

CABINET

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| Date of Meeting | Tuesday, 18 th July 2023 |
| Report Subject | Renewal of the North Wales Construction Partnership Framework |
| Cabinet Member | Cabinet Member for Education, Welsh Language, Culture and Leisure Cabinet Member for Governance and Corporate Services |
| Report Author | Chief Officer (Education & Youth) Corporate Manager, Corporate Property and Assets |
| Type of Report | Operational |

EXECUTIVE SUMMARY

The use of procurement frameworks are widely acknowledged and used as a way of reducing transaction costs, providing continuous improvement within long-term relationships and to allow public sector organisations to get better value and greater community wealth.

The North Wales Construction Partnership was established in 2014, primarily to deliver the construction of new school buildings, or the remodelling and refurbishment of existing school buildings, under the Welsh Government's Sustainable Communities for Learning Programme previously known as the 21st Century Schools programme.

The Framework is a partnership between the six North Wales Authorities with Denbighshire County Council acting as the lead Authority. The Framework delivers a range of projects across different sectors and can also be used by other public sector organisations in the region to deliver their construction projects.

The current framework agreement expires in May 2024, and this report outlines the proposed approach for renewing the Framework Agreement.

RECOMMENDATIONS

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| 1 | That Cabinet endorses the approach outlined to procure the next framework generation of the North Wales Construction Partnership. |
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REPORT DETAILS

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| 1.00 | North Wales Construction Framework | | | | | | | | | | | |
| 1.01 | The Existing Framework | | | | | | | | | | | |
| | <p>North Wales Construction Partnership was established in 2014, primarily to deliver the construction of new school buildings, or the remodelling and refurbishment of existing school buildings, under the Sustainable Communities for Learning Programme previously known 21st Century Schools programme. The Council renewed its commitment to the second framework iteration in 2018.</p> | | | | | | | | | | | |
| 1.02 | <p>The Framework provides a streamlined, cost-effective and collaborative mechanism to secure contractors for construction projects in schools and other public buildings across North Wales.</p> | | | | | | | | | | | |
| 1.03 | <p>The current Framework has six value lots with sixteen contractors. There are currently 24 “live” construction projects being progressed across the region with a contract value in excess of £135 million.</p> | | | | | | | | | | | |
| 1.04 | <p>Projects which have been delivered or are currently being developed through the Framework within Flintshire are as follows:</p> <ul style="list-style-type: none"> • Holywell Learning Campus – Completed on time and within budget • Deeside 6 – Coleg Cambria – Completed on time and within budget • Connah’s Quay High School Modernisation – Completed on time and within budget • Ysgol Penyffordd New Primary school – Completed on time and within budget • Ysgol Glanrafon School Modernisation and Early Years Facility – Completed on time and within budget • Ysgol Croes Atti (Glannau Dyfrdwy) School Modernisation and Early Years Facility – Completed on time and within budget • Childcare / Early Years Facilities – nine out of ten modular projects completed on time and within budget – one at construction stage • Ysgol Croes Atti – New Primary school – at development stage • Drury CP – Refurbishment – at development stage | | | | | | | | | | | |
| 1.05 | <p>One of the key benefits of the use of the North Wales Construction Partnership Framework has been a collaborative approach and early contractor engagement and the delivery of significant social value activities.</p> | | | | | | | | | | | |
| 1.06 | <p>Regional projects under the current framework have delivered the following social value benefits as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Work placements in education</td> <td style="text-align: right;">47</td> </tr> <tr> <td>Work placements not in education</td> <td style="text-align: right;">28</td> </tr> <tr> <td>Persons while employed as apprentices</td> <td style="text-align: right;">55</td> </tr> <tr> <td>Persons previously unemployed</td> <td style="text-align: right;">28</td> </tr> <tr> <td>Jobs created for graduates</td> <td style="text-align: right;">3</td> </tr> </table> | | Work placements in education | 47 | Work placements not in education | 28 | Persons while employed as apprentices | 55 | Persons previously unemployed | 28 | Jobs created for graduates | 3 |
| Work placements in education | 47 | | | | | | | | | | | |
| Work placements not in education | 28 | | | | | | | | | | | |
| Persons while employed as apprentices | 55 | | | | | | | | | | | |
| Persons previously unemployed | 28 | | | | | | | | | | | |
| Jobs created for graduates | 3 | | | | | | | | | | | |

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| | Careers events - not in education | 45 |
| | Training weeks for new entrants apprenticeships | 1749 |
| | Training weeks for new entrants Traineeships or equivalent | 149 |
| | Training weeks for new entrants technical or higher level qualifications | 346 |
| | Qualifications Achieved - main contractor | 72 |
| | Qualifications Achieved - subcontractor | 31 |
| | Short duration courses - main contractor | 346 |
| | Short duration courses – Subcontractor | 56 |
| | Training Plans | 56 |
| | <p>In addition to the above key performance targets for social value activities, the framework has delivered the following:-</p> <ul style="list-style-type: none"> • 1833 school pupils involved in engagement events • 45 Community engagement events • On average, 65% of the construction supply chain comes from Wales with 34% within the Local Authority postcode. | |
| 1.07 | <p>The Proposed Next Generation North Wales Construction Partnership Framework 3</p> <p>Renewing the Framework will ensure an effective mechanism for delivering the next phase of the Sustainable Communities for Learning programme, as well as the construction or major refurbishment of other public buildings for Flintshire and across North Wales.</p> | |
| 1.08 | <p>Details of the next generation North Wales Construction Partnership Framework 3 are set out in the Business Case attached as Appendix 1.</p> | |
| 1.09 | <p>The approach is to build on the strength and success of the current Framework, whilst making some changes to improve performance. Key changes include:</p> <ul style="list-style-type: none"> • A change in the way projects are “lotted” by increasing the value range within the lot to provide more opportunities for smaller contractors to achieve growth within the Framework term. • Extend the scope of the framework to cover social housing. | |
| 1.10 | <p>The new Framework iteration is to continue with a similar number of lots. Feedback regarding the value range for the lots has been taken into consideration and have been increased to support opportunity for company growth within the lot value supporting contractors to expand over the 4-year contract period. It is envisaged with this change to the framework more</p> | |

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| | <p>contractors will be attracted to the new Framework and that it will increase competition and pricing competitiveness.</p> <p>The option of Direct Award is planned to be included across the five value lots . This will support clients when they are provided with short timeframes to allocate funding.</p> <p>The inclusion of general social housing has also been included into the new iteration of the framework, this will increase client collaboration and North Wales Construction Partnership funding.</p> <p>All value lots will also have a reserve list. This will elevate any issues relating to not having enough interested contractors for mini competition.</p> |
| 1.11 | <p>There is a requirement for an enhanced Framework Management Team. This team will continue to be hosted by Denbighshire County Council and this continuity will ensure that collaboratively, North Wales Authorities can build on the success of the initial Framework Agreement and improve the impact of the framework in terms of:</p> <ul style="list-style-type: none"> • Engaging with contractors to maximise community benefits and support and develop local supply chains. • Working with economic development teams to develop local companies where gaps in supply chain exist; and • Continuing to work with educational organisations to provide improved training and development opportunities and work placements and upskilling of contractors. |
| 1.12 | <p>The Framework renewal will have an overall positive impact on future generations within Flintshire and the wider North Wales region, through:</p> <ul style="list-style-type: none"> • the development of new and improved school buildings and other public buildings; • up-skilling the workforce through the numerous training and work placement opportunities; and • developing the local economy by providing opportunities for local contractors. |
| 1.13 | <p>A key Council priority is the promotion and support of renewable energy opportunities across the Council Estate and wider communities. Accessing the framework will have a positive impact on this ambition by creating new net zero carbon facilities for public use.</p> |
| 1.14 | <p>Through using the North Wales Construction Partnership framework the Council can specify through the tendering process that new buildings are designed and built to a net zero carbon operating standards. For major refurbishments whilst the design envelope for a refurbishment is smaller, the Council can take a similar approach using the framework and tendering process to a new build and integrate low carbon delivery and operation throughout the planning stages to maximise emissions savings.</p> |

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| 2.00 | RESOURCE IMPLICATIONS |
| 2.01 | The cost of setting up the next Framework iteration arrangements will be met through the funding arrangements for the existing framework, whereby each Authority had previously agreed the sum of £15,000 each year as a management fee to Denbighshire County Council. |
| 2.02 | The next Framework iteration will require the same level of financial commitment (£15,000 per annum) from each Local Authority. |
| 2.03 | Under the previous Framework Flintshire's annual contribution was paid from the Sustainable Communities for Learning programme. It is proposed that the same principle should apply to the renewed framework. |
| 2.04 | Decisions on how surplus income generated from the Framework will be spent will be agreed by the Framework's Strategic Management Board, which has Senior Officer representation from all six North Wales Authorities. |

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| 3.00 | IMPACT ASSESSMENT AND RISK MANAGEMENT | | | | | | | | |
| 3.01 | Risks around the framework are managed through the Framework's Strategic Management Board to which each Local Authority has Senior Officer representation from all six North Wales Authorities. | | | | | | | | |
| 3.02 | <p>Well-being Principle Impacts</p> <p>Against the seven well-being goals of the Act, the potential impact of the report and its recommendations has been evaluated as follows:-</p> <table border="1"> <tr> <td>Prosperous Wales</td> <td>Positive impact Frameworks enable capital investment directly benefitting local supply chain/economy. A percentage of local expenditure is a requirement of the grant funding for contracts procured through this framework.</td> </tr> <tr> <td>Resilient Wales</td> <td>Positive impact Frameworks enable capital investment to ensure use of sustainable and recycled materials during construction, more energy efficient, potential reduction in carbon emissions.</td> </tr> <tr> <td>Healthier Wales</td> <td>Positive Impact Frameworks enable delivery of improved physical infrastructure and facilities which positively impact on the wellbeing of the end users and its community.</td> </tr> <tr> <td>More Equal Wales</td> <td>Positive Impact</td> </tr> </table> | Prosperous Wales | Positive impact Frameworks enable capital investment directly benefitting local supply chain/economy. A percentage of local expenditure is a requirement of the grant funding for contracts procured through this framework. | Resilient Wales | Positive impact Frameworks enable capital investment to ensure use of sustainable and recycled materials during construction, more energy efficient, potential reduction in carbon emissions. | Healthier Wales | Positive Impact Frameworks enable delivery of improved physical infrastructure and facilities which positively impact on the wellbeing of the end users and its community. | More Equal Wales | Positive Impact |
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| More Equal Wales | Positive Impact | | | | | | | | |

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| | | By using frameworks as a lever to deliver Community Benefits that support people to plan and shape their community's resilience. By continuing to build schools via the Sustainable Communities for Learning Programme and ensuring that each contract provides opportunities to develop skills, work experience, career advice and mentoring, as well as creating local sustainable employment |
| | Cohesive Wales | Positive Impact Through collaboration with the local supply chain, work experience programmes, supported businesses and community initiatives. |
| | Vibrant Wales | Positive Impact Frameworks enable delivery of new facilities to improve, both curricular, extra-curricular and community use of school buildings. |
| | Globally Responsible Wales | Positive Frameworks support capital investment to deliver a more sustainable product, local spend and added benefits for apprenticeships, work experience in construction. Frameworks support delivery of the promotion of Wales and its vibrant culture by supporting public sector capital delivery in the area and contributing to a more globally responsible Wales by investing in 'green' technologies and meeting Net Zero Carbon targets. |

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| 4.00 | CONSULTATIONS REQUIRED/CARRIED OUT |
| 4.01 | The proposals for the renewal of the North Wales Construction Framework have been developed through the involvement and engagement with senior officers, construction and procurement professionals within the six partner North Wales Local Authorities, as well as other public sector organisations who have expressed an interest to utilise the Framework. |
| 4.02 | There has also been involvement from contractors on the existing framework and other local contractors who are interested in being involved in the new Framework arrangements. |

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| 5.00 | APPENDICES |
| 5.01 | Appendix 1 – Framework Business Case (Denbighshire County Council). |

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| 6.00 | LIST OF ACCESSIBLE BACKGROUND DOCUMENTS |
| 6.01 | None. |

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| 7.00 | CONTACT OFFICER DETAILS |
| 7.01 | <p>Contact Officer: Jennie Williams, Senior Manager Planning & Provision Telephone: 01352 704015 E-mail: jennie.williams@flintshire.gov.uk</p> |

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| 8.00 | GLOSSARY OF TERMS |
| 8.01 | <p>North Wales Construction Framework: An innovative collaborative working solution, which has been developed to support the delivery of the 21st Century Schools programme and other public buildings in the North Wales region. Instigated by the Welsh Government and supported by Construction Futures Wales, the Framework is made up of the six North Wales Authorities and seven main construction companies, hosted by Denbighshire County Council.</p> <p>Sustainable Communities for Learning: (Previously known as 21st Century Schools) - Is a collaboration between the Welsh Government (WG), the Welsh Local Government Association (WLGA) and local authorities. It is a major, long-term and strategic capital investment programme with the aim of creating a generation of 21st century schools in Wales.</p> <p>Community Benefits: Delivery of added value through Community Benefits Policy are part of Sustainable Communities for Learning funding criteria and is also linked to the procurement of contractors on the Sustainable Communities for Learning programme and must be an integral consideration. They ensure wider social, environmental and economic issues are also taken into account during the project life cycle.</p> <p>Lot/Lotted: One of a number of categories of goods or services which a single procurement process has been divided into. In this case monetary amount associated with construction value.</p> |