



DERBY CITY COUNCIL

COUNCIL CABINET
21 APRIL 2009

Report of the Corporate Director of Corporate
and Adult Services

ITEM 19

MEMBERSHIP OF THE EAST MIDLANDS PROPERTY ALLIANCE

SUMMARY

- 1.1 The East Midlands Property Alliance (EMPA) was launched on 31 March 2008 with the intention of promoting collaborative working between local authorities in property matters. The Council has been participating on an 'in principle' basis. This report seeks approval to formalise membership of the Alliance.

RECOMMENDATION

- 2.1 To approve that the Council becomes a member of EMPA and the signing of the Memorandum of Understanding. This sets out the intent and governance arrangements for membership.
- 2.2 To approve the signing of the Access Agreement with Scape System Build Limited which will allow the Council to use framework agreements procured on behalf of EMPA.

REASONS FOR RECOMMENDATION

- 3.1 Collaborative working arrangements are considered beneficial to the Council by sharing procurement of construction related services, knowledge and common systems with the aim of delivering associated efficiency savings.

SUPPORTING INFORMATION

- 4.1 The East Midlands Property Alliance was launched on 31 March 2008 with the intention of promoting collaborative working between local authorities in property matters and improving efficiency in property related practices. It has been facilitated by the East Midlands Centre of Excellence, now the Regional Improvement and Efficiency Partnership. 14 East Midlands authorities have signed a concordat indicating their intention to participate in EMPA. The Council has been participating on an 'in principle' basis whilst formal documentation is prepared.

- 4.2 EMPA has concentrated initially on developing regional frameworks for construction contracts through a partnership approach with the intent of improving efficiency in procurement. The first of these frameworks, for projects between £2 million and £7.5 million in value, is due to be launched shortly with a framework for minor works of £10 000 to £2 million in value to be in place in the early summer. Allied to these frameworks, a training programme for stakeholders has commenced and the development of a skills academy is proposed with the aim of training the supply chain - primarily the supply chain workforce which will be local – thereby contributing to the sustainability of the area.
- 4.3 In future EMPA intend to consider other framework agreements and shared services between authorities.
- 4.3 The Memorandum of Understanding: sets out the intent of EMPA as an alliance of councils to improve the delivery of the property function by collective action to the benefit of their communities. It does not create any kind of formal or statutory body nor contractual relationship other than relating to confidential information. To incur any liabilities would have to be approved by the unanimous vote of members. It sets out the aims of the Alliance as:
- Developing areas of mutual interest on matters which have a bearing on the efficient provision of services;
 - Making environmental, economic and social sustainability the prime driver
 - Providing training and staff development on property related matters to harmonise methods of operation and procurement;
 - Developing the suppliers in the region to enhance their contribution;
 - Promoting Best Practice in all activities;
 - Improving systems of Performance Management;
 - Developing continuous improvement programmes;
 - Obtaining external development funding;
 - Facilitating the co-operation of Local Authorities working in clusters;
 - Facilitating the establishment of themed work groups to direct the establishment of regional frameworks; and
 - Establishing regional framework arrangements for the provision of property related works where it is deemed appropriate and legally acceptable to do so.

It also sets out membership and governance arrangements and the role of managing agents, who, at the present time, is Scape System Build Ltd (Scape), formerly CLASP, a local authority controlled and owned company of which the Council is a shareholder.

- 4.4 The Access Agreement: Scape, on behalf of EMPA, is developing a number of frameworks for construction related services. The signing of the Access Agreement will allow access to purchase services through these frameworks. Scape will provide management, support and facilitate training for the use of the frameworks. Signing of the Access Agreement does not commit the Council to use the frameworks and there is no cost involved at this stage. Should a contract be procured through a framework agreement, the contract will be between the Council and the framework contractor. Scape will levy a fee on the contractor to recover their procurement and management cost and so the Council will pay indirectly for using the frameworks.

- 4.5 Contractors / consultants for the frameworks are procured in accordance with European Procurement Directives on a price/quality basis. Council officers have been involved in the procurement process. It is intended to use the frameworks to procure some contracts and evaluate performance and costs of these against traditional procurement.

OTHER OPTIONS CONSIDERED

- 5.1 Not to participate in EMPA. However, collaborative working is high on the efficiency agenda. EMPA combines the buying power of the region's local authorities providing opportunities to influence the construction process and supply chains involved.

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Background papers: EMPA memorandum of Understanding. Scape Access Agreement.
List of appendices: Appendix 1 – Implications

IMPLICATIONS

Financial

- 1.1 There are no costs involved, nor is the Council committed to any costs, in signing the Memorandum of Understanding or the Scape Access Agreements. Costs will be incurred when the Council uses any of the framework agreements. These costs, for procurement and management of the framework agreements, will be proportionately low because they are shared across all of the EMPA members, rather than falling individually on the Council.

Legal

- 2.1 Legal advice on the procurement of the frameworks, the Memorandum of Understanding and Access Agreement has been provided by Nottinghamshire County Council. All 'in principle' EPMA members have been consulted on the documents.

Personnel

- 3.1 None directly arising from this Report.

Equalities Impact

- 4.1 None directly arising from this Report.

Corporate objectives and priorities for change

- 5.1 Collaborative working enabled by membership of EMPA assists the Council's Priority of '**Giving you excellent services and value for money**'.