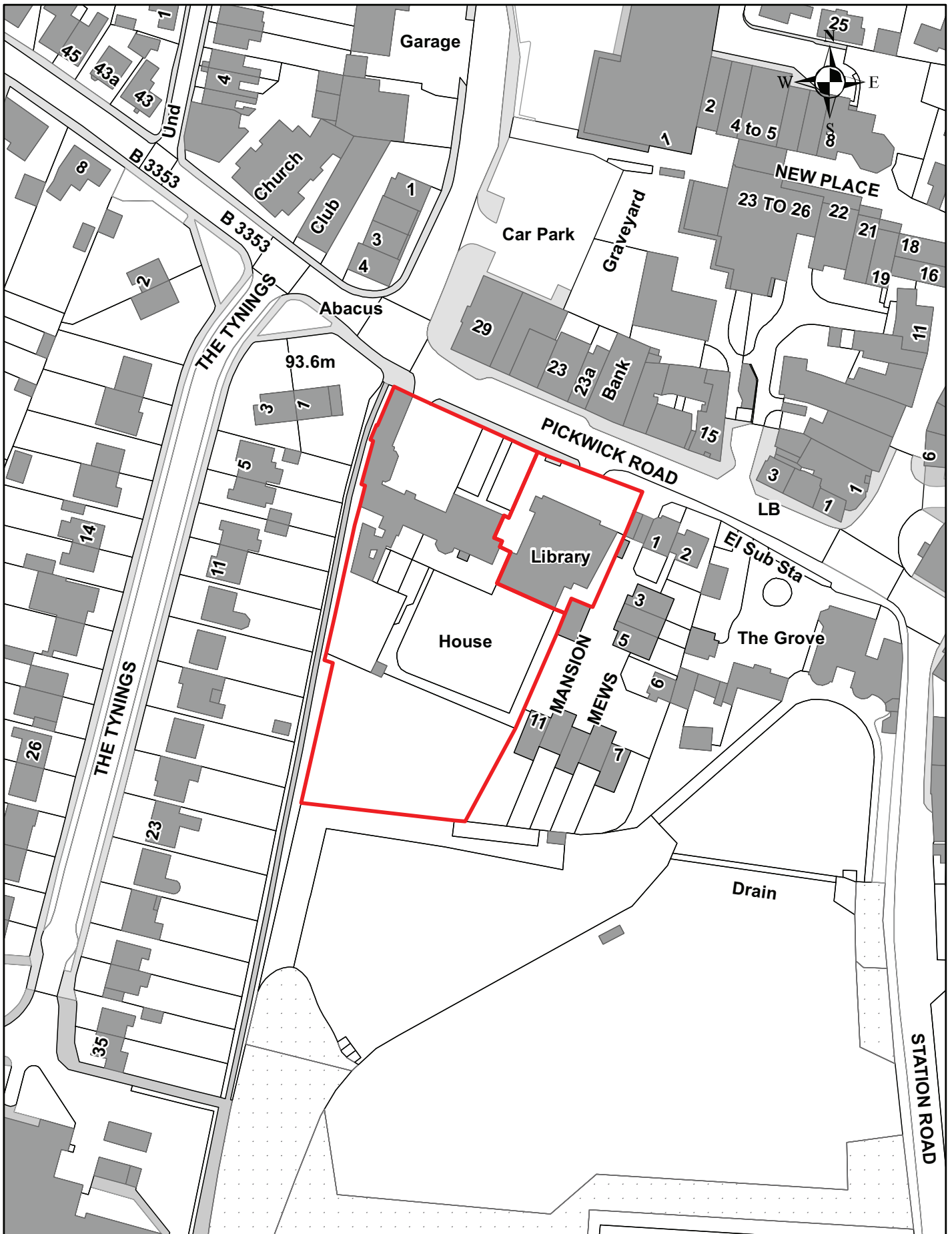
8<sup>th</sup> June 2011

## **Background Papers**

None

## **Appendices**

Appendix 1: Site plan  
Appendix 2: Community use proposals from Hadston



Title: **Corsham Library & Mansion House**

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**Wiltshire Council**  
Where everybody matters

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# Corsham Mansion House and Library

Report to Wiltshire Council CCAC Committee  
for the purchase and repurposing of a Community Asset

JULY 2011

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**HADSTON**

**Hartham Park**

**Hartham**

**Corsham SN13 0RP**

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**[www.hadston.com](http://www.hadston.com)**



## 1.0 Introduction

*“Hadston is a positive and influential company, focused on creating sustainable digital and social communities. We lead in technology, conservation and innovation with a vision to create a lasting legacy that improves people lives. We act with integrity and strive to be socially and environmentally responsible, whilst demonstrating healthy corporate citizenship.”*

Our team have been involved in creating sustainable communities for over a quarter of a century. We stake our involvement from conception to delivery, ensuring that we are involved in the key decision making process through to the delivery of the final development.

Our projects become smart, green and deliver quantifiable value for healthier cohesive communities. We always work towards excellence and a holistic alignment whether the community is social or economic and we operate alongside specialised partners who share a common vision.

Over the last 100 years we have seen the world transform itself from a light industrial society to a technological homeland with a superhighway of digital information. Hadston seeks to operate in the forefront of this transformation embracing the development of new and innovative solutions to modern life, whilst protecting and enhancing our heritage.

Hadston works in the following sectors ;

Residential, Commercial, Education, Arts and Entertainment, Community Services and Transport, Sustainable land use, Sports and Leisure, Hospitality and Government.

## 2.0 Our Team

The Hadston development team have been involved in community development projects for over 25 years including schemes ranging from small, community village projects, where we act as a catalyst to bring developments forward and enhance community facilities, to new village settlements like Chickerell in Dorset which included many new homes, a new woodland, shops, community facilities and communal spaces, lakes and a public house.

The smaller schemes typically consist of multi ownership or Local Authority Partnerships to bring property or land forward to disposal or joint venture schemes. Hadston is a builder of communities, not just real estate, whereby we stake our involvement from the conception stage through to the final delivery. This ensures a constant and continuous participation with both the public and private sectors in the key decision processes, adding better value for the end community.

Our specialist partners are all experts in their field and we have worked in many public sector partnerships on community enhancement schemes as part of regenerating redundant public buildings and land. With this experience we are familiar with the public sector process and governance and are used to working in a collaborative environment.

### **3.0 Corsham – A Modern Community**

Corsham is a thriving town within a community area that has seen a great deal of positive change in the last five years. With the more recent housing developments across the town, the population has increased by around 20% since 2005.

The Ministry of Defence, after many years of uncertainty, has committed to invest £650M in Corsham over the next 25 years, starting with the redevelopment of Basil Hill as the hub for all UK military communications globally. This has focused the activity of the defence establishment resulting in associated development contracts in excess of £10 Billion.

After 24 years, Bath Spa University has returned to Corsham Court, which provides the basis for a significant academic and learning dimension to the Town, concentrated on Post-graduate Arts and Humanities. Corsham can now claim to be the only University town in Wiltshire.

Wiltshire Council have chosen Corsham to pilot the development of Community Campuses across the whole of Wiltshire which will see a new Library, Youth and Community facilities as well as a refurbished Leisure Centre.

Corsham benefits from an ambitious Town Council and the commitment of a great many organisations and groups across the Community area committed to the Arts, Music, Sustainable Energy, the Environment, Transport and the Corsham community as a whole.

## 4.0 Corsham Mansion House and Library

Corsham Mansion house is situated in the heart of the town and consists of a Grade 2 listed Mansion House with associated buildings and a more recent library building on a separate but adjacent site. The Mansion House is an important historical site, in a prominent position at the western end of Corsham High Street.

The Mansion House has been used as a Youth and Community Centre and is now likely to become surplus as it will be superseded by the new Community Campus development in Corsham. It is likely that any commercial purchaser would look to develop the site into a residential scheme and therefore all community use of these sites would come to an end.

This is part of a strategic development program of 18 similar campus development sites across Wiltshire. This program looks to consolidate the council's operational community facilities into campus areas and dispose of surplus buildings in favor of potentially lower carbon and more efficient buildings.

The scheme will empower local people to directly influence the delivery and improvement of their community. It will also promote social inclusion, sustainable management frameworks and create a central platform for the voluntary and community sector in Wiltshire.

## 5.0 The Proposal

Our proposal is to ensure the same, open market capital receipt for the Council but retain these buildings in community use as part of a wider private and public community vision for Corsham. The proposal would utilise all of the existing buildings as one site and the use would be as follows:

- **Educational floor space utilised by Bath Spa University**
- **Supplemental educational space available for Corsham Schools**
- **Some student residential accommodation for short stay post graduate students**
- **A new location for the Corsham Local information centre**
- **A new community event booking and information point**
- **Hospitality facilities to facilitate interaction between community and users**
- **The creation of a new community/student led digital broadcast facility**
- **An electric vehicle charging point as part of a local transport initiative**

The other parts of the Mansion House site would contain community points of contact to enhance the new community campus and provide a link to the town centre for event ticketing and community information. This would collaborate with existing community bodies including, Pound Arts, Tourist Information, The Heritage Centre, The Civic Society and The Chamber of Commerce.

The current library building would receive a contemporary facelift and would become a new digital resource for Corsham called 'DIGITAL CORSHAM'. This will house a new community broadcast, programming and content facility whereby digital content could be made and broadcast via the internet. This would be student led and open for use by the town.

We have the ability to be agile both in the terms and timing of the purchase and to make the transition and migration to the new community campus as smooth as possible by way of a post sale, licenced occupancy for the council and current occupying community bodies at the Mansion House.

**In summary, we will commit to the following:**

- **Full market value reflecting an open market sale**
- **A license to occupy for the Council until the completion of the new Community Campus**

This exciting scheme will make Corsham an exemplar for the current worldwide digital transformation which is taking place. It embraces local artistic talent resident in the town, in the local schools and the University and puts Corsham at the forefront of the technological homeland, which is being formed as part of our modern society.

We hope that Wiltshire Council feel able to support the scheme as an alternative to a commercial development disposal whereby this historic and prominent community asset will be retained and enhanced into a modern and dynamic community facility, which will serve the town into the future.

**Statement of support from Bath Spa University.**

*“Bath Spa University is proud to be part of Corsham and supports the proposed scheme to repurpose the Mansion House, a longstanding community asset situated in the centre of the town. We recognize that once the sensitive development is completed the historic buildings and the new facilities will make a significant contribution to the Town and Wiltshire as a whole. The proposed scheme compliments the work of the University in providing new opportunities for many technology-based arts and cultural activities in our specialist field of the cultural industries and the knowledge economy.*

*We are a local employer and support full time and part time jobs in the town which, combined with our student population and visitors contributes significantly to the overall well being of the local economy”.*

**Appendix 1            Confidentiality Agreement**

Hadston are willing to enter into a confidentiality agreement with Wiltshire Council in respect of the sale of the Mansion House and Library subject to the Council resolution to treat with Hadston.

**Appendix 2            Proposed Terms**

Proposed terms and the mechanism for the purchase will be provided for consideration in line with this document, following completion of the confidentiality agreement.

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