

SCALA NEWS

THE NEWSLETTER FOR LOCAL AUTHORITY CONSTRUCTION PROFESSIONALS



PROCUREMENT

PRESIDENT PLANS BETTER PUBLIC ARCHITECTURE



Article by Nigel Badcock, SCALA President:

SCALA 2002 will, I hope, be remembered by all who attended, for the fine venue provided by the Lowry and Salford Quays, the quality of the speakers at the Championing Good Design seminar and the large number of delegates, around 170, all of which combined to produce an enjoyable conference. The President's Dinner allowed all to unwind and relax in a convivial atmosphere with the star attraction of the evening being our guest speaker, Donald Murdoch, whose wit and good humour infected everyone. Those who were able completed the event with the superb walk on the Saturday morning around the centre of Manchester in the company of Peter Babb looking at how redevelopment was shaping up after the IRA bomb.



An aerial view of the Lowry showing the Compass Room & location of SCALA 2002

At this point you might well be thinking, he can organise a conference but what does he intend to do during his Presidency. After SCALA 2002 the serious side of the job becomes reality; I know that stepping into the shoes of my predecessors is going to be extremely difficult as they have all ad-

vanced the service, performance and professional standing of SCALA.

At the Annual General Meeting I set out my aims and objectives, allowing myself the briefest of explanations in support of them. After spells with both a county council and a London borough, the majority of my career has been spent working for district councils, authorities where resources allocated to in house practices have been small. During these years I have appreciated the support given by SCALA, therefore, during my Presidency I want to strengthen the links with small authorities and encourage their architectural and construction staff to become more involved in our work.

I hope to encourage members in the less well attended and organised regions to become more involved and active in the society and to build up our regional base. I would like to hear of any ideas on what is really needed in those locations and what is of interest to the membership so that meetings and venues can be appropriately arranged or other means of communication put in place.

I also acknowledge the importance of the network of associations and partnerships which SCALA already has with other societies. The work we do with CIPFA and FPS and our close working relationships with ACES, CLAW, ACASLA and COPROP, together with Hays Montrose in the private sector, must all continue and be strengthened wherever possible. They have all enabled our influence and strength to grow in recent years.

Opening our membership to other construction professionals engaged in the provision of public buildings has also helped transform SCALA into an organisation which is able to

Continued on P3:



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SCALANEWS wishes all readers
a Happy Christmas & New Year



SCALANET

Features web-sites of interest such as the one stop shop for council performance information in this edition



SCALAFEATURE

A series of articles on the theme of 'Procurement' from Christopher Leslie MP, Helen Sargant, Peter Bishop, Richard Wise and Simon Foxell



SCALADIARY

A reference list of dates for future SCALA meetings and events including those for the regions and associated organisations



SCALAFORUM FEATURES

A selection of features on the work of the Design and Practice Forums which bring readers up to date on current topics & issues of interest



CIPFA Hays Montrose **cabe** & ACASLA LIAISON

The 'homepages' for our strategic partners are inside as part of SCALA's "Best Action, Best Value" strategy of networking with our membership



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**Closing date
for copy for
the next issue
is Friday
10 January**

Next edition on Forms of Contract. Articles & letters please-Ed.



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(Cont.)

Our new President, Nigel Badcock, outlines how he intends to extend the influence of SCALA & public sector architecture by further extending the membership criteria into the private sector & working more closely with other organisations

Nigel will be happy to receive your comments by phone Tel: 01284 763233 or e-mail: nigel.badcock@stedsbc.gov.uk

speaking with conviction from a broad base of knowledge. I believe it is essential that this continues.

SCALA 2002 promoted the appointment of Design Champions in order to reduce the 'Design Deficit' in planning departments identified in the CABE publication 'Better Civic Buildings and Spaces'. This is an initiative being driven by the Government and CABE and totally supported by SCALA. The provision of high quality buildings in order to improve our built environment should be at the centre of all that we do. All this must be achieved at reasonable cost to the membership. The value for money tag earned by SCALA has to be maintained. I believe SCALA must remain open and welcoming to those wishing to join, supportive to all our existing membership and receptive to new proposals. It is important that we continue to evolve and respond to changes in our professional environment.

Value for money brings me to report on the important decision taken at the AGM to further expand the membership by opening full membership to any property professional in architectural, construction and property functions working in a local authority, while affiliate membership has been extended to those who have not worked for a local authority but who provide architectural, construction or property services to a local authority. In addition, a new category of partner member has been introduced, allowing any member of an organisation which jointly agrees to partnership status with SCALA to become a partner member at the affiliate rate. Such arrangements will depend on such organisations sharing common interests and objectives and having compatible articles of association, bye-laws etc. SCALA members will have the same rights, at the same cost, in reverse. Partner and affiliate members will be non-voting members which will preserve the integrity of each organisation. All individual applications for membership will be subject to the agreement of SCALA Council.

Finally, this brings me to a new initiative which I believe will be beneficial to all ar-

chitects in local government. You will be aware that the Architects Registration Board is seeking nominations for, and eventual appointment of, architect members. Elections for this class of membership are held every 3 years. I understand that at least 4 of those appointed will be new to the position as the current holders have served the maximum of two consecutive terms of office. With your support I intend to return my nomination papers to the Electoral Reform Society by 10th January 2003. I understand the elections will take place in March 2003. This must be an opportunity for local authority architects to have a voice at the highest level in our profession. I am particularly interested in education, professional competence and protection of title. I know we have never attempted to achieve such an objective in the past but it is a real possibility now and the initiative needs to be taken. I hope, therefore, I can depend on your vote in March●

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David Bentley

*CIPFA
Best Value &
Quality Forum
Adviser on
Construction
& Property
Services*

CIPFA **SCALA** BV&QF homepage

WHAT A PERFORMANCE?

Every body seems to be telling us we need to improve the performance management of our services. The recent draft circular on 'Best Value and Performance Improvement' had a heavy emphasis on the subject. In addition the majority of construction/property related Best Value inspections recommend that performance management should be improved within local authorities. Even that's not enough, the Construction Best Practice Programme, the IDEA and everybody else you can think of all seem to be getting in on the act by promoting 'performance management' within their own publications!

What is clear is that most authorities are now measuring their performance as a matter of routine. It is even fair to say that some have gone far too far in this regard! So what is performance management, and how further do we have to go to demonstrate that we are not just measuring, but we are actually managing as well?

Our next series of events look at the area of Performance Management. We examine what the government is saying, what the Best Value and CPA inspectors are saying, and try to come up with the components that once put in place would allow effective performance management to take place.

In addition, and by request for this last series of 2002 we have introduced a session (for all but our Preston event) entitled 'The year that was', which will provide a recap on the important happenings, issues and documents that have appeared in the past year relevant to Construction and Property Services within Local Government. We will do a bit of crystal ball gazing looking to the future in 2003 and beyond, highlighting some of the issues that will come to prominence. The session will be complimented with links to further information, which will provide an essential reference source for the future.

In our last series, a number of delegates

at our Preston event asked if we could invite Mike Britch from NPS (Norfolk Property Services) to talk about how NPS were organised and how they were undertaking work for other councils. As a result this presentation by Mike will take the place of the re-cap session above.

Finally our traditional morning update session as usual will provide an essential guide to all the new areas in the world of Local Government and Construction and Property.

The dates and locations of the events are as follows 26 November London, 28 November Durham, 29 November Burton on Trent/ Derby, 3 December Preston, 4 December Builth Wells and 5 December at Taunton.

I do hope that you will be able to attend. If you wish to book, please fax the attached form to Eve Billings on 020 8667 8580. Please note that subscribers will receive three free places and additional places are £195 plus VAT. We do anticipate that demand for the workshop will be high and would recommend that you book as early as possible to avoid disappointment.

If you have and further queries or comments about the workshop programme please contact me or if you have any booking or venue queries please contact Eve Billings on 020 8667 8581 or e-mail Eve. Billings@ipf.co.uk●

How do I find out more?

To find out more about the CIPFA BV & Quality Forum please contact:

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Best Action
for
Best Value

CIPFA **SCALA** BV&QF 28 series:

THE CLIENT: MANAGER, PLAYER, REFEREE OR ON THE BENCH ?



The recent consultation document 'Accelerating Change' produced by the Strategic Forum for Construction chaired by Sir John Egan, talks about the need for better client leadership. Indeed, it proposes a target that measures the increase in the percentage take up of the Construction Clients' Charter by repeat clients, particularly those in the public sector.

At the same time the Government have stressed the importance of each authority's competence in the management of procurement by introducing this within the Comprehensive Performance Assessment (CPA).

Most recently, the document 'Towards a National Strategy for Local Government Procurement' includes the Government recommendation that client managers with appropriate skills should be engaged to manage all major procurements.

So, the push is to be a good client, but what does one look like? Are we really that bad in the public sector, and if so will the adoption of the Construction Client's Charter go some way to addressing the situation?

At each workshop a representative spoke on behalf of the Confederation of Construction Clients (CCC) about the Clients Charter, how it is being used in practice by the various construction sectors, and how particularly it is being applied to local government. The presentations were made by Achilles Information Ltd., who are providing data management and other support on behalf of the CCC, and Agile Construction of the University of Bath School of Management who are providing the technical input based on their expertise with central government contracts.

The scene was set at the SCALA Study

day in May when Zara Lamont, Chief Executive of the CCC, spoke of projects which are often:

- ◆ Not delivered to time or budget
- ◆ Don't work properly from the first day of use
- ◆ Designed, constructed and handed over with no appreciation of the real cost to the client of owning and operating the asset

In return consultants often feel that clients seldom know what they want, don't listen to expert advice and are always after the lowest price. While they are in direct contact with the client this is not always the case with specialists, suppliers and manufacturers who may be involved at too late a stage in the process. As a result they are often too removed from the clients business and therefore lack understanding of how to add value to the client, as well as also being constantly driven down on price.

It is commonly accepted that we are all part of the problem and that everyone involved in the procurement process must change if we are to achieve best value for everyone involved in what is the largest industry in this country. To achieve this we must remove the barriers to improvement identified by the National Audit Office in their report on 'Modernising Construction' to achieve the following:

- ◆ The finished building must provide the maximum functionality
- ◆ The end-user must benefit from the lowest cost of ownership
- ◆ Inefficiency and waste must be eliminated
- ◆ Specialist skills must be involved from the earliest stages of identification of the client requirement
- ◆ Design and construction must be controlled from a single point of contact

Representatives from Achilles Information Ltd. and Agile Construction speak about the Clients' Charter on behalf of the Confederation of Construction Clients, how it is being used in practice and how it is being applied to local government



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The Clients' Charter is a response to the shortfalls identified above and is described as "A practical way for construction clients, large or small, to get better value from their projects". It became operational in October 2001 and has over 270 registered clients, many of whom are housing associations who depend on the successful registration of their annual improvement plans for central government funding. Although this does not apply to local authorities the Charter is a key strategic target identified in 'Accelerating Change' and successful implementation would be an advantage as part of the CPA or service review process. The aim is for 20% of authorities to sign up to the principles by 2004 and 50% by 2005.



The Clients' Charter was described as an effective and efficient method for:

- ◆ Strategically assessing what you do, how you do it and why
- ◆ Planning structured improvement relevant to your business
- ◆ Communicating client needs and procurement policies
- ◆ Monitoring progress and benchmarking performance
- ◆ Exchanging knowledge and good practice experience

It is a Charter about change. It provides a framework to help people do what they are doing better and encourages the asking of questions and resolution of problems. It focuses on the higher levels of activity ie: the business processes and has links to the Construction Best Practice Programme (CBPP), appropriate documents and case

studies on the website.

The process is very much like Demming's 'learning wheel' and is a tool that continually evaluates and updates progress by going through the four processes of acting, planning, doing and checking. The Charter is designed to cover all aspects of the industry and in the main version there are 96 criteria, while those criteria that have been identified as specific to local authorities number just 30. The process is flexible and by agreement it is possible to add or subtract processes as appropriate to individual need. The action planner can be used over a five year period and comprises both inputs (cultural criteria) and outputs (performance information).

The processes are as follows:

1. ACT- Using the Charter Toolkit identify the areas for improvement that fit with the needs of the organisation. The cultural criteria are divided into four sections under leadership and focus on the client, quality, product team integration, and people.
2. PLAN- the appropriate steps to take for your organisation to achieve the desired improvement at a manageable rate. The Charter Toolkit provides measurement scales against which to measure current performance and also provides guidance on the incremental improvements that can be achieved. The core PI's are those used by the CBPP and progress is self-measured giving instant feedback. The criteria you want to address are selected (those recommended for local authorities are listed in a separate table and will need corporate support) following which you identify process improvements and set out a programme of targets and underlying actions for achieving those improvements. Having submitted your programme via the website you will be provided with feedback and recommendations for facilitating your continuous improvement programme. The website also provides access to good practice guidance, and also puts clients in touch with one another to discuss common subjects and learn directly from each other.
3. DO- Having successfully defined a se-



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ries of steps to achieve the required improvement, these steps then need to be implemented and the progress that you achieve measured.

4. CHECK- On an annual basis, you will be asked to review and check that the programme that you have implemented is achieving the desired results by measuring yourself against the client KPI's. The website allows clients to tailor on-line reports

to monitor their progress against their programme and benchmark their performance against other Charter Clients. Finally, don't forget to REACT and review your programme to ensure that it is meeting your requirements and revise your strategy in the light of any change in circumstances and further learning.

The service is constantly being tailored to suit individual requirements. Initiatives to support local authorities are underway with the Local Government Taskforce, central government departments with the OGC and the GCCP benchmarking group, and for housing associations in conjunction with the Housing Corporation, the National Housing Federation and the Housing Forum.

The cost is £950pa including information and assessment but not training which is available through training seminars. For further information contact the Clients' Charter on Tel/fax: 01235 820813/821093, e-mail clientsuccess@achilles.com or go to www.clientsuccess.org

The Charter Toolkit

1. Select the areas of your business you want to address

Score at time of registration	0	1	2
IA Is there commitment to the Charter by CEO or equivalent?	No evidence of commitment. Plans not a priority. No training.	Check to be completed. No training. No implementation.	Valid evidence of commitment. Training. Implementation.
IB Is there a national/personal responsibility for implementing improvements?	No responsibility for implementation.	No personal responsibility. No national responsibility. No implementation.	Valid personal responsibility. National responsibility. Implementation.
IC Is there personal responsibility for reviewing progress, targets, objectives, plans and performance?	No responsibility for reviewing progress.	No personal responsibility. No national responsibility. No implementation.	Valid personal responsibility. National responsibility. Implementation.

3. Identify process improvements and set out a programme of targets and underlying actions for achieving those improvements

2. Assess how your current business processes apply to the measurement scales provided

Jill Bluestone charity run



SCALA LETTERS

Please send your letters to the editor for the next edition

Dear Bernard,
Thank you so much for the sponsorship contributions made by yourself and SCALA. To date we have banked over £5,750 and expect that figure to increase by at least another £1,000.

It was most kind of you to show us the article from the Autumn 2001 issue of SCALANews making reference to Jill's death. As a family we obviously have our own memories of Jill (and of course Henry and Chandler, her sons). To read her colleagues tributes to her makes us all the more proud of her. We're glad that as her colleagues you shared her personality and warmth as well as her professionalism. I decided to take part in the Great North Run before Christmas and began to train regularly in January.

The 6th October was a beautiful late summer day in the North-East and as a family

we enjoyed the whole days events. I managed to complete the race in under 1hr. 45 mins. which was in the first 10%.

We have already given part of the sponsorship money over to our local Womens Refuge to pay for an informal, comfortable interview room to be built. On an initial visit to the Refuge this room will be used so as not to disturb the women and children living in the Refuge at that time as their temporary home

The remainder of the funds we think are to be used to create a safe play area for the children in the garden with safety surfaces. With not only Jill being killed but Henry and Chandler too we thought this very appropriate.

Thank you again for your contribution and thoughtful words.

Yours sincerely,
Peter Skerry



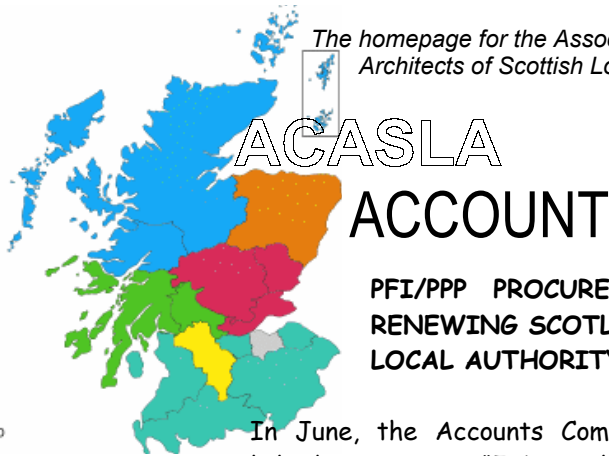
Peter Skerry, Jill's brother



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The homepage for the Association of Chief Architects of Scottish Local Authorities



PFI/PPP PROCUREMENT FOR RENEWING SCOTLAND'S LOCAL AUTHORITY SCHOOLS

In June, the Accounts Commission published its report "Taking the Initiative. Using PFI Contracts to renew Council Schools." (Ref www.audit-scotland.gov.uk)

The main findings of this report were:

- ◆ Councils have managed the PFI process well but the deals are still at an early stage
- ◆ The cost advantages of PFI schemes compared to alternative procurement options are narrow - no account is taken of the cost of private finance compared to council borrowing.
- ◆ There is significant variation between councils in the cost of schools developed under PFI. There is a greater need to understand variances and develop cost effective measures to promote value for money. Technical and design standards need to be developed and agreed.
- ◆ The Scottish Executive should lead in the role of developing best practice in PFI through a partnership with councils to share knowledge and staff skills as experience in PFI projects is gained.

Most Scottish councils are involved in PFI/PPP schemes of one sort or another and many are currently engaged in education packages to deliver new schools or significant improvements or extensions to existing schools. The average value of the PPP package is of the order of £70-£80m with some packages as low as £12m.

However, not all local authorities are signed on to the principle of PFI. The Scottish Nationalist Party has kept its distance from this procurement method but has shown interest in "not for profit" schemes. Argyll and Bute is currently piloting such a scheme and their experience will be watched carefully.

Scottish Executive PFI Seminars

During October, The Scottish Executive Private Finance Unit ran a series of three seminars on PFI procurement for delegates from Scottish local authorities at their Victoria Quay offices in Leith. This was clearly in response to one of the recommendations of Audit Scotland. The seminars covered

- ◆ The PFI Procurement Process including the defining of the project, OJEC issues, evaluation of bids, BAFOs and a perspective of the lending institutions.
- ◆ Dealing with Risk in the PFI covering the risk matrix, vfm tests in relation to the public sector comparator, the new standard schools contract & managing risk.
- ◆ Effective PFI Procurement covering the consultation process, design and negotiation issues.

Scottish Schools Standard PPP Contract

Member should note the publication of the Scottish Schools Standard PPP Contract in September. This has been circulated to all councils in CD format and can also be downloaded from the Scottish Executive's web site at www.scotland.gov.uk/pfi. Like any standard form of contract it is a basis on which to build a structured procurement procedure and should save reinventing wheels. As noted in the introduction, the standard form contract is intended to provide sector specific guidance to minimise the time and costs of dealing with legal issues relating to PFI/PPP schools contracts. It incorporates up-to-date Office of Government Commerce (OGC) guidance and should be used in conjunction with other relevant guidance that the Scottish Executive or OGC may issue from time to time.

It is drafted to reflect the following: -

- ◆ A mixture of new build and refurbishment/reconfiguration;
- ◆ Interim service provision to the existing estate during such refurbishment/and reconfiguration, taking account of the existing fabric and services condition;
- ◆ Full operational service provision that will come on stream facility by facility at times convenient to the Authority; and
- ◆ Service provision to schools only. The



Mike Lunny

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document, however, can be relatively easily amended to embrace the carrying out of works and/or service provision in respect of community leisure and health facilities. Footnotes identify certain key issues which will need to be considered.

The Scottish Executive expects this standard form contract to be used without substantial amendment. A certain degree of customisation will be necessary, in some cases, to reflect the individual features of particular projects but this should not extend to a change to the substance of the commercial terms or to making unnecessary drafting amendments.

All changes to the standard form contract require the prior approval of the Scottish Executive. The details of the notification and approval procedure will be issued separately to local authorities.

Design Issues

Interestingly, in the last of the seminars, the issue of quality of design was introduced which generated some debate. Architects with any experience of PFI could be forgiven for believing that accountants ruled the world, and they probably do. But here towards the end of this revolutionary answer to all our lack of quality investment in the last four decades, there is now some recognition that good design actually does matter and even might have a bearing on the educational attainment of our children.

To be fair, the Scottish Executive has published its policy on architecture, which recognises the value of good design and the impact it has on our environment and well-being. Those who commission PFI projects must now accept responsibility for ensuring good design comes with the deal. There is a host of design issues to take account of and the assessment is complex and needs to be skilfully managed. Clearly, professional support from the architect to the educationalists is essential. Surprisingly, space standards in schools are not yet prescriptive and so need to be specified in the brief. Similarly environmental factors such as classroom temperatures. Educationalists need to advise and agree on open-plan teaching environments versus cellular classrooms. There is the whole issue of sustainability.

While in England and Wales, any PFI design has to be approved by CABE, there is no such body in Scotland. Should there be one? Over the next 5 years or so, there will be a dramatic change to our schools infrastructure which will impact directly on the youngest section of our society. If the impact is to be for the good, then well designed schools are every bit as important as the educational process itself - indeed it is part of it. PFI whether we like it or not is here to stay and the architectural profession in the private and public sectors must rise to the challenges it presents●

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Hays Montrose &



A partnership to promote best practice in temporary recruitment services



"BUILDING PARTNERSHIPS; THE SCALA - HAYS MONTROSE CASE STUDY"

Introduction

Hays Montrose and SCALA have worked together now for over a year and a half in a recruitment partnership. From an initial vision, our working relationship has developed and grown into what I genuinely believe is a worthwhile initiative that is now evolving into new and different areas from those initially envisaged.

So when I was asked to contribute an article to this edition of SCALA news about partnerships, I felt that one aspect that I could reflect on which would be appropriate to SCALA members was the "process of partnership". In this case, that was the goal of providing recruitment advice and expertise to SCALA members at national and regional level.

What's a partnership anyway?

Firstly for the record, I believe that the term "partnership" can be often used in the wrong context to describe a multitude of scenarios for working with a client or organisation. When dealing with my local authority clients, I am especially careful about using the p-word, as I don't want to be pulled up by people wiser than myself about what the definition of a partnership is. Personally, in the recruitment context, I know what constitutes a partnership and I also know there aren't many about.

Therefore, when Hays Montrose started to hold discussions with SCALA about a "recruitment partnership" last year, my instincts were to be wary. What, in this context, was the partnership going to do and how were we going to define it? How do we measure our efforts and how would we know if this constituted a worthwhile relationship?

In retrospect, it is now easy to define the

key steps we have taken to develop the partnership with SCALA. Whilst I'd concede our partnership isn't the same as a complex contractual arrangement, the key principles are sound and have relevance in providing the basic building blocks to developing any partnership agreement.

The Key Steps

1) **Identifying the vision**

For Hays Montrose and SCALA, the starting point of our partnership was a vision. I'd held a number of discussions with Bernard Wyld and others. We all felt that there was a mutual need in the current climate of skills shortages and increasing workloads to create a partnership that could provide SCALA members with advice, support and guidance in matters pertaining to recruitment.

On reflection, once we had identified this vision we were always on the right tracks. We spent a fair amount of time at this early stage getting the vision right. All the discussions we had were honest and realistic. We tried to avoid creating unnecessary pressure by being unrealistic about what we could achieve or doing things too quickly.

2) **Doing what you promise**

The first major work we undertook was the agency trends and satisfaction survey. The initial aim was to identify the current use of agency staff by SCALA members and report this back to regional and national meetings.

As obvious as it sounds, completing this first activity within the agreed timetable and remit started things off well. As the relationship has matured and the track record of "delivering" has grown, the partnership has benefited from increased trust, rapport and understanding - all critical to success partnership.

3) **Regular Feedback & Communication**

Being exposed to and giving regular feedback is another critical thread to a partnership. There is always going to be difficulties and areas of the relationship that don't

*Richard Gelder,
Public Sector
Director for
Hays Montrose,
reflects on the
lessons learnt
from developing
the recruitment
partnership be-
tween SCALA &
Hays Montrose*

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call Richard
Gelder directly
on 07785 377614
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richard.
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match expectations. By having regular opportunities to provide both formal (i.e.; SCALA council) and informal (i.e.; discussions over dinner at a SCALA event) feedback and share views has helped to maintain good communication. Again, simple enough, but frequent discussions to "chew the fat" have proved critical in maintaining and shaping the direction of the partnership.

4) Innovation

A good example of innovation was the development of the *Temporary Recruitment Best Practice Guide*, which followed the survey into recruitment trends. This came about as a result of feedback during the reporting back process.

Although not initially anticipated, this guide has proved to be a crucial part of practical aspect of the partnership. A less flexible approach to partnership wouldn't have produced this approach and would arguably be the worse for it.

(Cont.)

5) Following up

I think that following up is quite a subtle concept. It's the proactive act of supporting your actions and being accountable for them.

In the case of local follow up with various SCALA regions, it has provided the support to the visions originally identified at the outset. It's a very practical issue, but without committing time to the partnership, it simply won't work as well. Very much a case of "you get out what you put in".

Conclusion

Reflecting on the partnership concept as a whole and my experience with SCALA, I would have to conclude that there are certain "behaviours" that seem essential to any successful partnership. I'm still wary of the definition of a partnership, but I know what it looks like and the key steps that I need to follow●

SCALADESIGN DEBATE



Mukund Patel

Chairman of the Design Forum

CHAIRS REPORT

STUDY DAY

Subjects suggested by members included:

- ◆ Construction procurement strategy
- ◆ Accelerating change
- ◆ Design for the electronic age
- ◆ "Joined up" projects

MP agreed to put these to the Council.

A second study day was proposed, to deal with some of the related issues (e.g. inclusion). This would cater for small groups, on a different date and location. Nottingham, late February, was suggested. A.H. agreed to take this on. IC offered to provide some contacts. Subjects suggested inclusion measures & interpreting legislation.

Main Study Day Venue.

Manchester was proposed. This has been successful and facilities have been recently upgraded for large conferences, MP agreed to raise this with Council, suggesting Birmingham as a second option. Dates proposed on 16th May, with an afternoon visit and evening presentation on the 16th

May. MP proposed a questionnaire to members asking their views on the location and a second study day.

CABE

BM said that there was continuing interest in Better Civic Open Spaces publication and that there was a 3000 copy reprint. 800 copies would be sent to each civic organisation in the country, with a joint letter from J. Rouse and Civic Trust supporting the better building agenda.

DQI. (Design Quality Indication) There are 44 trail blazers, including: 24 design firms, 4 contractors, 10 client organisations, 2 private clients and 4 others.

There had been many expressions of interest and he was confident that there would be over 100 trailblazers, including some from abroad. B M distributed the current promotional literature. The venture is being promoted in Wales and Scotland by CIC. The next DQI process will take place in Bristol. Bodies, such as the NHS Estates are developing their own DQI's. MP suggested an educational version, perhaps more detailed than general DQI's, possibly produced in partnership.



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3 major publications are due:

- ◆ Achieving well designed schools in PFI
- ◆ Joint CABE/OGC improving standards of Design and Procurement
- ◆ Value of Design - study of good quality design.

There had also been the joint venture with BBC Radio 4 on "Streets of Shame".

Raising awareness

BM said that there had been good feedback from the public and various bodies, which CABE were helping to build on.

- ◆ "Value in Design" had been an academic study, which made a link between achievement in schools and better recovery times in hospitals.
- ◆ Design on Democracy- Competition to raise awareness and improves access in civic centres (3 chosen)
- ◆ Project with BRE looking at all forms of procurement- Developing a toolkit to look at particular issues (1st Steering Group meeting on 16th October), with a workshop to present results.

MAINTENANCE REPORT

Little progress reported. The report cannot be used as before, and the financial losses are of concern. Possible joint venture with COPROP, using DfES AMP data, which asks questions of data eg. priority works, using data to provide cost /m².

MP suggested a meeting with A.J & L. Cooper following which a request could be made by SCALA to DfES. SB asked how information was to be used. MP said that there was no intention of publishing a yearly report. Condition data was already in the public domain and areas will be available by the end of the year. Information will also be available on numbers, temporary accommodation & swimming pools.

IC asked what SCALA were involved in this exercise for? SB said that it was to help members possibly for L.A.'s to help benchmark them selves.

Funding could be jointly provided by SCALA/DfES, with a sale price of £20 or so per copy. Costs would have to cover someone to analyse data. IC offered Pillar's services to provide support.

A meeting to discuss the report will be

held during the next few weeks.

TECHNICAL STANDARDS

Well Built - L.A. publication is now out, with workshops to be held on 25/09 in London and 16/10 in Cambridge.

DfES REPORT

Area guidelines.

MP reported that these were now on the website Changes in guidance on gross areas added about 10% to secondary schools and 15% to primary schools. Sixth forms were still being looked at.

BB95 Acoustic Controls

Consultation in the section dealing with Building Regulations was underway (criteria in BB95 was more stringent, including meeting NC, requirements with open windows, by planning and sound alternation. Competition for Furniture of the Future was being organized with the Design Council. 3 finalists will be given the opportunity to design furniture for manufacture.

AH asked how there would be advertised/sold to schools. MP said that products would have Design Council Approval. There would be plenty of publicity for the product and good firms & suppliers would be involved.

Cost Study of School Buildings

MP said that interim findings, based on 14 of schools, of construction costs of fees would be shared with CABE.

AH mentioned the difficulties in getting reasonable tenders for the work. MP suggested that 3/4 LEAs could be asked to provide more information taking in new areas & part L requirements. He said that ICT & furniture & equipment costs were also being looked at.

BR asked if partnering was reducing costs which MP agreed could be looked at.

NEW OPPORTUNITIES FUNDING (NOP)

There was criticism of the present set up with a lack of clarity in both guidance and selection reducing programme time●

Mukund Patel, Chair of Design Forum
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(Cont.)

Design Forum interests:

- Design excellence*
- Sustainability*
- Maintenance Survey*
- Inclusion*
- BSI*
- Flexibility*
- Study Day*
- Skills database*
- New construction techniques*
- External partners etc.*

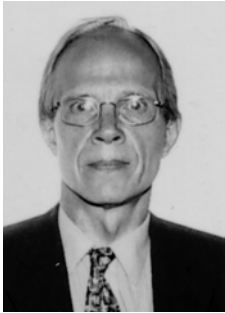


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SCALAPRACTICE PROGRESS



**Jeff
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*Practice
Forum
interests:*

*Legal &
insurance
matters*

Best Value

AMP's

Egan issues

EU issues

Benchmarking

*Contract
documents*

*Human rights
& equal opp's*

*Procurement &
commissioning*

Business mngt.

ICT, CDM etc.

CHAIRS REPORT of the latest meeting of the Practice Forum on the 20th September, the main issues being:

LGA PROCUREMENT PANEL AND CONSTRUCTION FORUM

The Panel has been formally reinstated, now as the FPS/LGA Procurement Panel. Now revitalised, the Panel's main focus is to be procurement strategy as a whole, as well as continuing to present Local Government views to JCT Council. In view of the importance of members' responsibilities, particularly in respect of Best Value and Rethinking Construction, the Forum agreed to establish a regular reporting system via SCALA members on the Panel. The Panel was due to meet on the 24th September, allowing initial feedback to the December meeting of the Forum.

RETHINKING CONSTRUCTION "ACCELERATING CHANGE"

The final document "Accelerating Change" has now been published, within a few days of the Forum meeting - the Forum had sight of early copies, but general distribution details are as yet unknown. Having made a fairly comprehensive response to the draft, the Panel looked forward to seeing how much had found its way into the completed document.

ASSOC. OF CONSULTING ARCHITECTS

Continuing the debate started by Nigel Badcock's article in the Summer edition of SCALA News "SCALA— What's next?", about future SCALA Membership, the Forum agreed that exploring links with the ACA might be beneficial - particularly to access a different perspective on Best Value in terms of private sector best practice, and to further develop benchmarking.

HEALTH AND SAFETY

The Forum noted the issue of the HSE's discussion document "Revitalising Health and Safety in Construction", seeking comment by 31st December.

This, together with Sir Michael Latham's recent comments on 'competence' as reported in 'Building', and the issues on the same subject already considered by the Forum (Autumn edition of SCALA News) suggested that it might now be appropriate to develop the subject, for the guidance and benefit of members generally, possibly with a good practice guide

LGTF

Rob Tate reported on progress of the joint LGTF/SCALA "Contract Guide". The content nears completion, the Forum's main consideration being the format - the need to be 'user-friendly' being the prime concern. Finalisation and publication were set for the end of the year.

CIPFA/SCALA

David Bentley joined the Forum meeting to update members on developments within CIPFA - CIPFA is to expand its Property & Asset Management related activities via the appointment of an additional Advisor.

EU DIRECTIVE ON RECOGNITION OF PROFESSIONAL QUALIFICATIONS

The Forum noted that SCALA had responded formally to this consultation document, and indeed that a response had been received from the ODPM.

The proposed Directive addressed certain issues apparently aimed at improving administrative efficiency, such as moving from individual (per discipline) Advisory Committees, to a single multi-professional one (SCALA has made the point that the positive contribution our profession makes to the environment may not be fully appreciated by this move), and similar streamlining in respect of existing Directives relating to free movement of professionals between member states.

HAYES MONTROSE

Forum agreed to HM's proposal to undertake an update survey of salary levels across our professions in the next SCALANews and best practice in temporary recruitment in the New Year●



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SCALA RESPONSE TO ODPM DRAFT CIRCULAR ON 'BEST VALUE & PERFORMANCE IMPROVEMENT'



In previous responses to recent requests for consultation from central government, in particular those for the Byatt Procurement Taskforce and the Strategic Forum for Construction on 'Accelerating Change', SCALA has supported the Government's commitment "to improve the quality and effectiveness of the services which local authorities deliver, either themselves or in partnership with others".

This latest consultation paper follows the White Paper on Local Government, 'Strong Local Leadership- Quality Public Services', which was published last December. Also Statutory Instrument 305/2002 which sets out changes to Best Value together with non-statutory guidance. Following this consultation it is assumed that DTLR Circular 10/99 will be replaced by more comprehensive guidance in the near future.

Following the massive changes that have taken place in local authorities since CCT, and more recently Best Value, SCALA is pleased to note that the Government recognises that greater discretion than that allowed by the 1999 Act needs to be given to local authorities to secure improvements in service provision. This, of course, is over and above the considerable strides already made. Construction and property services is the specific expertise of SCALA members and the introduction of new forms of contract and partnering initiatives, helping to achieve greater efficiency, economy and effectiveness in the provision of services are typical of the recognition of the need to achieve best value and continuous improvement.

These aims are well stated in the Byers Review of Best Value which, like the Byatt Report, acknowledges the freedom and diversity which local authorities need in the provision of their services to meet the wide ranging needs of their stakeholders. SCALA supports the view that fair and open competition for services, following a comprehensive review through challenge, comparison and consultation is the way for-

ward but emphasises the need for a change in culture by all involved in the process. The need for fairness and impartiality is emphasised in the Paper but little is said about the need for an experienced and dedicated 'in house' team to facilitate and/or provide the service. Without such people best value will not be achieved. SCALA comments on the individual headings as follows:

Comprehensive Performance Assessment

As part of the move towards greater discretion SCALA applauds the move away from the previous broad brush review of all services over a five year period to a more general assessment of the performance of an authority through the Comprehensive Performance Assessment (CPA). Support services, such as construction and property services, are largely dependent on both their front line clients and the corporate centre for strategic guidance and assistance in carrying out cross-cutting service reviews. If this critical support is lacking the individual service will inevitably suffer, despite the best efforts of the management. The CPA will identify high level weaknesses in the management of an authority with service reviews as and when necessary to achieve the aims and objectives of best value.

Approach to Best Value

The Paper states that "The desire for ... improvement must come from within, and requires a concerted commitment to improve that permeates the whole authority". The need for the right culture and corporate support, which must include the political leadership, for individual services to achieve Best Value has already been mentioned. The avoidance of a blame culture is essential, together with the understanding that if a service is performing well a step change is probably unnecessary, and potentially harmful. Such a level of service is better achieved on a step by step approach

Read SCALA's response to the latest government initiative and how it starts to tie together many of the strands of Best Value

Please send any comments to Jeff Gibson Chairman of the Practice Forum

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following a policy of continuous improvement. SCALA suggests that there is huge scope for joint working between public sector bodies and the voluntary sector and proposes that this should be a priority in the review and inspection process. Greater promotion of successful examples could be given through the Strategic Pathfinders Task Force of the ODPM and through the large networking abilities of the LGA and professional societies such as SCALA.

SHARED PRIORITIES

A corporate approach to Best Value, encouraged through the CPA, is an essential step to achieving these strategic priorities. With the limited resources available to local government a step by step approach is again recommended. Successful implementation of a PSA, or similar initiative, will help engender a proactive approach with the likelihood of greater success in the future.

SECURING IMPROVEMENT THROUGH REVIEWS

To provide the maximum benefit service reviews should be wide ranging and comprehensive with a clear statement and understanding of the aims and objectives of the service. Pre-conceived ideas and too great a reliance on performance indicators (PI's) are of little value when reviewing the complexities of construction and property services. Simple PI's are available for construction, with many more for the property side. The important issue is not the number, although too many is likely to lessen their value, but what they set out to achieve as detailed in the brief. This reinforces the general point made in the Paper about the need to balance the effort and work put into a review, against the potential gains arising from it.

Greater emphasis should be put on the need for tight control and a focussed approach to Compare and Consult to ensure a balanced approach to the 4C's and best use of scarce resources. The initial interaction is between the first 3C's and only when the information from these are analysed should examination of the options for

competition take place. This will help ensure an objective and balanced analysis and long term improvements to the service.

Review programmes

SCALA supports the emphasis on annual service reviews which are part of the normal business planning undertaken by every organisation wishing to develop and improve their services or products and are essential to the development of an authority wide Improvement Plan. As time passes these annual reviews will become less resource intensive and more productive.

Scoping of reviews

Through its partnership with the CIPFA Best Value and Quality Forum for Construction & Property Services SCALA has noted that a surprising number of reviews are small in scale and consequently make little contribution to the authority wide aims and objectives and are resource hungry. It is hoped that the emphasis on the CPA will highlight the need for corporate guidance on such matters and the opportunities for greatly increased partnership between local authorities in the provision of services.

Challenge

The point about the value of the Challenge element has been made previously. SCALA also supports the greater involvement of elected members in establishing and maintaining strategic objectives and corporate priorities. Of particular value is having a members 'champion' who is well informed on the service in question enabling more productive debate with members and senior management. This is enhanced by the involvement of 'third parties' in reviews who provide a different perspective and a fresh approach to issues.

Involving staff in reviews

SCALA fully supports the wider involvement as proposed in this section but doubts the need to give this statutory effect. Productive team working is achieved by a genuine commitment rather than paying 'lip service' to the letter of the law



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and this can be achieved equally well through guidance.

Setting challenging targets

The review will identify the need for a step change rather than the reverse. Any assumptions prior to a service review will be ill informed and unlikely to achieve best value. This section has more of the stick than the carrot and a well managed authority conducting proper service reviews will have identified the national and local targets to meet local need and provide better services. These will be incorporated in local PSA's and can be challenged if appropriate via the CPA process.

Competition and procurement

The importance of competition has previously been highlighted in this response in which option appraisal should play a key role. The Byatt Report also emphasised the need for variety in service procurement which is supported by SCALA, while the flexibility for larger authorities to source services from both 'in house' and externally provides a useful comparator and ensures sufficient expertise is maintained 'in house'. SCALA is pleased to note that this approach is endorsed by the Paper but doubts the feasibility of any one local authority having a single comprehensive strategy for the whole of its varied procurement needs.

With regard to the need for each authority to have a clear procurement policy and plan SCALA responded to the Byatt Report as follows: *"There will need to be a dialogue between those who propose the procurement plan, those who operate it and those who will 'police' it; at each stage of development there should be consultation. There should also be a procedure for review and refinement. Partnering, on Egan principals, will need the confidence of auditors as a process capable of passing scrutiny, possibly under a different audit regime".* Equally, at a strategic level, the proposed procurement forum would perform a similar valuable function as well as providing feedback from the experiences of others to ensure continuous improvement in

procurement by local authorities.

The avoidance of contractual disputes by Alternative Dispute Resolution is fully supported by SCALA. If such proposals are not included in the contract then adjudication is required by law as implied by statute in the 1996 Construction Act. What often happens however, is that additional clauses are inserted into contracts in an effort to transfer responsibility to other parties and such action should be discouraged. Where a dispute is likely to occur this can often be forestalled by the use of mediation avoiding more expensive litigation. New procurement methods, such as partnering, do much to encourage this and are to be applauded.

Sustainable development

The important issues raised in the drive to achieve sustainable development reflect very closely the arguments supporting the importance of quality criteria as opposed to price. Both of these main issues highlight the need for clearly evaluated aims and objectives over the lifetime of a project rather than over emphasis on the tender price, which may well be more expensive in the long term other than for basic requirements. A start has been made with the publication of the Housing Forum Report recommending 20 steps to whole life costing, but guidance on a common approach to evaluating whole life costs would enable fairer comparison and do much to promote best value. This is particularly important bearing in mind the 1 (design & construction), 5 (operation & maint.) & 200 (business function eg. flexibility and staff productivity) ratio showing the allocation of costs over the lifetime of a building.

Initiatives such as 'WellBuilt' promoted through the Local Government Task Force are particularly valuable in bringing to the fore important sustainability issues through action plans and guidance.

Valuing the workforce

The need for a well trained and motivated workforce has sometimes been overlooked in the rush to meet performance indicators and secure a competitive 'bottom line'. The



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issues raised above in the consideration of quality are also relevant here and in the promotion of greater teamwork and partnering staff play a vital role. TUPE is an important part of such considerations and clearly there is room for improvement as the totally unsatisfactory situation faced by construction & property services staff transferred into the private sector from Cheshire County Council illustrates. The poor performance of money purchase pension schemes as opposed to local authority final salary schemes is also relevant.

MEASURING IMPROVEMENT THROUGH PERFORMANCE PLANNING

The introduction of the CPA linked to performance plans will encourage good corporate governance and a focus on strategic issues leading to examination of individual services where appropriate. This will do much to encourage a culture of continuous improvement throughout the authority and stakeholders.

Plan rationalisation

Resources are finite and SCALA supports rationalisation which helps to concentrate resources where they are most needed.

Content of performance plans

SCALA has no comment other than to en-

courage local authorities to work in greater partnership with their neighbours and other organisations in joint working and the delegation of suitable functions.

Performance indicators and targets

The fewer and the more meaningful performance indicators can be the better, but it should be recognised that these are often no more than a guide to performance, particularly when taking into account the complex issues surrounding the provision of construction and property services. Good briefing and teamwork, combined with the right procurement method and awareness of sustainability issues, are the key elements to success.

Summary performance information

The need for individual discretion about the content, preparation, and communication of summary performance information acknowledges the different needs and diversity of services in each authority and will be of greater value as a result.

NEW ARRANGEMENTS FOR INSPECTION AND AUDIT

The principles outlined for these new arrangements are supported by SCALA but there is at present insufficient feedback to comment in detail●



SCALA
DIARY

NOVEMBER

- 14 SW Region meeting in Taunton (contact Tim Parker Tel: 01452425752)
- 28 Midlands Region meeting at Nottingham (contact Andrea Heinlein Tel: 0115 915 8009)
- 29 S&SE Region meeting at Hart DC (contact Tim.Gardner@Hart.gov.uk)

DECEMBER

- 6 SCALA Design Forum meeting at DfES, Conf. Rm 1, Caxton House, 6-11 Tothill St., London
- SCALA Policy Committee
- SCALA Practice Forum
- SCALA Council all at IPF Ltd. 27 Queen Anne's Gate, London.
- 12 NW Region meeting at Halton BC (contact David Mycock Tel: 0161 911 4130)

JANUARY

- 22 DDA Seminar at Nottingham City C. (see flyer or contact Andrea Heinlein for details)

CIPFA/SCALA 29th. Series of BV&QF workshops on Construction & Property Services: comes to you on- November 26 London, 28 Durham, 29 Burton on Trent/Derby, 3 December Preston, 4 Bulth Wells, 5 Taunton and 9 & 10 December Scotland.

For information on the CIPFA/SCALA Best Value & Quality Forum workshops for Construction & Property Services please see the CIPFA homepage on page 4.



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**Bruce
McVean**

**CABE
Programme
Officer-
Partnerships**

*The theme of
SCALA 2002
is continued
with this
article on
'The Value
of Design'
which includes
reference
to new
publications
on the subject*

THE VALUE OF DESIGN

It is one of CABE's core beliefs that any procurement process can deliver good quality design, and yet two years after the Prime Minister launched the Better Public Building Initiative we are still seeing too many badly designed public buildings. Many public sector clients still mistakenly believe that good design is a costly luxury, this despite the fact that the National Audit Office states again and again that 'Good design is essential for achieving value for money in construction.'

October 2002 saw the launch of one of the Better Public Building Initiative's most significant documents. *Improving Standards of Design in the Procurement of Public Buildings* is a joint Office of Government Commerce (OGC) and CABE report that represents official Treasury policy and has the support of all government departments. In addition, via a strongly worded foreword, it has the support of Sir John Bourn, the Comptroller and Auditor General of the National Audit Office.

The report outlines a series of clear recommendations for public sector clients to ensure that design quality is delivered. These recommendations are aimed at each and every member of the team involved in developing a project - not just the designers and the property managers. The role of those who set the budget is just as central to this issue.

One of the key recommendations is that we must stop letting tenders on a lowest cost rather than best value basis if we are to deliver quality design. Clients must consider whole life values when developing their budget, but what does this actually mean? There is a host of evidence that demonstrates the direct impact of design

quality on public service delivery. For example, classrooms with plenty of natural daylight help raise educational achievement and an external view from a hospital window will greatly improve the quality of a patient's experience and may even reduce the length of that patient's stay. Bad design, by contrast, will have a negative impact on value for money, examples range from placing a car park under a maternity ward - the fumes from which meant the car park had to be closed down within days of opening - to poor working environments compounding staff recruitment and retention problems.

The UK has a very bad track record on considering the whole life value of a building. Over a buildings lifespan, often 30 years or more, the initial capital cost (bricks and mortar) will be tiny in comparison to the cost of delivering the service. The OGC calculates that construction costs represent approximately 2-3% of total life time costs, while the cost of providing the service is at least 85%. While design accounts for less than 0.3% of the lifetime costs it has a profound effect on that 85%.

So how do we factor whole life values into a project's budget? CABE has just published *The Value of Good Design*, a summary of the key research into the impact of design quality on social outcomes. This provides a good starting point for those trying to evaluate the role of design in delivering better public services. Together with the Building Research Establishment we're also conducting research into providing a resource database for anyone attempting to calculate the whole life value of a construction project. The project is core funded by the DTI Partners in Innovation Programme and a range of key public



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The City Learning Centre at Brislington School, Bristol

sector bodies including the DfES, NHS Estates and Defence Estates, as well as a number of local authorities are partners. The research considers the environmental, social and economic benefits of investing in quality design and we are actively seeking case studies of public sector clients who have factored whole life values into their projects.

Considering whole life value is particularly important for those involved in the Private Finance Initiative (PFI). PFI is one of the most complex forms of public procurement, bringing together a range of issues that are generally separated in more traditional procurement methods. When you consider this and the fact that most clients involved in a PFI scheme will never have dealt with a large scale capital procurement project before then it seems little wonder that design quality often slips. This doesn't have to be the case, *Achieving Well Designed Schools Through PFI*, a CABE Client Guide,

provides a route map for creating better designed school buildings. It is a document that we believe will prove invaluable to anyone involved in a PFI project, not just those in the education sector. Regardless of procurement route the consideration of whole life values and the acknowledgement of the added value of good design will enable us to deliver high quality, sustainable buildings that benefit staff, users, visitors and the wider community alike. The City Learning Centre at Brislington School, Bristol, this year's winner of the Prime Minister's Better Public Building Award, is an excellent example of just what can be achieved, even within the constraints of a relatively small budget and tight time frame. We need to apply the same energy and imagination to improving all the public buildings which play such a vital role in our lives●

Copies of *Achieving Well Designed Schools Through PFI*, *Improving Standards if Design in the Procurement of Public Buildings* and *The Value of Design* are available free of charge from CABE - 020 7960 2400, enquiries@cabe.org.uk

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SCALANET

ONE STOP SHOP FOR COUNCIL PERFORMANCE INFORMATION

The challenge to readers is to balance the longer term benefits of good design and whole life costing against a shorter term view given by performance indicators

Local people will be able to compare the performance of their council against other councils and central government targets through a new web-site launched by Local Government Minister Christopher Leslie. The site allows users to check 97 aspects of services delivered locally, including the number of GCSE passes achieved, the level of waste re-cycled and the amount of council tax collected.

The web-site holds performance information for councils against Best Value Performance Indicators (BVPI) from 2000/01 and Audit Commission Performance Indicator data (ACPI) from 1999/00. The web-site allows users to search for data and

documents and download them in an appropriate format. It also enables users to analyse and compare data across councils at national, regional and sub-regional levels, and by different groupings of authorities. In a few clicks, users can easily retrieve data on selected questions and councils or create charts to show graphically the results of one question against the results of another question.

The web-site will be continually updated with the latest performance information. As more data is added the functionality will continue to grow as users will be able to compare their council's performance over several years.

In addition to providing performance information, the site also aims to explain local performance measures in plain English by providing a glossary of key terms and a page for Frequently Asked Questions. The site can be accessed at www.bvpi.gov.uk●



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Christopher Leslie MP

Local Government Minister

PROCURING BETTER PUBLIC SERVICES THROUGH 'IMPROVEMENT PLANNING'

Good afternoon. We have heard from Jo Killian on the CPA methodology, and how the Audit Commission will bring together assessments to form an overall judgement on the performance of each Unitary and County council in England.

The Audit Commission intend to publish final results on December 12 - one year after publication of the White Paper. A cycle now complete.

CPA has been a challenge. You have all been involved in a corporate assessment for the first time. A rigorous process, augmented by an honest, sometimes painfully honest, self-assessment and I hope that while challenging, it was a positive learning experience.

The timetable has been ambitious. It has required a great deal of effort from all of you, the inspectorates, the Audit Commission and other government departments but it has been right that we seek to deliver on the Government's agenda of public service reform. We are now reaching a successful conclusion to those efforts.

IMPROVEMENT PLANNING

I want us to now turn our minds to the focus of this conference - to Improvement Planning - and the consequences of CPA. You've heard from a number of speakers about different aspects of what is termed 'Improvement Planning'. I want to talk to you about the Government's perspective. We want to see all councils aiming for "Excellent". Our vision is one where local government takes ownership and helps itself, spurred on by the removal of controls, which can sometimes suppress innovation. In my time as a Local Government Minister I've been encouraged by the genuine sense of dialogue and the changing relationship between central and local government.

We need 'Improvement Planning' to focus on a major change in the quality of the services delivered, in a less prescriptive world and with a strengthened community leadership role.

It's important that we work together to achieve these aims and it's important that you respond to the outcomes of CPA honestly and positively - communicating to local people how you are going to improve.

Important that you are geared up to deliver on your priorities and this is understood across your workforce, and to the range of organisations you work with.

High quality council services rely on strong governance from political and administrative leaders. When individual services fail, the reason often lies in political or administrative weaknesses at the heart of the organisation.

Sally Hammond and Denise Platt gave you an update on progress on co-ordinated and proportionate inspection and audit. I welcome the steps Local Services Inspectorate Forum have taken to achieve this because we are all keen to see inspection targeted effectively at those who need it, and significantly less for top performers.

Inspection must support and complement other performance improvement mechanisms in place. The round table meetings are just the first step in identifying priorities, tackling weakness, and reducing central Government controls.

Government envisage their response to CPA as a 3-stage process:

Stage 1 - co-ordinated and proportionate inspection programmes by March 2003.

Stage 2 - round tables- with ODPM and other Government Departments negotiating freedoms and flexibilities for top performers, identifying how to address capacity and, in worst cases, co-ordinating intervention measures. We plan to run stage 2 concurrently with stage 1 roundtables from January 2003.

Stage 3 - monitoring and annual re-assessment of performance - I'll be saying a bit more on this later.

We intend a November announcement on post-CPA measures for driving up performance across the board. Our aim is to reverse the trend of centralisation through

Speech given to the LGA conference on 21 October 2002 on the implementation of the White Paper 'Strong Local Leadership- Quality Public Services' reviewed in the Easter edition of SCALANews



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the provision of freedoms and flexibilities - this is fundamental to us achieving this. We want to demonstrate our commitment to greater devolution to local Government. For all councils, there is a need to reduce red tape and unnecessary controls that distract from improving services. But for the best performers we want them to go much further and trailblaze innovative and new practices.

We know the issues on which you want to see action - ring-fencing, plan reduction and service freedoms but currently we are finalising details of package. Unfortunately I can't pre-empt this announcement.

However the Draft Local Government Bill contains further measures leading to deregulation, i.e. new capital finance system and charging and trading. This Bill paves the way and exemplifies the approach we intend to take.

At the centre, we too recognise we are far from perfect and need to raise our own game. That is why we have established the Local Government Performance Unit at ODPM. The aim is to bring together geographically orientated teams from all the main central Government interests.

It will be a Unit to co-ordinate cross-departmental freedoms and flexibilities, targeted support and capacity building, and intervention measures where necessary. The Unit sees a significant increase in input from local gov. practitioners - through direct appointments and secondments.

We are a genuinely willing partner in the improvement process but we must recognise that strong local leadership is key. You must own the process - and invest new, real resources in it. Otherwise, there will be little scope for others to engage with you in bringing about real differences.

TACKLING POOR PERFORMANCE

The Government will not tolerate poor performance or failing councils. They let down the people they are elected to represent and serve. They can also sometimes tarnish the reputation of the rest of local government.

Of course, Local Government is equally committed to tackling poor performance it-

self. Where a council or service is poor or failing, the Government will expect that council to act immediately to put things right. But where necessary, Government will not shirk from taking decisive and tough action.

ODPM is working with LGA to identify a range of support and improvement activities. After all, the skills needed to realise continuous improvement will be found primarily within local government and securing long term and sustained improvement will only be achieved through building a greater capacity to improve across the whole local government sector. There will be an immediate focus on the poor and weak councils, informed by the corporate assessment element of CPA.

By identifying how councils determine their priorities and ambitions, by measuring progress towards meeting those priorities, we can see where corporate capacity needs developing. We all recognise that a robust corporate centre is characteristic of the best authorities.

Ownership of improvement planning and strong local leadership at member and officer level is vital. It involves making hard decisions, and setting realistic targets that balance need with budgetary and resource constraints.

I think we'll find that Councils with the right amount of investment in corporate capacity, will figure prominently in the 'good' and 'excellent' categories in CPA.

This is clearly something that all Councils should seek to emulate and I would encourage you all to renew your efforts and ensure that funds are set aside in your budgets as far as possible. This core investment will allow you to implement the actions you identify as part of your improvement planning process.

Corporate leadership will necessarily be the way forward. No organisation will secure long term progress by tackling issues piecemeal.

We have asked the Office of Public Management to undertake a study of existing support and improvement activity. We will establish the evidence base for policy development, map current support, including



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the variety of funding streams which contribute to local government activity.

STAGE 3

And so to stage 3 of Improvement Planning- I must stress that this is not about producing another plan. But, of course you will need to respond to the strengths and weaknesses identified in CPA. We expect that the most sensible forum is your Best Value Performance Plan. By publishing your improvement plans, priorities and revised targets in the BVPP by June 30, 2003 the auditing and monitoring of the BVPP, will, in turn, inform the annual revision of CPA.

This way local authorities will enable local people to see the decisions made and who's responsible for them. This transparency is all the more important because of the new

political structures in place. Nearly all of your authorities have new constitutions. Removing the burden of the old committee system should allow more flexible and efficient working.

The new decision making arrangements provide you with new options. These should all contribute to delivering improvements.

In closing, I want to stress to you again that success in providing quality public services, consistently, will only be achieved in partnership, in two ways: firstly empowering those of you who have demonstrated the capacity to deliver and secondly, by streamlining central government management processes and co-ordinating them more effectively.

CPA has the potential to be an immensely powerful tool in bringing this to fruition and securing services local people deserve●

SHEFFIELD WILD GREEN SCHOOL



Entrance to Norfolk Nursery Infant Junior School, Sheffield

Article by Helen Sargant of WellBuilt! at the LGTF



It's not often that a client comes up with anything more philosophical than 'gimme as many classrooms for my money ASAP'. But at Norfolk Nursery Infant Junior School, the LEA asked for an inspirational, innovative design to complement the masterplan for the large regeneration scheme the school is within. The school is the first non-housing building in the area, and so a landmark was required, that would act as a catalyst for further investment.

Sheffield Design and Property Services have worked with the end users to create a sustainable design, with good community links, low operational costs and a pleasant learning environment. The £4.75M project will provide facilities for 450 children. Design features include:

- ◆ Reduced energy use and lower costs by using efficient lighting and heating, and connection to Sheffield Heat and Power. High levels of insulation and controlled ventilation
- ◆ Reduced water use by waterless urinals and rainwater collection for flushing toilets. Excess rainwater fed to a watercourse rather than drains.
- ◆ Increased use of daylight and natural ventilation reduces artificial light and

cost, and improves classroom conditions. Good acoustics and drinking water in all classrooms.

- ◆ A green roof, which overcomes noise problems and helps cool the building, as well as supporting birds and insects.
- ◆ Use of natural materials where possible, providing better internal air quality for allergy and asthma sufferers.
- ◆ Design of school grounds links with Wildlife Trust to support 'Learning Through Landscapes'. Planting protects the exposed site, and joins with the abounding ancient woodland.
- ◆ Located close to proposed social, health and retail facilities.
- ◆ Security and heating systems which promote community access, supporting ongoing area regeneration.

The project is currently on the way to becoming a Rethinking Construction demonstration project. The design of the school agrees with many of the measures set out in the Sustainable Construction Action Plan published this year by LGTF. WellBuilt! on behalf of LGTF is looking for more great examples of the good work you are doing. For more details of the Action Plan, events, other case studies and documents, see www.wellbuilt.org.uk●



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HEARD IT ALL BEFORE?



**Peter
Bishop**

*Project
Director*

*Local
Government
Task Force*

*This article
highlights the
fact that
there is still
plenty of
work to do
in procuring
better quality
services*



Regular readers of SCALA News will know all about the Rethinking Construction message, and all local government practitioners must be very aware of the government's drive towards best value regimes. But does this mean that the message that the lowest tender price is dead, has reached everyone? Well the answer is probably not.

In an article earlier this year I recounted the tale of two small builders who had never heard of Rethinking Construction. Were they unusual? Certainly not. Early findings from a yet to be completed survey of the industry as a whole, show a very mixed picture of the change process within construction. The good news for local authorities, and clients in the wider public sector, is that they appear to be much more aware of the drivers for change flowing from Rethinking Construction, than their counterparts in construction companies and consulting practices.

This is not necessarily surprising given the welter of advice being passed to local authorities through their Best Value reviews and Comprehensive Performance Assessments. Probably more than any other part of the market, the public sector recognises the need to break the shackles of lowest price tenders and move to a position where Best Value lies at the heart of the procurement process. What sense is there in appointing contractors to projects where the margins are so slim that most of the project, and months after, are spent in acrimonious wrangles and dispute resolution? And just what is the logic in designing construction projects that ignore future maintenance and running costs. Sustainable construction is not simple some idealistic vision, but one that maximises the use of resources for the communities that local authorities serve.

Indeed, so committed is the government to driving this message home, that they have just introduced a new Best Value indicator for local authorities. Indicator number 180 requires them to measure the energy consumption of all of their operational build-

ings, and compare these to recognised best practice. So simply building as cheaply as possible and ignoring the revenue implications over the operational life of the building, road or bridge, will lead to a poor score in the BV review system.

So where does this desire to build as cheaply as possible come from? Undoubtedly some of the pressure comes from a proper desire to protect the public purse. Quite rightly both officers and members want to spend the electorate's money as frugally as possible. But is the cheapest way necessarily the best? Politicians must also take their share of responsibility. In a system that requires them to face re-election every four or five years, it is understandable that they want to be seen to achieve as much as possible. And this translates simply in to delivering here and now, and not worrying too much about the running costs in thirty years time - someone else's problem! The 1:5:200 model that has been oft quoted in the last year or so, should however help the committed professional to persuade their politicians of the folly of such short-termism. Best Value it is not!

Of course best practice in procurement is not just an issue for local authority construction professionals. The principles that apply to good practice for procuring buildings, roads and bridges, as well as their maintenance and repair, apply equally to the procurement of a wide range of local authority services. Best practice in these arrears was addressed in the Byatt report, published by the DTLR in 2001. Just a few months ago the Office of the Deputy Prime Minister and Local Government Association published their response to that report. Entitled "Towards a Strategy for Local Government Procurement". It provides a detailed response to each of the thirty-nine recommendations it contained.

The report is aimed at ensuring that councils are equipped to negotiate the best deals with contractors for the delivery of a wide range of public services. In accordance with the original Byatt review, the report considers all areas of local government procurement and not simply construction. However, whilst the Byatt review made no specific



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mention of construction, the response does now make explicit reference to obtaining best value for construction projects. This specific inclusion is something that we actively sought and very much welcomed.

The principal recommendation in the report is the formation of a local government procurement forum to take forward the development of a national strategy. The forum will include representatives from the ODPM and the LGA as well as all other Government departments with an interest in local government, local government interest groups, supplier interest groups, professional bodies and trade unions. The LGTF will be an active participant within the group, and the first meeting of the group is planned for mid November. Initial issues to be considered by the forum will include capacity issues faced by small councils, proposals to create regional centres of excellence in procurement, developing sources of market intelligence, development of standard contract documentation and development of appropriate training programmes.

Other key recommendations endorsed in the report include:

- ◆ Councils should review their current procurement structures and processes and set out a clear policy on how procurement is to be managed.
- ◆ Councils should develop and publish a register of current contracts and a schedule of contracts to be awarded over the next three years.
- ◆ Councils to improve information provided to suppliers and publish a 'how to do business with the council' guide.
- ◆ Unitary and county councils are expected to establish a corporate procurement function to stand alongside finance, performance management, legal and human resources.
- ◆ Councils are to give priority in training programmes to developing procurement skills.
- ◆ Elected members should take a strategic role in securing quality outcomes. This will involve scrutinising procurement processes and monitoring outcomes of procurement.



Explicit in the report is a commitment that procurement will be one of the issues subjected to scrutiny as part of the CPA process. Since the first round of CPA assessments is due to be announced in December we should see a raising of the profile of best practice in procurement within local authority targets.

The report also supports the original Byatt recommendation that local authorities should review their standing orders, and that they should be used positively to encourage good practice. This is also to be welcomed, since it will stop for ever the cry that "we would like to change but our auditors wont let us!"

So are things changing? Well let us hope so. But in order to measure that change, the LGTF has commissioned its own survey; uniquely amongst local authorities. This has been made possible by financial support from the Office of the Deputy Prime Minister, which is responsible for driving the best value regime. To be conducted over the next few weeks, it is hoped that the results will help assess the extent of real change and improvement in local authorities. And from that we can determine how best to help those people who want to change, but don't yet know how.

PRACTICAL HELP

If you would like to implement some of the recommendations of Rethinking Construction, but don't know where to start, help is at hand. In February 2003, in association with CIPFA and FPS, we will be running a series of one day workshops around the country. These will be events to help construction and property professionals, primarily from local authorities, gain up to the minute guidance on asset management and procurement techniques. Details will be included in the next edition of SCALA NEWS. So watch this space!●

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A NEW DELIVERY MODEL FOR CITY DESIGN



**Richard
Wise**

*Head of
City Design*

*Newcastle City
Council*

*Read how
Newcastle
City Design
aims to
keep itself
at the centre
of a diverse
regional
construction
market*

As you may have read in the national construction press Newcastle City Council are seeking to establish a strategic framework for the delivery of the City Councils Capital programme.

In the first stage of this process we are aiming to explore and exploit the potential for entering into a partnering arrangement with contractors and consultants to work in conjunction with Newcastle City Council. The wish is to create a new innovative delivery model, which extends beyond just paying lip service to the Egan, Latham and Byatt Agendas. The new model will be so arranged to ensure that Newcastle City Council can continue to deliver a rising capital programme which is currently valued at @£60M. We wish to ensure that we have the capacity to deliver a much large capital programme that we expect to emerge over the next few years and which may well have doubled by 2008.

The context for this course of action is in part due to the capacity issues alluded to above (both skill base and numbers) as well as the best value process. But more importantly we have a genuine belief that the new service model can place the design and construction services at the centre of an increasing diverse regional construction market, which if we do not change will bypass the existing organisations completely. Newcastle City Council has a very ambitious regeneration policy known as *Going for Growth* which is looking for a massive investment in areas of the City that are currently suffering from an outward population migration. It is also currently considering the creation of an ALMO (Arms Length Management Organisation) for its Housing Stock which will if formed attract a significant injection of funding to upgrade the housing stock. The current housing stock has about 36,000 dwellings. Newcastle/Gateshead is 'one of the favourites' to be named City of Culture for 2008. If this is successful there will be an increased investment in the infrastructure to support arts, recreation and leisure fa-

cilities.

City Design currently design and administer 80% of the capital programme with the remainder delivered by local and regional practices. On top of this there is also the Education PFI programme which is progressing on site with a minimal input from the in-house resource.

With the current resources available to City Design we would not be able to meet the demands of these new workloads and may not have the opportunity to exploit new business opportunities. The opportunity that arises through this procurement exercise is the creation of a delivery model that can, through a transparent process, compare private sector and public sector service delivery and share the best of each sectors working practices. We are hoping over the next five years that any distinction that currently exists between these respective service providers would disappear.

We have issued an 'expressions of interest' notification and service brief to evaluate suitable partnership options. The deadline for the first stage submissions is 30th October 2002. We hope to receive innovative proposals from organisations with a demonstrated understanding of our needs and knowledge of how to contribute to the aspirations of the City Council

We have not identify a preferred delivery model at this stage. We are aware that unless we openly invite all types of service providers we would not be able to robustly argue that the final delivery model we advocate is the one that represents *Best Value* to Newcastle City Council.

It was also important for us to gain a consensus of opinion from the market place regarding how they would wish to see these services arranged. There has, for example, been concern raised from local businesses with regard to how other local authorities have arranged their new service model as some have precluded small and medium size organisations.

Potential partners will however need to



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demonstrate how they could fit with and contribute to the strategic priorities and objects of the authority and how they could influence the key drivers for change as demanded by best value. We think this is a tall order for a lot of the smaller organisations that currently contribute to the delivery of the capital programme. As we do not wish to exclude them from the process we have developed a questionnaire that should fit all comers and allow our evaluation to reflect the level of contribution these firms can realistically make.

To assist these organisations we have held two open day sessions and have received in excess of 150 expressions of interest. The responses to the open day sessions strongly suggest that at this stage there are two main delivery models that will be submitted.

We fully expect, therefore, to get bids from national organisations that wish to absorb the existing resources in both design and construction to deliver the entire service. If the submissions advocating this model type demonstrate a high degree of understanding of the services and an advantage in service quality these will be seriously considered at the next stage. The evaluation of these proposals will however be strongly influenced by the effect this approach would have on the regional economy as well as the authority. The current service providers make relatively large monetary contributions to the corporate functions of the council, which would obviously disappear. Profit and overhead would be absorbed by the new provider who would not wish to contribute towards the Lord Mayors Car!

The other model is the creation of a consortium of contractors and consultants that would be responsible for delivering the entire capital programme. The existing resources in this model would become part commissioner and part deliverer playing the role that is currently lacking, namely the technical client role. This complements the current delivery model, which has been moving to a more corporate position within the Authority over the past 18 or so

months. The appeal here from many of the delegates lay in the fact that local businesses both small and large could still make a contribution to the service. From the authorities perspective there would be a suite of organisations with different skills and capacities that could be organised in such a way to deliver the size of projects that best suited them.

There will undoubtedly be a range of hybrid proposals in between, whichever model finally emerges, as the best for Newcastle will not be determined at this stage. We would hope to be in a position to narrow down the field of partners and models by January 2003. The remaining short list will then work up the proposals in details with a view to some form of tender selection taking place once the model is determined. The final model must, amongst other things, reduce the excessive amounts of time the service providers currently spend selecting contractors and consultants (we currently tender in excess of 300 separate contracts per year). The model must also create a stable framework and workload for the successful partners to provide them with the opportunity for more effective resource planning and the opportunity to create effective training and development programmes, particularly on the contracting side, to in some way combat the impending skill shortage.

An initial framework of between 5-7 years is envisaged although there are some suggestions that a longer commitment may be sought by some of the potential service providers.

We will keep you all posted regarding progress!●

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Procurement policy

Building teams – achieving value



ARCHITETTO

**Simon
Foxell**

*RIBA
Vice Chair
Practice*

I am here to give you the RIBA's position on procurement issues. These have developed and are developing out of wide discussions with the profession and beyond, including, SCALA members, fellow consultants, contractor organisations and CABE.

Last year the RIBA published its Procurement Policy, subtitled 'Building teams - achieving quality'. It is a general policy on procurement issues responding the Rethinking Construction agenda and new modes of procurement.

The policy is particularly relevant to public sector procurement with its need to develop:

- High quality outcome specifications at an early stage in the process
- Value for money
- Optimum whole life costs while obtaining:
 - Quality buildings and facilities
 - Inspirational civic buildings and environments
 - And maintain vibrant local economies and a high quality regional skill base

The policy sets out the RIBA's recommendations for good procurement practice

- Ensuring the required outcomes are properly considered and defined
- That each project should be considered and managed on an individual basis where appropriate
- Strong and effective teams of clients, designers, constructors and others should be assembled at an early stage to work together to deliver a high quality service
- Enough time is given to the development of both the brief and the design itself
- An appropriate procurement route is chosen for each project
- Risk is dealt with appropriately for each project
- Proper consideration is given to the post-construction life of the project, to maintenance, evaluation & feedback

It also looks at the benefits and disadvantages of bundling projects together or commissioning each one separately, albeit often using the same teams or team members on a regular basis. Copies of the Policy are available from the RIBA or can be downloaded from its website.

The RIBA has also addressed issues specific to PPPs and the PFI in a proposed position paper discussed by RIBA Council two days ago on October 2nd. Whilst members individually have very different views about PFI, ranging from complete condemnation to conditional support, the RIBA has given its full backing to the thrust and recommendations of this paper, which in turn are very much in line with the Taylor report on PPPs.

Copies of the paper are available from the RIBA in the understanding that it is:

- A work in progress &
- We are looking for feedback & particularly from those with experience of the PFI or PPPs

The paper is in three parts:

- An introduction giving the background to PFI
- A discussion on the part that the RIBA can play and the way it links with the Procurement policy
- Separate recommendations aimed at Government and the public sector, the RIBA and Member practices

The RIBA recognises that the PFI and PPPs will be an important means of delivery of public sector projects. And that we, as architects, need to be able to make them work and be able to deliver high quality, perhaps fabulous, buildings. Buildings that provide the right level of service to clients, users and society both now and into the future, while offering value for money, being on budget and on programme. The RIBA strongly supports the need for a diversity of supply of architectural (and other) services. The large public sector providers of design services are now largely a thing of the past but there is a danger that they are going to be replaced by just a handful of large companies

Read Simon's presentation to SCALA 2002 who kindly substituted for Paul Hyett



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offering a mono-culture of supply. For example I understand that all public sector works in Devon and Cornwall are going to be provided by just four firms of architects. Such an outcome can only be detrimental to the economic and cultural health of the country as a whole.

We need to maintain a wide range of suppliers, including the small and medium design and construction companies where so much of the creative skill-base is to be found. It is also true that the SME's need to get themselves into much better shape to be able to deliver the service required. With slides I could have shown you a long line-up of award winning buildings from up and down the country; the Walsall Art gallery, the London Eye or innumerable projects commissioned by Urban Splash here in Manchester, by small creative firms. Even the designer of this building, the Lowry Centre, Michael Wilford a veteran of the PFI has now decided to become a small firm, to be able to achieve a better, more creative, way of working.

But to make this work we need good, knowledgeable public sector clients who will stay closely involved with projects from start to finish. Strong architecture and design departments in local authorities are essential for this. Otherwise there is every chance of going down the route of Rail-track, which sacked all its skilled and experienced employees and ended up being unable to manage anything and with disastrous results.

Public - Private Partnerships will be the

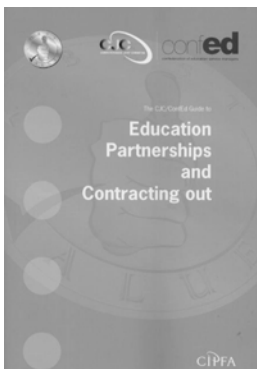
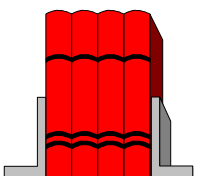
way forward and the RIBA is 100% behind them, but the public sector must be in good shape to commit to their side of the partnership with: skills, confidence and understanding, in order to procure well. Last month, in my role as Chair of RIBA London, I presented a new award instituted jointly with CABE, for the London Local Authority of the Year given to the London borough most committed to raising the quality of the environment. The winner was the London Borough of Southwark. That was in part because of the strength of their Architects' department which gave them; briefing skills, consultation skills, knowledge about good architects and the necessary procurement ability.

That strength needs to be available across the country.

Finally, a comment on risk. The public sector is ideally suited to deal with risk - at low cost. Private firms are not, and especially not SMEs. Their risk-averse insurers charge very high costs to deal with it. It cannot be the way forward for the public sector to try to off-load risk in this way. The RIBA is very keen to assist the creation of, and conditions for the very best public sector buildings and environments, and will remain a positively critical friend to ensure that we can all achieve it together●

Simon Foxell
RIBA Vice Chair Practice
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