

# New Framework will drive efficiencies and service improvements



iESE's new regional framework will procure construction projects of more than £1m and will be open to a wide cross section of public bodies in the South East and London.

It offers a range of eight construction partners, all working to a set of collaborative guidelines with the principle objective of driving efficiencies and service improvements. This replaces the original framework which saved more than £80m for local authorities over four years. The benefits to a public body begin at the point of contractor selection where iESE's OJEU-compliant processes save considerable time and money.

The new framework will continue to be based upon a strong ethos of collaborative working, building on the good practice developed through its predecessor.

However, there is a change of emphasis to delivery of demonstrable cashable efficiencies coupled with an ambition to group projects into programmes and offer even greater value for money for public-sector clients. Procuring construction projects using the framework will also support a public body's commitment towards localism and sustainability.

**“ This is a significant opportunity to build on past success and to learn how to take these arrangements forward, recognising the role that the contractors can play and the importance of reducing cost but maintaining certainty on time and risk. ”**

Andrew Smith,  
Chairman, National Improvement  
and Efficiency Partnership (NIEP)  
Chief Executive, iESE



## News items



### Benefits Report 2011:

Integrated consultancy and construction framework has completed **388 projects** and **£92.2m cashable savings**.

### Surrey framework:

Busy times and growth for construction procurement framework.



### News from local frameworks:

Building strength through collaboration, Berkshire have procured **£5.2m** projects to date.



### Delivering cashable savings

iESE has completed 388 projects on the integrated consultancy and construction frameworks, which are delivering £1.3bn of works with £92.2m in cashable savings. This has exceeded our original target of £65m.

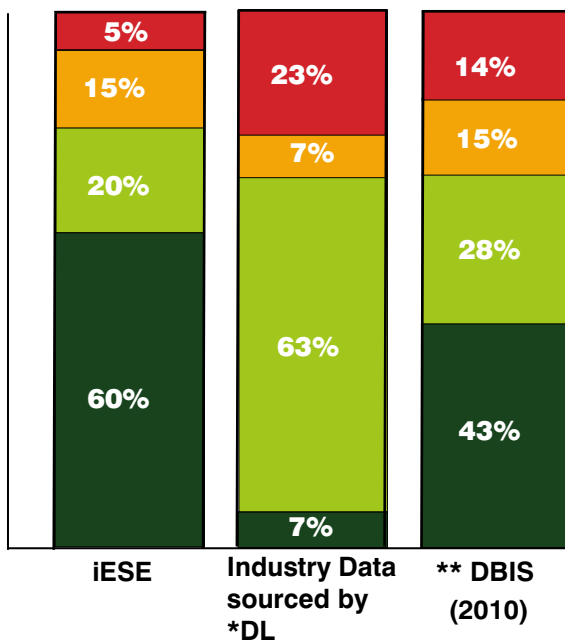
We are already delivering against many recommendations of the recently issued James Review and The Government’s Construction Strategy such as integrated teams, reducing transactional costs, volume related discounts and visible pipeline.

This has enabled us to continue to promote quality processes, drive out process waste and create value through engagement of the supply chain.

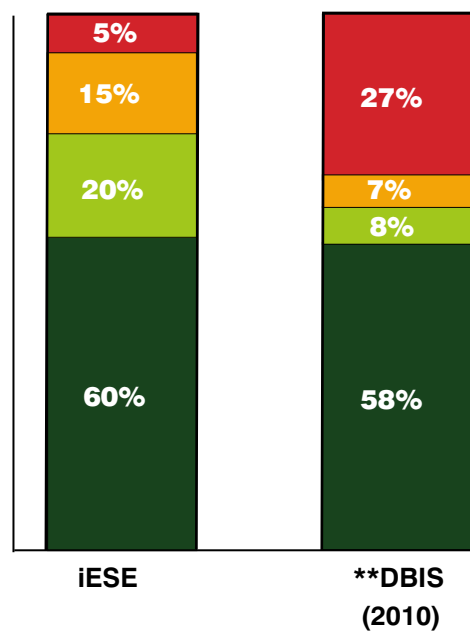
### Performance against contract

The average project is completed within 2.1% of the contract sum and within 1.7% of the contract completion date. The graphs below illustrate the iESE framework far exceeds the performance of comparative projects tendered in the traditional way.

**Cost Predictability Average of c. 2%**



**Time Predictability Average of < 2%**



■ More than 10%     
 ■ 5.01% to 10%     
 ■ 0.0% to 5%     
 ■ Below or on contract sum

\*DL (Davis Langdon)

\*\*DBIS (Department for Business, Innovation and Skills)

**£92.2m**  
combined client  
total cashable  
savings based  
on a period over  
five years (£35m  
in year 5)

**87%** end user  
satisfaction

In 2011  
**£390m** of  
construction  
works will be  
delivered against  
£350m in 2010

**NO CLAIMS**  
on all projects to  
date

**OJEU**  
Compliant

**£3m** in  
cashable savings  
using the **SAVE**  
initiative

Use of **SMEs**  
**exceeds**  
**75%**

**Waste**  
**diverted**  
from landfill is  
**82%**

## Strong performance and consistent growth

KPIs across all projects are used to maintain competitive tension and to promote continuous improvement among the contractors. League tables are presented monthly on KPIs such as health and safety, customer satisfaction and cost management.

Statistics to the right show performance remains high. In comparison, iESE projects achieved 13.6% higher KPI scores to projects procured traditionally.

“ **Our experience has been very positive, with all staff being co-operative and helpful. All parties worked well together and delivered an excellent project.** ”

Richard Hards,  
Client Representative,  
Surrey County Council

## Competitive tension

Market pricing was maintained with each project being awarded through competitive mini competition, and then each works package being tendered in the open market. Research has shown from primary and secondary school benchmark data, that the framework is better than market price, coupled with consistent delivery, added value benefits and improved product.

## The frameworks operated by iESE are:

Projects	Value Bands	Projects Completed	Savings to date
Major schemes and programmes for the South East and London - plus Supply Chain volume discounts	£1m to no limit	97	£77m £3.2m
Hampshire local frameworks	Up to £2.5m	232	£5m
Sussex local framework	£0.5m to £3.5m	33	£2.43m
Regional consultancy framework	Up to £0.5m		£3.5m
Regional Highways professional services	No limit	9	£1m
Berkshire Unitaries local construction framework	Up to £500k	17	£62k
<b>Total</b>		<b>388</b>	<b>£92.2m</b>

**For more information, please contact:**

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# Spotlight:

# The Surrey Collaboration Project



## The Project:

### Integrated asset strategy

This is an integrated programme of work to develop asset strategies and tools that will benefit the Surrey cluster of authorities, streamlining procurement, providing knowledge about their existing built estate and shaping opportunities for asset rationalisation, and looking at the people who can help deliver the authorities' work programmes.

“ **With the excellent good practice and our own achievements we are confident that the collaborative approach being adopted in Surrey will benefit all public sector organisations, not only in Surrey, but across the South East.** ”

Karen Whelan,  
Project Executive and Chief Executive,  
Surrey Heath Borough Council

## Delivery Frameworks:

### Sharing resources and bringing further efficiencies

Three framework projects have been published at OJEU. The local consultancy and construction frameworks are about to be tendered. The term contract arrangement for reactive maintenance will be tendered later in the year. Two additional sub-set projects are also being developed, namely specialist frameworks for mechanical & electrical and roofing works for planned maintenance activity.

Much of this work is also being jointly procured with Hampshire County Council, sharing resources and bringing further efficiencies to bear on normally costly procurement exercises.

## Public Estates Review: Surrey First

### Cutting carbon emissions and improving services frontline



The work done with iESE last year to map the Surrey public sector estate has helped to identify several localities where potential exists to save money and improve services by adopting a strategic pan-sector approach to customer demand, assets and capital management. Outputs were detailed in Surrey First's 'Wave 2' Capital and Assets Programme Pathfinder bid to DCLG in August.

Surrey First is a parallel shared services project that is improving joint working between the twelve Surrey councils and Surrey Police. Its programme has five key workstreams, including Assets and the Estates Review work.

The exciting news is that the bid to DCLG has been successful which will enable the specific projects to be investigated further, looking to release capital to allow for investment in other programmes, protect and improve frontline services, save on running costs, and cut carbon emissions and sector carbon footprint amongst other matters.

## Shared Services:

### A Common Approach to Shared Services

The Collaboration Project Board have developed the initial strategy for taking this workstream forward, which includes the development of an enquiry questionnaire to the Surrey authorities. This is to be tested around a notional project scenario, the details of which are currently being developed. The questionnaire will be published towards the end of the year. Surrey Heath Borough Council hosts the project website where more information is available.

For more information go to <http://www.surreycollaborationproject.org/>

## Joint-working between two major authorities:



Hampshire County Council and Surrey County Council have recently entered into a Joint Working Agreement to share knowledge, skills and resources to jointly deliver asset-related projects and programmes of work. Seventeen activities are being progressed, including joint-procurement work, many with input from the Surrey collaboration members.

Both authorities are looking to implement a joint programme of Primary School expansion projects using iESE's new SEaL framework. This is a major initiative and a significant progression in thinking, moving towards the regional delivery of Capital projects by a number of authorities in a more joined up way.

It is anticipated that the Hampshire/Surrey programme alone could pipeline projects with a total construction value of c.£100m into the Framework for delivery by September 2014.

**“ Joint working provides opportunities for complementary use of resources and skills to the benefit of both Authorities. This will reduce costs, creates efficiency and greater confidence in delivery. ”**

**This is a direct response from Local Government to work together in these times of financial constraint and respond to Government expectations of leaner working. ”**

Steve Clow, Assistant Director,  
HCC Property Services

Keith Brown,  
Property Operations & Delivery Manager, Estates,  
Planning & Management Department,  
Surrey County Council

## Property Asset Management System:

### Optimising service delivery and bringing added value

This system is being jointly procured by Hampshire County Council and Surrey County Council. PAMS will create a fully integrated property management system to support the whole property lifecycle from asset planning and acquisition, through service delivery to disposal.

A briefing document is being prepared to share with authorities who may be interested in buying the system and a series of road-shows to Surrey Boroughs and Districts are planned for the end of the year.

This is a real opportunity to join-up data across Surrey (and beyond) with common systems and your interest and engagement at this critical stage of the project is welcomed.



# News in brief

## Regional Consultants Framework: Meeting demands and reacting to change

On 22 August the iESE Regional Consultants framework meeting was held. We debated the aims, objectives and benefits of the framework to make sure that we are still aligned with the current market needs. The themes arising from the debate were:

- The consistent quality of service to clients
- The availability and ease of use for clients
- The single point of contact and management focus provided by the iESE team
- Data capture and analysis
- The predictability of outcome
- Time and cost savings arising from consistency of approach
- Batching of framework projects into programmes of work, saving fees and capital cost
- Life cycle and sustainability expertise and benefits
- Continuity of team personnel
- Performance improvement through workshops, forums and shared learning
- Improved client satisfaction with completed product
- Consistent route to market from inception, through design and procurement to construction and hand over
- Avoidance of disputes on resources, fee and deliverables

The consultants told us that they like our hands-on managed approach to the framework, as it justifies to clients why they should use it, and the benefits they will achieve. The data gathered provides real evidence. They also like the integrated team approach, as it minimises interfaces and potential areas for conflict. We agreed to meet towards the end of the year to discuss the approach to the second generation framework.



## Tier 2 and 3: New notice issued

Hampshire and Surrey County Councils are working in partnership to jointly procure local construction frameworks for projects up to £1m. The OJEU has been published and pre-qualification activity completed.

Tender documents are due to be issued in September. These frameworks will replace the existing Hampshire frameworks known as Tiers 2 and 3 for projects up to £2.5m, and will complement the new regional construction framework.

The Surrey Consultants framework is at pre-qualification, and the tender due to be issued September.

Surrey are also working jointly with Hampshire to procure maintenance arrangements. An OJEU for a reactive maintenance term contract has been published.

## Framework Launch:

### Roadshow venues

Autumn iESE SE and London Construction Framework for Major Projects Road shows are being planned in October and November with host Contracting Authorities in:

Berkshire, Hampshire, Surrey, Sussex and London

The purpose of these events is to highlight the benefits of the framework, detail the fundamental differences between iESE 1 and iESE 2, and give an introduction to potential users on how to use the framework to their advantage.

There will be scope to tailor the workshop to suit local needs in discussion with the road show hosts. Similar events will be planned across the remainder of the Region.



## News from the local frameworks

### Berkshire:

#### Continued growth and cost efficiency savings

Berkshire's Minor Works Framework is now coming up to its mid-point and has processed and procured over £5.2m worth of projects ranging from £25k to £500k across all of Berkshire unitary members. West Berkshire Council, who are the leading authority for the framework, are seeking to increase the use of the tier 3 framework with all other Berkshire contracting authorities by showing the advantages including speed and ease of contractor selection, compliance, time and costs. We are seeing a trend of ever increasing small projects within the Berkshire area which fit into the tier 3 category framework despite all the spending cuts encountered across its members.



### Sussex:

#### Frameworks go from strength to strength

Sussex's local frameworks, for projects up to c£3.0m, continue to provide Public Sector contracting authorities with best value project procurement despite the downturn in the economy.

The 17 Clients include County Councils; District, Borough and City Councils; RSLs; Emergency Services; Health; Education and other sectors. In excess of £70m work has been procured via the framework with an average of over 12% cost and time benefit being secured and signed off by the various client bodies on projects completed to date.

The 17 contractors on the two tiers recently combined forces to host an event geared towards educating potential clients in the benefits of using the framework. A similar event is envisaged for early 2012.

## Contact us:

For more information about how iESE could help you with your construction plans, please contact the team.

Please also contact us if you would like a copy of this newsletter in an alternative format such as large print or braille.

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