

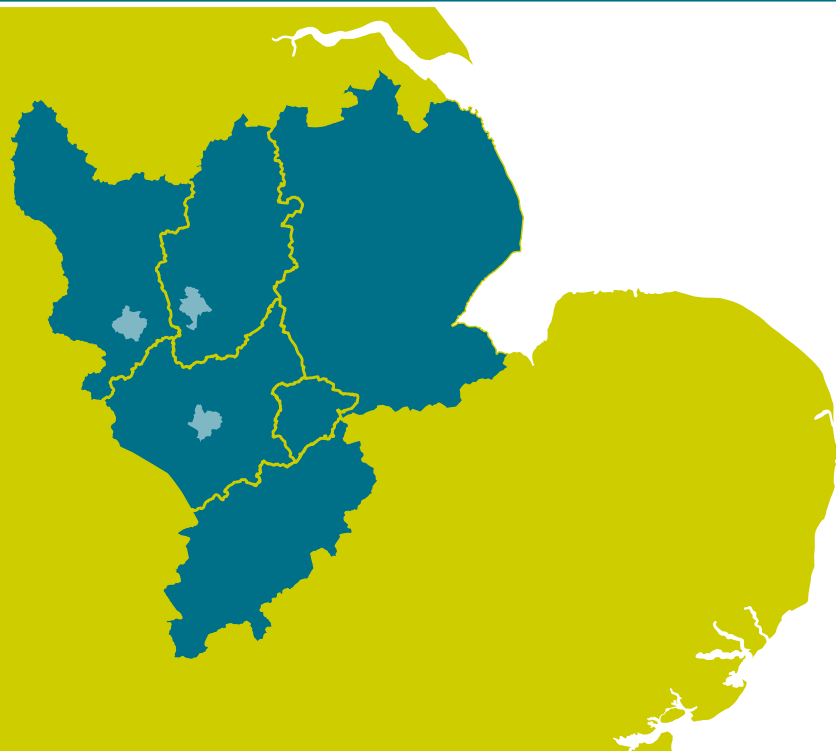


EAST MIDLANDS PROPERTY ALLIANCE MEMBERS' HANDBOOK

A guide to empa and the benefits for its members



SPEAKING WITH A SINGLE VOICE



This handbook provides Local Authorities and Stakeholders in the East Midlands with an overview of how the East Midlands Property Alliance (empa) came into being, the services it is developing and what future help it plans to provide.

empa explains the key considerations taken into account during the development period;

- What best practice looks like,
- How an authority can be involved,
- What to look out for when procuring a contract
- How to get the best results.

In total, local authorities spend **£16.2 billion** collectively each year on construction goods and services, in the empa region that figure exceeds **£650 million.**

Under the guidance of the East Midlands Improvement and Efficiency Partnership (EM IEP) some Local Authorities in the region came together to discuss whether it was feasible to work collaboratively together on construction related issues, in what areas and how to make the best efficiency savings by doing so.

Many authorities recognised there would be advantages in working together and in March 2008 launched the East Midlands Property Alliance to help deliver the benefits.

The East Midlands Improvement & Efficiency Partnership is expecting benefits of £15M for its members by 2013 from empa.

empa is governed by a Memorandum of Understanding between its members. As an inclusive organisation it wants all East Midlands Local Authorities to be members and play an active part – along with the other public sector stakeholders.

With assistance from the EM IEP, the local authorities chose to use Scape System Build Ltd (a local authority controlled company) based in the East Midlands to help develop its services. Once formed as an alliance, one of the first tasks for Scape was to assist the original 14 members to organise a vote for the empa Executive Board. This governance process remains in place today ensuring empa is directed

by an annually elected Board of Local Authority representatives who set out its agenda and programme into the future.

empa is an inclusive organisation and would like all 46 authorities plus other public bodies in the region to take an active part in the development and use its services.

The empa Board and members demand the best services from themselves and their partners in:

- Leadership and commitment to excellence
- Value for money
- Efficiency
- Best practice
- Training and development



ENGAGING WITH THE LOCAL COMMUNITY

For every 44p spent locally this small amount generates between £3.87 and £5.04 in recycled money to the local economy.

The key to success for empa is building what local authorities need in its widest sense! A remarkably simple need, but a message which often gets missed during any development period.

empa is directed, prioritised and monitored in all its aspects by its members.

Different authorities have different priorities, but all require spending from projects to help develop the social and

economic agenda for their local economy. It is vital that money spent in local areas helps promote community engagement.

empa has already secured over £500k of external funding to develop services for its members - with more to come!

empa and its partners are committed wherever possible in its contracts to working with the community, engaging with schools, colleges and community groups. Through different types of engagement empa and its partners intend to help provide experiences in work for school children, help for colleges and universities and apprenticeships for school leavers. The more work allocated to the empa framework the more can be done.

empa has benefitted from some development grants but will be self funding into the future. All empa costs and charges are transparent, being open to scrutiny and checked by the Executive Board on a regular basis.

EFFICIENCY

empa develops best practice arrangements all through the construction cycle which it sees as crucial to success. We look to develop a collaborative team approach in how we procure frameworks, develop management and undertake projects.

Our critical success factors are:

- Leadership and commitment
- Involvement of key stakeholders
- Defining roles and responsibilities
- A fully integrated project team
- An interrogated gateway process
- Excellent design
- Commitment to health and safety
- Best practice
- Risk and value management
- Value for money (not lowest price)
- Continuous improvement
- Sustainability

Best practice procurement provides an opportunity to link value for money with quality, and empa uses a 2 stage OJEU compliant process to do just that for its framework agreements. All parts of the projects which use empa framework processes are subject to market testing, with the works packages tendered to predominately local companies at the nearest practical point to delivery. All empa frameworks use a contract which allow their clients to be part of the project development process, both in design, quality, and cost (using their open-book policy).

One empa member is so enthused with the quality and simplicity of the empa project process, they have changed their procedure to use it for all of their projects.

Where can money be saved?

- Joint procurement
- Best practice procurement
- Common documentation
- Clear leadership – one organisation responsible for delivery of the project
- Clients can look to save 10-15% on design and technical services costs through the use of the empa frameworks.
- Setting the client brief early and not changing after the cost is set
- Using expertise of the whole team – client / designer / contractor / supply chain to the best effect
- Early contractor involvement
- Market testing all aspects of project delivery
- Standardisation of products (not design)
- Have an open, transparent and professional relationship

Selecting a construction partner on the basis of lowest cost is short sighted and in the long term the costs incurred from poor project delivery will be more.
source:CBI

The opportunity to maximise efficiency savings are at the core of the empa framework agreements.

Working together empa members have saved over £2M in procurement costs alone.

The private sector will, over the longer term, provide savings for empa members by having a common process and format for all empa projects irrespective of size or authority. Members know that with a

single voice, the delivery process will work better with all partners. This exemplar process is provided free to all members and partners on every project.

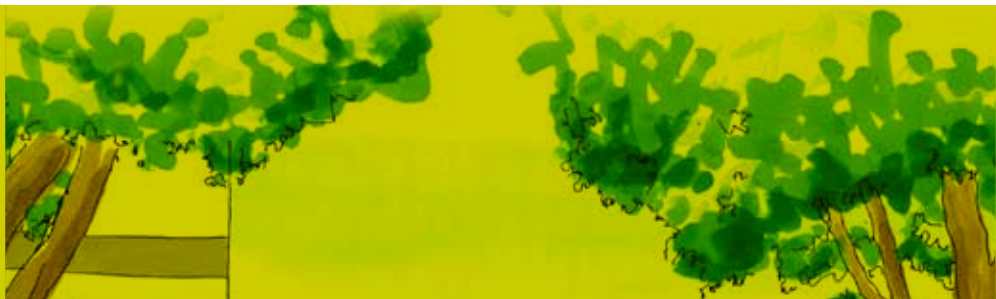
Well managed framework contracts can save 5% on completed project costs.

empa frameworks provide clients with an opportunity to work differently to deliver project savings within their own teams, the design team, the delivery contractor and supply chain.

Clients can look to save 10-15% on design and technical services costs through the use of the empa frameworks.

The lowest tendered price rarely leads to be the best value outcome. Design and construction costs are a small factor to the overall long term cost of the asset [2:20:200 proportionally]. Look for the best value in price and quality at the start and save during the overall lifetime of the building.

6 REASONS WHY!



DEVELOPING A LOCAL SUPPLY CHAIN

- Very much shorter lead in time – up to 9 months for large projects under OJEU
- Early contractor involvement to ensure buildability of your project
- Value for money – every aspect of your project is market tested, most at the nearest point of delivery
- Incentivised contracts on projects so all the team is working for the customer
A simple yet robust project delivery
- process using best practice techniques with performance measured at all stages
Open and transparent contract which
- encourages sharing of information and challenge



40% of the Supply Chain are specialists and can design their part of your project – don't duplicate, use their expertise and save cost elsewhere.

empa has designed their frameworks to deliver projects sustainably.

empa will measure how far away from a project the money is spent and has also introduced targets to keep expenditure as close as possible to the point of delivery.

empa has developed its own supply chain which is available to all contractors and public bodies generally. Supply chain companies can express an interest by self registering at:
www.buideastmidlands.co.uk

and follow a simple four step process to register. Our partners, emda and Business Link are able to help SME's develop their company to a sufficiently high standard to be considered for the empa supply chain if they do not already reach the minimum requirements.

empa will measure local spend and local employment through the supply chain on all their projects.

Almost 45% of SME's need help to achieve minimum standards to be considered by empa's main partners.

empa are committed to the Fair Payment Charter between clients, contractors and the supply chain.

empa has already registered over 900 local companies to deliver through the supply chain.

DELIVERING SUSTAINABILITY

empa recognises the importance of excellent management of property assets to improve public services and fundamental to having a high performing property programme.

Our aim is to maximise sustainability on all our projects, supporting the efficient use of resources by:

- Re-using existing built assets where possible
- Designing for minimum waste
- Aiming for lean construction
- Minimising energy in construction and use
- Avoiding pollution
- Preserving bio-diversity
- Conserving water resources
- Respecting people and their environment
- Designing and building projects with sustainability in mind

Lowest cost tendering can reduce the quality of builds and push up the repair and maintenance costs.

empa and its members are committed to the social and economic agenda for the East Midlands. Our main contracting partners and their supply chain will deliver training and development opportunities in the locality of your projects based upon agreed performance on each project. empa is working with Construction Skills to develop and put in place the first National Skills Academy for construction based around a property framework anywhere in the country.

empa is working with other training agencies to maximise the opportunities

available to apprentices and newly qualified staff. empa and its partners are passionate about construction and delivering an excellent service, building high quality capacity for the future.



ASSET MANAGEMENT

empa is developing collaborative regional asset management plans.

empa is accelerating improvement and efficiency in property and asset management.

Through a prioritised improvement plan members are looking to:

- Identify and quantify improvement opportunities
- Maximise property usage – identify the 'size of the prize'
- Identify common challenges and solutions
- Obtain and use best practice support the Total Place programme
- Provide a best practice toolkit for all members
- Map the region's assets

- The East Midlands to work collaboratively, providing opportunity for best practice change, improvement and efficiency savings.

"Having a comprehensive list of assets in each authority and region will be essential to forward strategic thinking"

David Bentley CIPFA

OUR VISION

empa is an inclusive organisation, managed and directed by the Executive Board which is made up of Local Authority senior management. Speaking with a single voice, empa is providing opportunities for all Local Authorities and other public bodies in the East Midlands to work collaboratively, providing opportunity for best practice change, improvement and efficiency savings.

To join empa costs nothing!

There are 33 members and user authorities. A member must satisfy itself of all procurement risks. They can use any of the services by simply signing an Access Agreement. A small levy is attached to using any of the procured services, details will be provided before use.



DELIVERY TIMETABLE

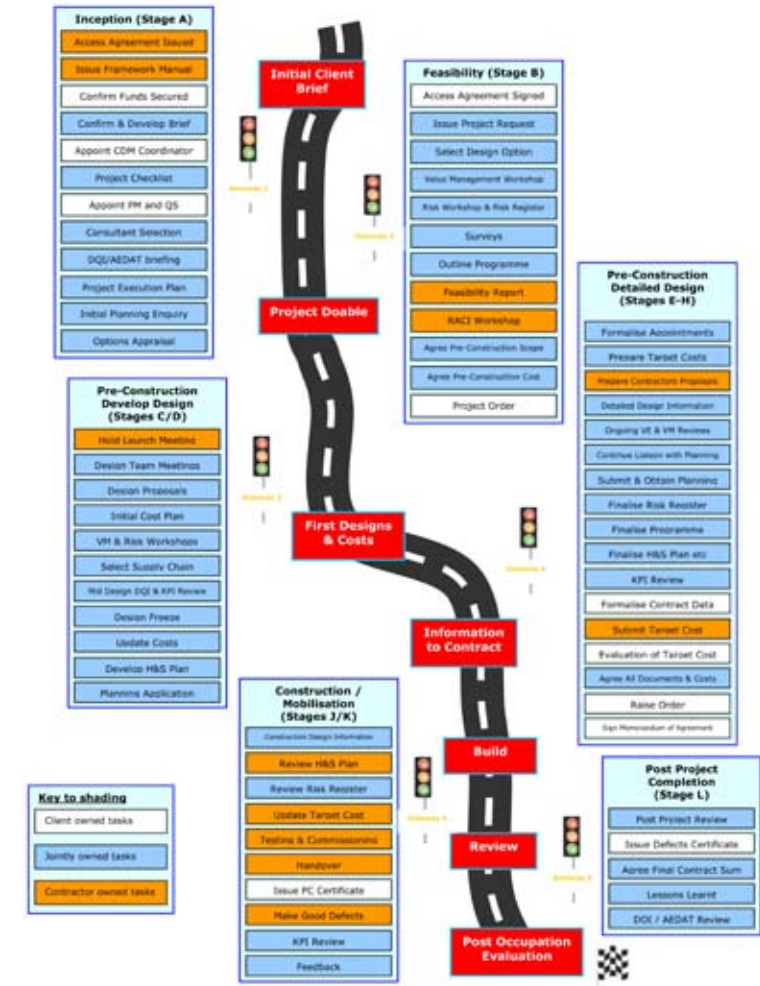
empa is looking to provide a comprehensive delivery option for local authorities in the East Midlands. The services live or in development are: -

Contractors Framework Agreements	Where	Availability
Large Projects: £7.5m - £30m	Regional delivery	Available March 2010
Intermediate Projects: £2m - £7.5m	Regional delivery	Available now
Minor Works: £10k - £2m	Sub-regional delivery	Available now
Repairs & Maintenance: <£25k	Sub-regional delivery	Summer 2010
FM	Sub-regional delivery	In development
Professional		
Design & Technical Services	Sub-regional delivery	In development
Strategic Asset Management	Regional delivery	In development
Cross-Authority Trading	Regional delivery	In development
Training & Engagement	Regional delivery	Live

PROCESS MAP

Scape believes successful projects can be achieved more often with a simple yet robust unified best practice process. Scape has developed a single process using best practice techniques including Gateway decision stages which take a project from the start of the idea right through to the first year of operation.

The same process can be used on all projects irrespective of size and type, so for client and contractor, only one system need be learnt. In effect mapping the journey of getting a building or facility developed, procured and built – a road map if you will, as drawn opposite.





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www.em-pa.org.uk
<http://live.go2collective.com>
www.buideastmidlands.co.uk

Founder Members

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Broxtowe Borough Council
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Derby City Council
Derbyshire County Council
Kettering Borough Council
Leicester City Council
North East Derbyshire Council
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North West Leicestershire District Council
Nottinghamshire County Council
Peak District NPA
South Kesteven District Council
South Northamptonshire Borough Council

Board Members

4 posts voted annually by members and
workstream leaders

Our Partners



Photo Credits

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