

# North West Improvement & Efficiency Partnership Efficiency Programme Briefing

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# The Background



- Created by merger of NWCE and NWIN
- Aim to deliver National Improvement & Efficiency Strategy – Dec 2007
- Devolved funding to each region – Approx. £7m pa for north west for 3 years
- 60% of funding further devolved to each sub-region
- Ambitious efficiency targets set by CLG - £753m for north west by 2011

NW Breakdown – Example Figures	Cheshire Total £m	Cumbria Total £m	AGMA Total £m	Lancashire Total £m	Merseyside Total £m	Total £m
Business Process Improvement (Including collaboration & shared service)	21	16	122	50	70	279
Smarter Procurement (Third Party Spend)	32	24	188	78	108	429
Asset Management	3	3	20	8	11	45
<b>Total</b>	<b>56</b>	<b>42</b>	<b>330</b>	<b>136</b>	<b>189</b>	<b>753</b>

*Note: These are unofficial working figures only. There are no mandatory targets set for individual councils and these figures are for illustration. The £753m is an estimate based on SR04 spending levels to make a contribution to the £4.9bn national target. The breakdown between the three categories is a CLG indication of where savings could be possible and do not constitute targets*

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# Overview of Expected Areas of Work



- Transformational Government & the Citizen
- **Efficiency (incl. Procurement)**
- Economic Development
- Health & Social Care
- Community Safety
- Community Empowerment & Neighbourhood Delivery
- Children & Young Peoples Services
- Environmental Quality & Climate Change
- Fire & Rescue Services
- LAA Networks & Support for LSPs
- Member & Workforce Development
- Equality, Diversity & Cohesion
- Innovation
- Supporting Improved Performance

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# Regional Budget



Regionally commissioned programmes in support of LAA/MAA outcomes	<p>Regionally commissioned programmes, in support of the sub-regional programmes. Includes:</p> <ul style="list-style-type: none"> <li>• Health and Social Care - support for the Joint Improvement Programme</li> <li>• Community Empowerment - work with the NWTWC network</li> <li>• Neighbourhood delivery - support to the new regional resource for neighbourhood working</li> <li>• Environmental Quality and Climate Change - regional learning on climate change</li> <li>• Fire and Rescue Service - support for a transformational programme</li> </ul>	950k
	<b>Efficiency – core expertise to support sub-regional hubs and promote procurement good practice across the region</b>	<b>250</b>
	<b>Efficiency – Regional Procurement Hub for Construction</b>	<b>400</b>
	North West LAAs network/support for Local Strategic Partnerships	200
	<p>Member development and workforce issues including:</p> <ul style="list-style-type: none"> <li>• Member Development Gateway</li> <li>• Adult Social Care workforce planning network</li> <li>• Children’s Services workforce planning network</li> </ul>	300
Performance	Direct support for improvement	200
Innovation	Funding for individual projects	100
Partnership costs	<p>Support for:</p> <ul style="list-style-type: none"> <li>• Governance</li> <li>• Communication</li> <li>• Commissioning</li> <li>• Evaluation</li> </ul>	400
Total		£2,800k

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# Efficiency Programme Objectives



- Significant savings achieved through collaborative procurement, achieved by a fully mature management of local government third party spend, with each local authority having a strategic understanding of its relations with key supply markets and a co-operative approach to managing those markets where this is in the public interest
- Increased understanding of the impact of procurement decisions on local economies
- Sustainable procurement achieved, realising benefits not only to local authorities and their partners, but also society and the economy, while minimising damage to the environment
- Increased engagement with the voluntary and community sector in the provision of services
- Improved Use of Resources scores

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# Regional Efficiency Deliverables



- Promotion of good practice and the use of new technologies:
  - E-marketplaces. Currently only 40% of councils are signed up to using an e-marketplace.
  - The regional portal where all procurement opportunities are advertised. This is particularly welcomed by local suppliers and Chambers of Commerce, but only 20% of north west local authorities participate.
  - The Government Procurement Card, with a view to reducing transaction costs in local authorities.
  - E-auctions
- Alerting the sub-regional hubs and individual authorities to existing framework agreements, set up by OGC and others.
- A development programme to support key procurement professionals in the region, focusing on: market management; sustainable procurement and engagement with the voluntary and community sector.
- A region-wide procurement hub for Construction, with a view to recruiting specialist expertise for the region.
- Other strategic procurement projects on behalf of the all north west local authorities, for example:
  - Negotiating relevant framework agreements on behalf of the region, for example the OGC.bs postal agreement
  - Working with key suppliers on behalf of all the local authorities in the north west to get them to adopt electronic invoicing for all local government customers

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# Sub Regional Budget



			Total £k
Sub-regional Transformation Programmes in support of LAA/MAA outcomes	<ul style="list-style-type: none"> <li>• Transformational Government and the Citizen</li> <li>• <b>Efficiency</b></li> <li>• Economic Development</li> <li>• Health and Social Care</li> <li>• Community Safety</li> <li>• Community Empowerment &amp; Neighbourhood Delivery</li> <li>• Children and Young People's Services</li> <li>• Environmental Quality and Climate Change</li> <li>• Equality, Diversity and Cohesion</li> </ul>	Cheshire	680
		Cumbria	470
		Greater Manchester	1,150
		Lancashire	1,100
		Merseyside	800
Total			4,200

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# Sub Regional Deliverables



- Pump-priming funding and other practical support for the creation of five sub-regional procurement hubs. The procurement hubs will:
  - Be joint procurement organisations, set up to let procurement agreements and contracts on behalf of the member local authorities, and significantly contribute to member authorities achieving their efficiency savings
  - Play a key role in supplier management, benchmarking and performance measurement, as well as developing sustainable procurement solutions, understanding impact on the local economy, and engagement with the voluntary and community sector
  - Support and be a driver for business process changes in each local authority to achieve maximum benefit from the procurement hubs and to maintain discipline in using agreements where they have opted into them
  - Provide the focus for building capacity and skills in relation to procurement across the region
  - Commission a Purchase Spend Analysis in 2008/09, to refresh the PSA carried out by the NWCE in 2006, to ensure that local authorities at the regional, sub-regional and local level have a full assessment of the procurement opportunities available to them, including common supplier and common spend areas, and also the engagement with local SMEs as part of their economic development focus

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# Next Steps



## Regionally

- Current resources remain in place (Neil Hind, Phil Gardener, Beatrice Fraser)
- Developing programme plan for year 1
- Procurement programme board will remain with amended scope
- Special procurement programme board arranged to agree scope and plan

## Sub Regionally

- Each sub-region is producing a strategy to meet objectives – due 9<sup>th</sup> May
- Each sub-region will nominate two chief execs to NWIEP Management Board
- Sub-regions will determine priorities and allocation of their funding

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