



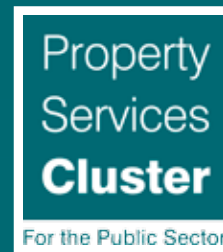
Property Services Cluster

Education Basic Need School Programme

Programme Synopsis

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1.0 Background / The Cluster

1.1 What is a Property Services Cluster’?

It is intended that a Cluster typically consists of public sector organisations such as local authorities; fire or police services, who work together collaboratively in delivering property and asset projects. Ideally, the number of participants would consist of four to six members initially, with the option to introduce new organisations to the partnership once the Cluster is established.

1.2 How does the Cluster work?

The members of the proposed Cluster sign a Memorandum of Understanding which sets out the Cluster members’ agreement, including a financial framework, as to how the resources and costs are to be shared.

A Cluster Board manages all aspects of the arrangement, with a Cluster Programme Office concentrating on the identification and co-ordination of joint capital and revenue work programmes such as capital new builds, refurbishments, extensions and modular buildings.

The Cluster Programme Office (CPO) Team:

- Draws resources from all the Cluster members
- Co-locates with “virtual” operational performance
- Works with the Cluster Authorities to identify programme pipeline and assemble programmes of work
- Jointly establishes delivery targets for each programme
- Undertakes data and performance monitoring

To achieve a reduction in costs and streamline the process, the Cluster members agree to use common ways of working, for instance, using the same contractor and consultant frameworks on similar programmes of work.

Typically, joint-working should realise cost reductions in the order of 15 - 20%. The cost of the Programme Office is modest when compared to the savings offered by joint-working. The cost is shared between the Cluster members, and this is covered by the efficiency saving.



“The Surrey, Hampshire, Reading and West Sussex joint venture”

1.3 What are we doing?

With shrinking capital budgets and an urgent need to meet the increased demand for school places the Property Services Cluster, a unique partnership between four local authorities has been formed to pool resources and jointly deliver effective solutions. Sharing resource and expertise, working collaboratively and ensuring better buying power, it is creating high quality teaching and learning spaces for children and already saving significant sums.

The Cluster was formally established in April 2012 as a joint working arrangement between Hampshire County Council, Surrey County Council, Reading Borough Council and West Sussex County Council. The innovative collaboration is currently providing nearly 15,000 new school places across 60 projects for around £280m, targeting up to 17.5% saving in costs. Savings in the first year of operation are circa £5.6m, with wider benefits currently being evaluated.

The first projects have been completed delivering about 800 new places in 2013. The productive partnership brings together public sectors partners, including consultants and contractors all working as part of one team in a programme-managed way, successfully juggling the differing ambitions of four local authorities to meet the needs of their schools and pupils.

15,000 school places

60 projects

£280m total value

800 new places delivered in 2013

£5.6m saved in first year

1.4 Collaborating for a common purpose

Forging and sustaining a productive partnership to create new school places on this scale is unique. It is the first time four local authorities have come together with other organisations to plan strategically and pool resources to benefit from economies of scale, making efficiency savings – important in the current economic climate, making best use of public money. The collaboration engages the staff of the four authorities (including the jointly resourced CPO), the schools, 5 main contractors, multiple consultant partners and an extensive network of sub-contractors and suppliers.

The programme also aims to use firms working close to the building projects to help the local economy, and seeks to create apprenticeships and new entrant opportunities in the construction industry, while at the same time retaining skilled workers. Main contractors have currently been selected from the South East and London (SEaL) Major Construction Framework, the principle delivery vehicle for the arrangement. In monitoring performance their emerging data suggests that local company engagement represents 60-65% of the total spend and workforce employed.

The challenging financial climate coupled with the need to create additional school places in a timely and effective manner have been the drivers behind this arrangement as the authorities look to make efficiency savings which do not impact adversely on the quality of their building projects.

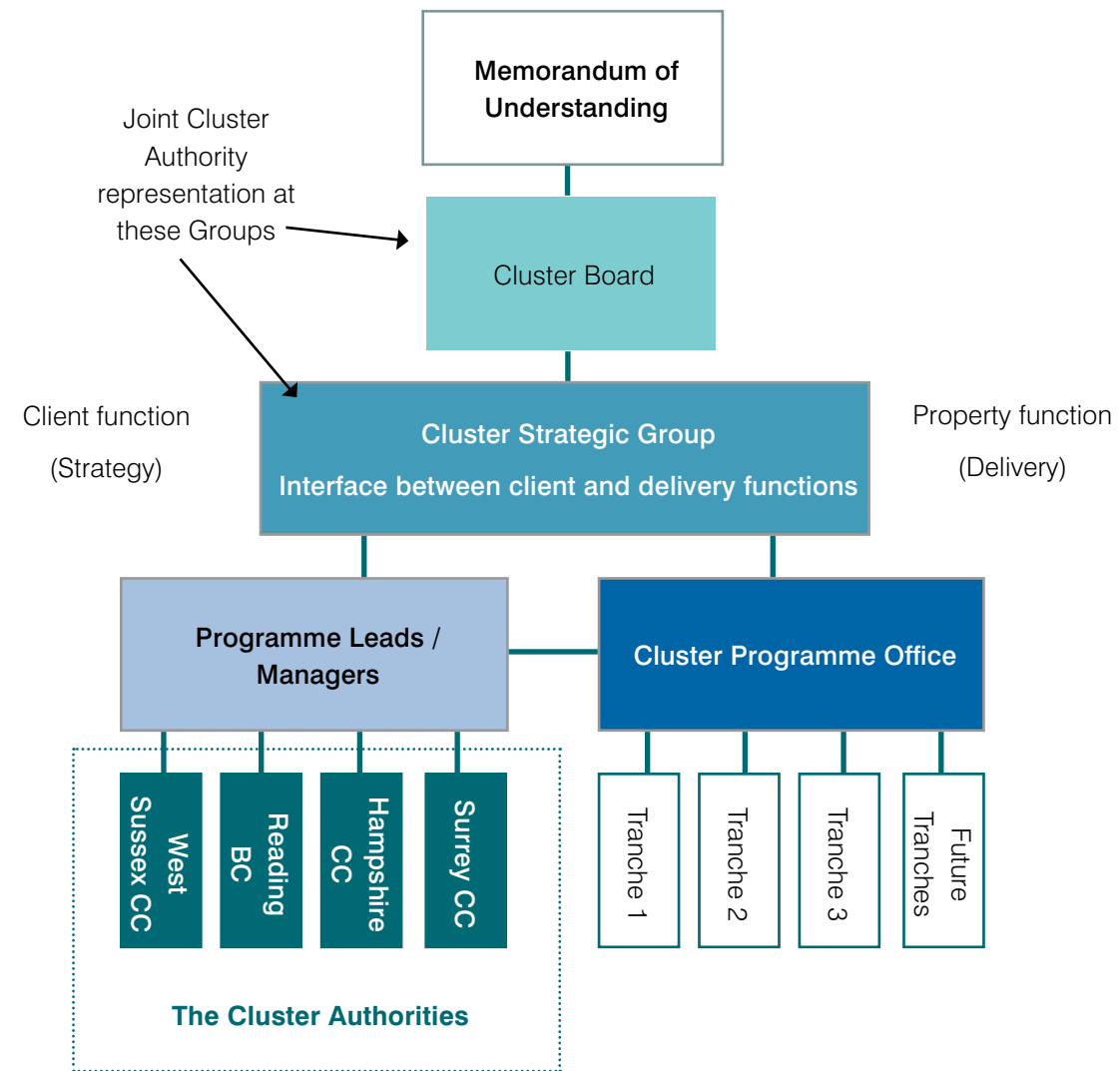
They have invested time in benchmarking and setting target costs in line with guidelines and best practice to provide rigour and challenge in the market place. Working collaboratively the Cluster has secured better buying power by aggregating their procurement. In the past each authority would have managed building projects individually. Working as a Cluster has enabled them to design, procure and manage projects in a large planned programme achieving savings in time and money.



2.0 Organisation

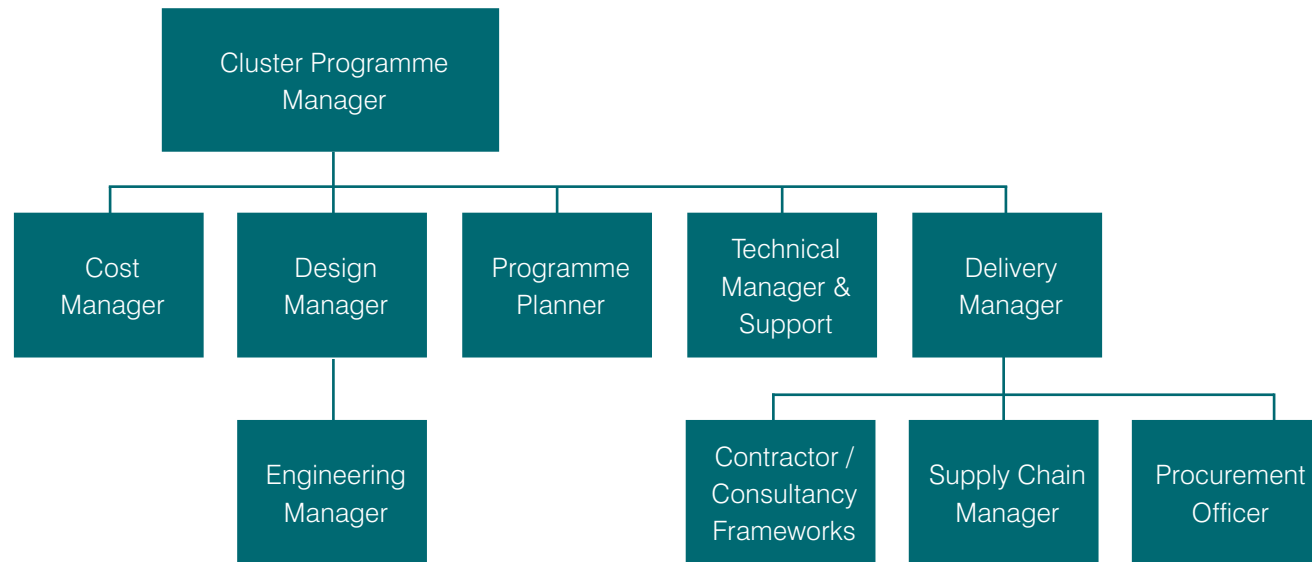
2.1 Governance

The chart below illustrates the Property Services Cluster governance structure:



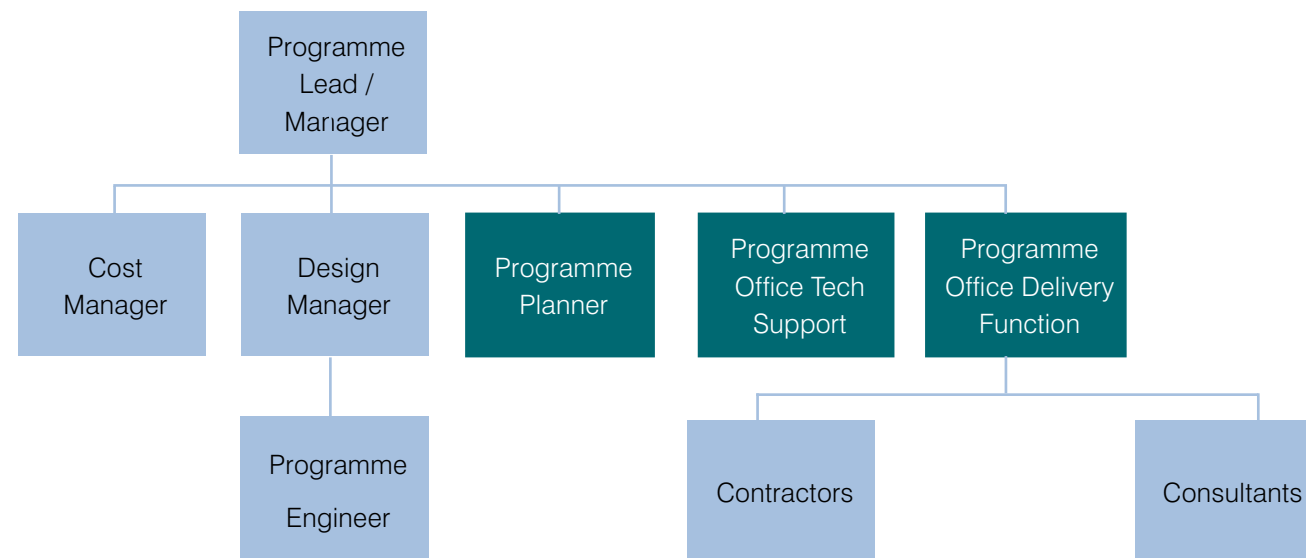
2.2 The Cluster Programme Office

Working with its construction partners the CPO is responsible for arranging and managing the joint programme. The team comprises the core skills needed to ensure effective delivery. Key accountabilities and responsibilities are aligned to each of the roles defined below, to give clarity to working arrangements.

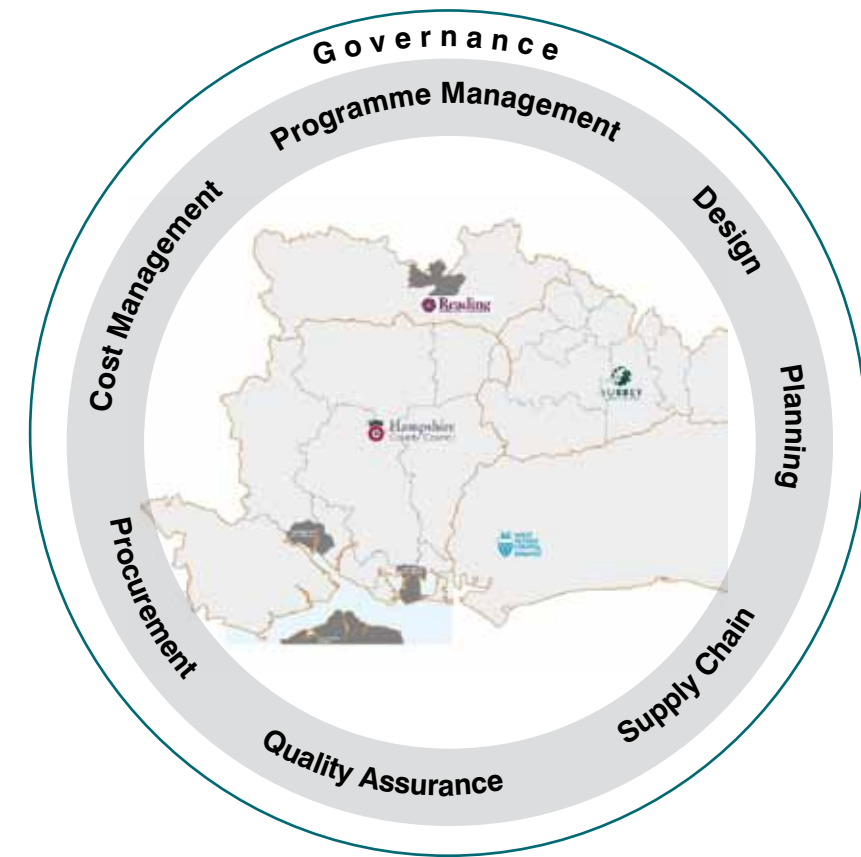


2.3 Programme Management Teams

As each tranche of work is identified Programme Management Teams are assembled. The Programme Planning, Technical Support and Delivery Functions are provided from central Cluster resources. Again roles and responsibilities are clearly defined.



A Holistic Programme Office



Current Construction Partners



WILLMOTT DIXON

Balfour Beatty



3.0 Objectives for delivery teams

Objectives	Goal
Process efficiency	Team performance Return on investment in programme office approach
Outcomes / Stakeholders	Benchmarking, cost and time predictability, post occupancy evaluation
Quality and Cost	9% savings through aggregation, 8.5% savings through design commonality Whole life savings, VfM
Supply chain development	Efficiencies, savings and process improvements. Benefits for all
Collaboration	Avoid duplication, conflict, and achieve genuine public / private partnership for common goal
Design processes and standardisation	Appropriate levels of standardisation to save money and deliver high quality product to be proud of



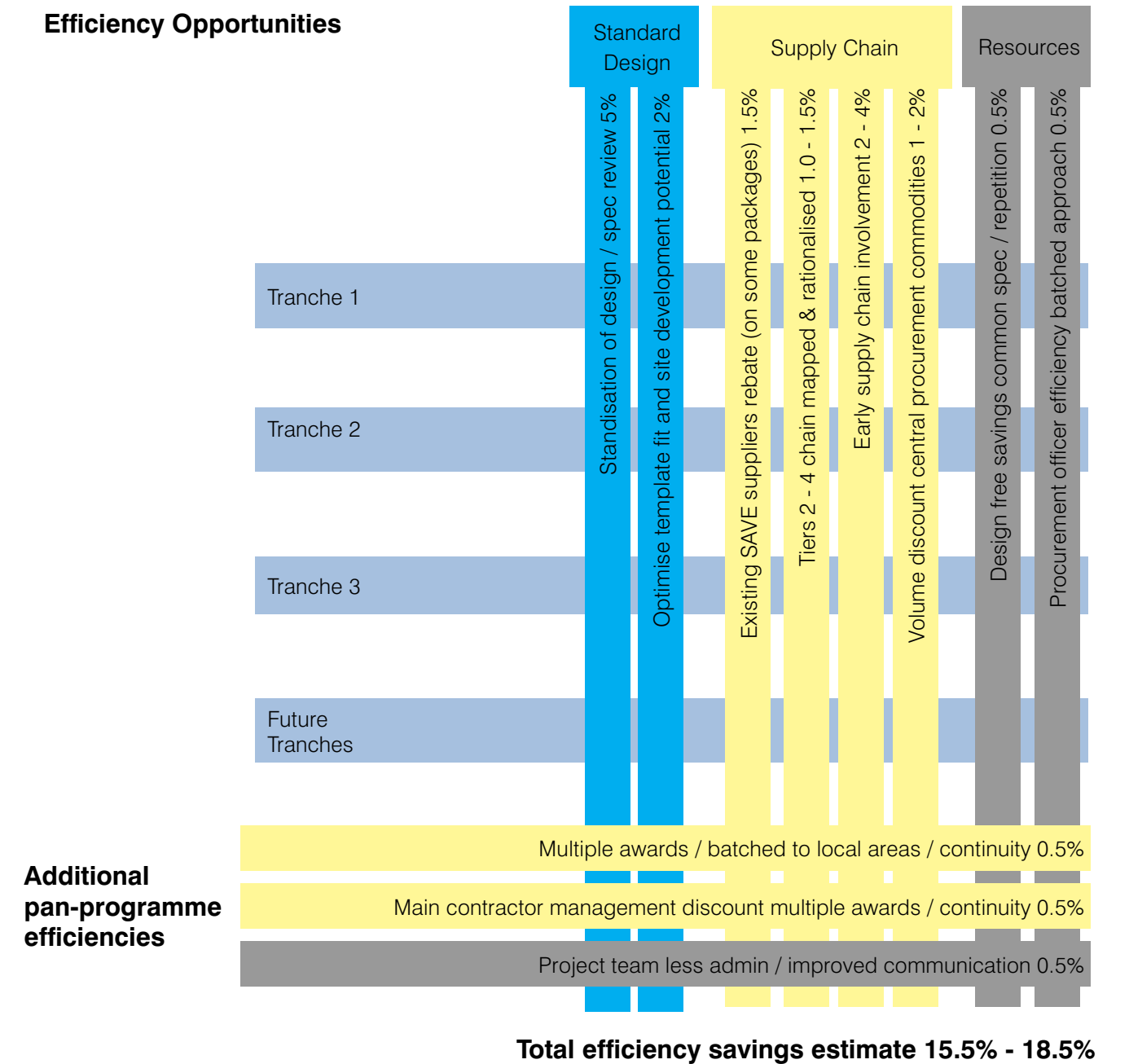


4.0 Benefit realisation

High-level benefit profiles have been established to identify how cost efficiencies could be delivered, as illustrated below.

Each project has its own characteristics and demonstrates a varying ability to deliver efficiencies. Benefits realisation varies, with a lower front-end expectancy (affected by the need for design development and initial learning) gradually increasing to an optimum level as the programme matures.

Efficiency Opportunities



5 The Contractors and the supply chain

The principle delivery vehicle for the Property Services Cluster programme is the South East and London Construction Framework for Major Projects. The framework has operated across the south east for a number of years and has been used successfully to procure over £2.5b of capital works. It is a fully OJEU compliant arrangement providing procurement services for public sector contracts above £1m and has eight contractors. The framework philosophy is to use a two stage open book method of early contractor engagement, initially using pre-construction agreements prior to second stage award of works contracts.

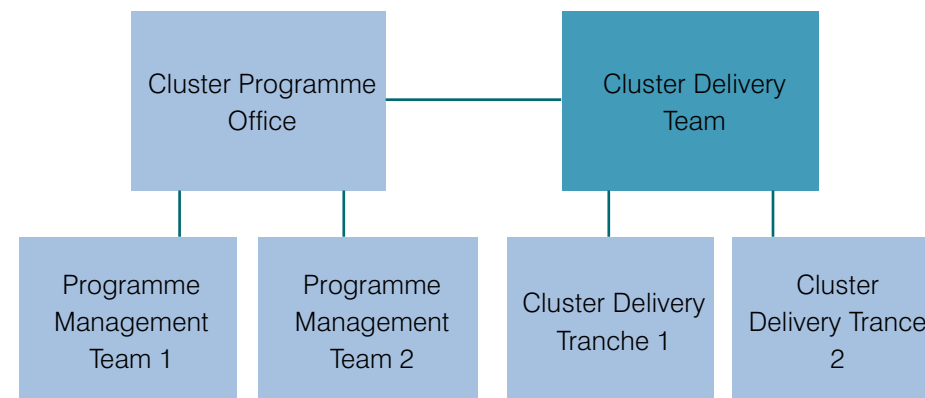
The framework contractors are also engaged in continuous improvement programmes enhancing the quality of services provided under the framework with each leading on a particular theme. These include gateway review project quality checks, cost benchmarking, supply chain improvements and apprenticeship schemes.

The Property Services Cluster have really benefitted from the early contractor engagement and embedded collaborative ethos of the framework, with all parties working in true partnership to maximise benefits and achieve improved cost, time and quality predictability.

Early contractor engagement is key, enabling the teams to align project designs and cost planning with live market data. From the eight pre-qualified Framework Contractors, five have so far been engaged in the delivery of the programme: Mansell, Miller, Osborne, Willmott Dixon and Morgan Sindall.

Aside from simply working alongside one another, these Framework Contractors have formed a joint working arrangement known as the 'Cluster Delivery Team' (CDT), mirroring the Cluster Programme Office. The CDT focuses on taking a collective approach to the joint work streams faced. Development around apprenticeships, design standardisation, sharing of best practice and health and safety is championed by one Framework Contractor on behalf of the group and has proven highly successful to date.

Chief among these activities is a holistic approach to aggregated tier 2 and 3 supply chain procurement across the programme. The CDT have worked to establish and hone a dedicated group of preferred providers, highly tailored to the nature of the programme's projects. Aggregate contract awards to key sub-contractors and suppliers has resulted in clear economies of scale and the provision of early design input and cost advice. This work is continually evolving to ensure that providers remain competitive and incentivised.



Miller

OSBORNE

WILLMOTT DIXON

Balfour Beatty

MORGAN SINDALL



6 Standardisation

6.1 Introduction

Tranche 2 of the Programme included a defined project to develop a standard approach for the design and delivery of a new build 2FE primary school as an abstract, the Benchmark Project.

This is assisting the design and delivery of further programmes of work in the Primary sector and offers increased potential for:

- Best value and efficiencies
- A more consistent technical quality
- Better certainty of delivery
- Greater capacity to reach more people.

The key principles of the programme's approach to the model are:

- Local variation with standardisation 'under the bonnet'
- Simpler repeated building forms
- A range of standards to fit various funding levels
- Reduced but optimised building areas
- Common generic, rather than proprietary specifications
- Easily repeated construction/components
- Readily available, easily maintained parts
- Co-ordinated processes and templates for deployment
- Creating a replicable model.

The model is available to all the local authorities jointly across the Property Services Cluster to deploy in the design/delivery of live projects included in the Education Basic Need (Schools) Programme.

As each group of projects is designed in detail, learning from this process is fed back to ensure a continuous improvement of the design model.

6.2 Core deliverables

These are:

1. A base brief around space standards, using the abstract design.
2. An aligned specification identifying core performance standards and detailing the assumptions (or provisional 'selections') used for elements and components for cost modelling purposes. This will in turn set base assumptions for the principle construction method, and the core elemental specifications (brick walls, tiled roofs etc).
3. Elements and components costed to demonstrate how they achieve target costs. In this way, alternatives can be tested more easily and more transparently.
4. A life cycle statement for each element. In this way, alternatives can be tested not just for the capital cost, but also for longer term revenue implications.

The following tables identify work streams where further activity in key areas will reinforce the design model.

6.3 Benchmark Project Workstreams

Workstream 1	Workstream 2	Workstream 3	Workstream 4
Design	Design	Cost	S/Chain
Deployment Strategy	Primary Design Model – design	Primary Design Model – costs	Construction Solutions
Develop the process for translating the models into live projects, from inception/introduction to the Schools Programme	Consolidation of work to date, applying BIM Level 2 as a minimum To consider single and two storey solutions	Assimilating supply chain information	Working with contractors to identify alternative build techniques that are appropriate to the model Each approach will require a developed construction timeline to define potential delivery timescales for each solution
Develop manipulative design tools to aid development of final design solutions and that work interactively with the BIM models	Using the BIM models to analyse and inform design options and costs and identify opportunities to optimise building performance, buildability, maintainability, whole-life costs, sustainability and carbon impact. This activity should also define the mechanism for continual review and development of the model ie, continuous improvement, based on performance feedback		

Workstream 4	Workstream 5	Workstream 6	Workstream 7
S/Chain	S/Chain	Cost	Project M
Supply Chain Integration	Market Research Other Solutions	Benchmarking	Marketing
Identifying opportunities and developing a combined supply chain with the contractors, which could potentially support delivery of live projects, using the model.	Consolidation of investigations undertaken to date to evaluate model / specifications already being offered in the market-place.	Mapping the differences between the Cluster model and others in the market-place to devise "the league table of specifications with direct comparisons"	For wider advocacy of the Cluster model once developed, working with Comms Team

7 Client feedback

Acknowledgement from clients.

“ The building works produced minimum disturbance to the school community; the team were open to discussions regarding what would work best for the school while making the most of the budget.

The finished project has really added value to the school and the children are now enjoying the use of the new classrooms and play areas. Once again thank you to the team for all the hard work.

”
Pip Ashton, Chair of Governors, Bellfarm Primary School

“ Communications have been excellent. The project has been managed very well and has been smooth running with on-time completion.

”
Headteacher, Potter's Gate, Primary School.

“ John Stebbings and I went to Bell Farm, Burhill and Boxgrove and I am pleased to say that Head Teachers, Business Managers and Site Managers were all, without exception, very pleased with their new facilities. John and I were both impressed with what we saw and it was great to see projects coming to fruition.

”
Steve Clow, Director of HCC Property Services

“ Without the approach adopted by the whole Cluster team I don't believe we would have ultimately delivered all the new school places for the children of Surrey. Can you please pass on my thanks to the teams for the work to date and their continual commitment to this large and challenging programme.

”
John Stebbings, Chief Property Officer, Surrey County Council



8 Property Service Cluster projects: Winnall Primary School



Working collaboratively with the client's designers the contractor identified an innovative wall cladding solution which when pointed looks like traditional brickwork. It has totally revitalised the look of the school.



Some projects present challenges and a key role of the programme team has been to facilitate and smooth delivery, no matter what the complexity. An example in Winchester where a two classroom extension is being provided. The site is small with differing levels and work had to be undertaken and completed while the school was in use.

The works required careful phasing, excellent communication with the school and careful site management to avoid any disruption to the education of the children.

The works also presented an opportunity to carry out re-cladding works to other parts of the school, which is largely timber framed, to improve its energy efficiency and reduce maintenance costs.



Construction Value:
£2.02m

Client:
Hampshire County Council

Procurement type:
SEaL Framework

Contract period:
46 weeks

Project Manager
HCC Property Services

Contractor:
Balfour Beatty

8 Property Service Cluster projects: Potters Gate Primary School



Potters Gate Primary School in Farnham. In keeping with many areas in the country Farnham has experienced a sharp rise in demand for school places. Much of the increase is due to demographic changes as families have moved out of London but still want to live within a reasonable commutable distance. Farnham, has proved popular with families.

Not least because of the high quality of education offered in the area. Hence Potters Gate Primary needed five new classrooms as it looks to grow from a one- form entry school to a 420-place two-form entry Primary school.

Two of the new classrooms were needed for September 2013 and project also included a state-of the art music and drama room, library and new reception area.

This contractor was on site on from the summer 2012. The scheme required careful communication between the contractors and the school to ensure school life could continue to run as normal.



After the project was completed a spokesperson for the school said a particular feature of the project was the strong relationship with the contractors on-site. She said:

“ Communications have been excellent. The contractors held assemblies at the school on site safety and we jointly organised a construction day for pupils with them. This gave pupils an opportunity to don hard hats and fluorescent jackets to check on the progress of their new classrooms. They were very excited by this and the new facilities which we will have once the work is complete in time for September.

The project has been managed very well and has been smooth running with on-time completion of the first works meaning two new classes are already being used.

The wider community will be able to make use of the facilities such as the hall, the music and drama rooms outside of school hours ensuring this popular primary school remains a focal point and vibrant hub of the community. ”



Construction Value:
£2.72m

Client:
Surrey County Council

Procurement type:
SEaL Framework

Contract period:
45 weeks

Project Manager:
HCC Property Services

Contractor:
Osborne

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“The Surrey, Hampshire, Reading and West Sussex joint venture”