

Efficiency East Midlands. (EEM)

Question & Answers:

- 1. Who is this staffed and salaried by?**
 - a. A Project Manager will be employed on a one year fixed term contract by NCH on behalf of EEM. The salary will be 100% funded from the EEM budget.
 - b. Existing employees from the core consortia members will be used to procure the frameworks. Time spent on the production of frameworks will be funded from the EEM budget.
 - c. Where resources are not available, procurement assistance will be recruited on a temporary basis and fully paid from the EEM budget.
- 2. Employer details – Who is the employer?**
 - a. As the Accountable Body, NCH would be the employer but all expenses incurred in the production of the frameworks or benchmarking is fundable from the EEM budget.
 - b. Prior to the end of the first year an evaluation will be undertaken by the EEM Board to ensure that any further commitment is sustainable prior to any decision being proposed to extend or commit any further resources.
- 3. Business Plan – Need to reflect the NCH leadership rather than the old Derby CEPP model.**
 - a. The Business Plan was stage one and financed by the grant from the National Change Agent NCA separate from the implementation grant of £260k.
 - b. NCA Housing is managed by Davis Langdon in association with Trowers and Hamlins. They won the contract through an OJEU procurement competition.
 - c. NCA is managed by Davis Langdon in association with Trowers & Hamlins. They won the contract through OJEU. NCA administer funds and give advice to the DLCCG.
 - d. The NCA advised EEM to keep the Business Plan in the Derby / CEPP format with a caveat included at the front of the plan that identified that the outcome will be the rebranding of CEPP to EEM with NCH being the lead organisation/Accountable Body.
 - e. The Consortia Agreement, produced by Trowers & Hamlins (Appendix A), is clearly identified as an EEM document and focuses on NCH being the lead organisation or the Accountable Body. The board is made up on Directors, Assistant Directors & Heads of service from the core members with Steve Hale being the Chair of the Board.
- 4. How much can NCH charge to this independent company?**
 - a. All time by NCH officers working on frameworks will be recorded on a timesheet and charged at cost to EEM budget without profit. Time spent by Head of Service and AD is not chargeable to reflect that NCH will benefit from the frameworks.
 - b. Administration services such as copying, arranging meetings, venue costs are all chargeable to the EEM budget.
 - c. When the frameworks are in place, two sources of income will be received by EEM, (1) membership fees payable by number of properties maintained. (2) a 1% rebate from members using the frameworks.

5. What are the actual procurement totals – un-procured so far?

- a. Advice from Trowers & Hamlin's and Davis Langdon prior to the submission of the Business Plan was to leave the spend by organisation figures as documented and to include the figures from South Kesteven with the caveat that South Kesteven are not currently a core member.
- b. The Plan also stated 'The opportunity to draw down savings from years 2009/10 and 2010/11 has largely been missed due to the passing of time, however, through the creation of Efficiency East Midlands and the expansion of the membership will bring in new work streams and associated works that will support the target of 7% cashable and non cashable savings.
- c. When the plan was established, only capital works would have been included, the NCA / HCA have now widened the remit and savings made from Responsive works can be included in the organisational non committed spend enabling cashable and non cashable savings to be recorded.
 - i. The reported uncommitted spend for 2011/12/13 is reported as £62.78m for 2011/12 and £62.41m in 2012/13 over the 5 core members.
 - ii. Savings achieved from the internal tenders procured during 2009/10 will be realised in 2011/12/13 therefore will be included in the annual return on investment.
 - iii. Excluding Responsive, NCH has capital expenditure of £63.12m in 2011/12 and £58.90m. Over and above this will be the responsive contracts and the Capital and Responsive contract expenditure from A1 Housing, Derby Homes, Newark & Sherwood and Ashfield.
 - iv. As indicated, the target is 7% cashable and non cashable savings on expenditure through volume and Consortium procurement. As new smaller members use the frameworks greater savings should be achievable on expenditure, all supporting the annual return.
 - v. Other organisations that have expressed an interest in becoming members of EEM include Charnwood Housing & Tuntum Housing.

6. Additional Benefits for NCH.

- a. The majority of frameworks tendered will be for products and services that NCH will use, for example, Warm Homes, Greener Homes resulting in NCH enjoying double benefit (1) Procurement officer's time paid by the EEM Budget: (2) beneficial rates through volume.
- b. Through a joint Consortium approach, over 30 products are currently being tendered that EEM can access therefore saving time in tendering for the products. This will also give NCH the flexibility in future tenders to increase savings where NCH/EEM will be able to substitute the tendered material prices with those obtained through the consortium.
- c. A proposal is currently being drawn up to allow other consortiums such as Greater Manchester Procure, North East Procure, Efficiency North Procure and EEM to share frameworks to bring greater efficiencies.