Date: 16th December 2016
Subject: North West Construction Hub
Report of: Councillor Sean Anstee, Portfolio Lead for Employment & Skills and Theresa Grant, Lead Chief Executives for Employment & Skills

PURPOSE OF REPORT

The AGMA and GMCA Scrutiny Committee have undertaken a task and finish piece of work in relation to Skills earlier in the year. As part of their findings they had recommended that the GMCA receives an annual report on the North West Construction Hub and the AGMA Procurement Hub to ensure that the social value of contracts let via these routes is maximised in line with the GMCA Social Value Policy adopted in November 2014. A report in relation to the Procurement Hub was received by the Joint AGMA and GMCA meeting in October, this report now provides information in relation to the NW Construction Hub.

RECOMMENDATIONS:

The GMCA is asked to note the contents of this report.

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Risk Management – N/A
Legal Considerations – N/A
Financial Consequences – Revenue – N/A
Financial Consequences – Capital – N/A
BACKGROUND PAPERS:
- NWCH Client Guide
- More for your Money – brochure
- Connecting Project delivery for the public sector – Brochure
- Education Procurement Solutions - Brochure

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<th>TRACKING/PROCESS</th>
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1. INTRODUCTION

1.1 NWCH originated via the North West Improvement and Efficiency Partnership (NWIEP) which was one of nine Improvement and Efficiency Partnerships established across England to help public sector bodies in their drive to increase efficiency and improve services.

1.2 NWIEP was dedicated to helping local authorities and their partners achieve efficiency and improvement objectives, as set out at the time in the North West Improvement and Efficiency Partnership Strategy. As NWCH is now in its second four year cycle. It continues to operate based on its original objectives, but refined and updated with a focus on such demands as the Social Value Act, HM Government ‘Construction 2025’ and Building Information Modelling (BIM) agendas, and an ongoing passion to provide Clients with a delivery vehicle through which local social and economic benefit opportunities can be maximized on the back of their construction projects and programmes.

1.3 NWCH's key focus therefore is to support public sector organisations to help themselves to deliver better services for local people at an affordable and sustainable cost.

1.4 Manchester City Council (MCC) was approached to act as the lead for the North West Construction Hub (NWCH) on behalf of North West Public Bodies. Since 2002 MCC had embraced Best Value principles ahead of legislation and since then have been instrumental in developing collaborative frameworking. Best Value has become integral to MCC’s processes and their well-established track record of partnership working is central to the delivery of their capital programme.

1.5 NWCH is a member of the National Association of Construction Frameworks (NACF).

2. OUR CONSTRUCTION FRAMEWORKS

2.1 High Value: £9m+
Medium Value: £2m - £9m
Low Value: £500k - £2m

2.2 All frameworks were re-procured during 2014-15 with some modifications following comprehensive consultation with clients and constructor partners. Each value band is broken down into Lots:
- 3 Regional
- 3 Sub-regional
- 3 Design & Build
- 3 Construct only
3. **ACHIEVEMENTS TO DATE**

3.1 Year on year improvement of Client satisfaction, both in terms of service and product
- 10-15% time saving on projects, emphasizing the speed of getting projects off the ground
- 1-2% capital cost saving as a result of not traditionally tendering a project
- 100% of completed Target Cost Contracts were delivered within budget
- 60.6% of workforce on site defined as ‘local’
- 1163 employability and learning activities including 123 project initiated apprenticeships and 180 sustained apprenticeship placements

4. **BENEFITS OF USING NWCH FRAMEWORKS**

4.1 **NO FEE**
The client pays no direct fee to use the re-procured frameworks. The Framework Management Fee is now recovered from the Constructor Partner through their competitively tendered overheads percentage upon appointment to a project.

4.2 **VALUE FOR MONEY**
A rigorous selection process to select Constructor Partners to the frameworks was undertaken which included both price and quality. Open book accounting principles enable client commercial managers to ensure that competitive best value rates are obtained in all instances.

4.3 **OJEU COMPLAINT**
The frameworks were procured through an OJEU compliant process.

4.4 **BIM KNOWLEDGE**
The government will require all public funded projects to have BIM Level 2 (with collaborative working) from 2016. The construction industry is on a journey in adopting and developing BIM. All contractors had to evidence where on the journey they are up to, with an expectation for confirming development to meet future client demand.

4.5 **QUICK AND EFFICIENT PROCESS**
A rigorous pre-qualification process already undertaken saves the client time and effort. Furthermore, this enables the appointment of a contractor in six weeks.
5. RECOMMENDATIONS FROM CLIENTS

5.1 “…. engaged positively to deliver a fantastic new building which exceeds the expectations of the Users and is an outstanding building within our emerging Children’s Health Park. The relationships between [contractor] and the Trust remained excellent throughout the development, with a very positive team culture to get the job done.”

Matt Templeton, Alder Hey Children’s Hospital

5.2 “In Trafford, through a collaborative approach, we put 7 projects into a programme and created 14 apprenticeships with 5 different contractors, all enabled by the NWCH.”

Jocelyne Underwood, GM Chamber of Commerce

5.3 "Stockport is a great town with so many strengths but we want it to grow even more and our Investing in Growth work is making this happen. Redrock Stockport will bring new restaurants and first class leisure facilities to the heart of the town centre for residents and visitors to enjoy."

Caroline Simpson, Corporate Director for Place Management and Regeneration at Stockport Council

5.4 “These facilities will attract a wide variety of sporting and commercial competitions and events into the town. We now have a full complement of excellent facilities and the feedback we have received so far has been extremely positive”

Stuart Lockwood - Oldham Community Leisure, Chief Executive

5.5 I was really impressed by everyone’s “can do attitude” and look forward to working with you all again soon.”

Chris Gresty, Trafford Council

5.6 “The pupils I brought along to this event really enjoyed the construction zone. The best thing about it was that they were able to dress in the Personal Protective Equipment before having a go at some of the careers represented in this area. This gave them a glimpse of what it’s like to work on a building site and made the activities feel like being in a real workplace. From pipework to brickwork, there was something to capture the imagination of each and every one of my pupils. It wasn’t just the boys either that enjoyed this area the girls were equally engaged with the construction activities.”
6. **NEXT STEPS AND LEGACY**

6.1 As the true collaborative framework we believe that working together for the public sector can bring benefits to the industry. As the NWCH framework we deliver Social Value and BIM workshops for Clients. The last social value workshop (8th Nov 2016) was attended by STaR Procurement, Cheshire West and Chester Council, Oldham Council, Blackpool Council, Cumbria County Council, Manchester City Council, North Wales Framework.

We discussed:
- the role and the impact of social value on local communities
- why are we doing that
- what is the expected legacy for the future
- what is the most effective way of implementing social value
- what community benefits does it deliver,
- how to measure social value
- whose responsibility it is to make sure that the social value driven by procurement will be delivered

6.2 Going forward we would like to focus on growing local supply chain and developing skills in local communities as well as supporting the positive image of construction industry & making it more attractive as an employer.

7. **RECOMMENDATIONS**

7.1 The GMCA is asked to note the contents of this report.