

**East Midlands Improvement and Efficiency Partnership
Board Meeting**

**12th April 2011
Commencing 10.00 am**

Pera Melton Mowbray

Agenda

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**East Midlands Improvement and Efficiency Partnership
Board Meeting
26th November 2010**

Minutes

In attendance:

Councillor Martin Hill OBE	Lincolnshire CC
Councillor Marianne Overton	Lincolnshire CC
Councillor Roger Begy	Rutland CC
Councillor Mary Malin	Kettering BC
Councillor David Perkins	Northampton BC
Councillor John Allsop (<i>sub. for Cllr Lewer</i>)	Derbyshire CC
Councillor Tony Howard	East Lindsey DC
Councillor Marion Brighton OBE	North Kesteven DC
Councillor Peter Roffey	EM Fire & Rescue Regional Management Board

Observers

Councillor Lewis Rose OBE	Derbyshire Dales DC
Councillor Neil Clarke	Rushcliffe BC
Councillor David Houseman (<i>sub. For Cllr Sprason</i>)	Leicestershire CC

Officers

Nick Hodgson (NH)	Derbyshire CC
Stuart Young (SY)	EM Councils
Chris Allison (CA)	EM IEP
Heather Parker (HP)	EM IEP
Andrew Foster (AF)	EM IEP
Mark Edgell (ME)	IDeA
Jan Sensier	GOEM
Jean Morgan	South Northamptonshire C

1. Apologies

Councillor Ann Western	Derbyshire CC
Councillor Andrew Lewer	Derbyshire CC
Councillor Brian Hoare	Northampton BC
Councillor Ranjit Banwait	Derby City
Councillor John Knight	Ashfield DC
Councillor Fiona Martin	East Lindsey DC
Councillor Robin Brown	Northamptonshire CC
Councillor Martin Suthers OBE	Nottinghamshire CC
Councillor Vi Dempster	Leicester City
Councillor Nick Worth	South Holland DC
Councillor David Sprason	Leicestershire CC

2. **Minutes of the EM Efficiency and Improvement Partnership Board – 3rd September 2010**

The minutes were approved as an accurate record of the meeting. All actions have been completed.

3 **Matters Arising**

None

4. **Declarations of Interest**

None

5. **RIEPs Future Plans**

The Board noted that the LGA and CLG recognised the benefits that had been delivered by the RIEPs and supported the continuation of sub national improvement and efficiency activity. There is the possibility of some financial support being provided to facilitate any arrangements put in place to deliver sub national improvement and efficiency programmes.

6. **EM IEP Options Paper**

The Board acknowledged that there was a requirement for sub national coordination of improvement and efficiency activity. Climate Change, Adult Social Care, Children's Services and collaborative procurement were noted as areas where continuing regional support is required. It was also noted that the anticipated £250k to facilitate improvement and efficiency activity in the region and any future devolved funding would be lost if there was no sub national partnership.

1. **The Board agreed that a programme closure at 31st March 2011 is not an option and acknowledges there needs to be an East Midlands Forum (EMF) which can continue to host the EM IEP legacy Improvement and Efficiency Programme.**
2. **The Board approved the creation of a sum of money from both regional and sub regional programme underspends, which should be ring-fenced (by EMF) to deal with both East Midlands and national improvement and efficiency programmes.**
3. **The Board agreed that a Members sub group should be established under the overall governance arrangements approved for EMF, with a specific remit focused upon the improvement, efficiency and productivity agenda post 31st March 2011, utilising ringfenced EM IEP resource and supported by a very small team of 2 fte posts.**

1. **EM IEP Sub Regional Programme Peer Reviews**

The Board discussed the issues raised in the report regarding sub regional programme commitments, spend to date, delivered savings and the principle of providing funding to support the continuation of sub regional improvement and efficiency activity post 31st March 2011.

1. **The Board agreed to apply equity across the SRPs for reallocation of returned/unallocated funding and agreed that the SRPs would each contribute £150k from their allocations to the fund for future sub national improvement and efficiency activity. Any additional underspend within the SRP programmes can be recycled to previously approved projects to enable the delivery of additional benefits.**
2. **The Board confirmed that grants would continue to be paid on the delivery of outcome milestones, as previously approved by the Board.**
3. **The Board agreed that a further peer review of SRP programmes would be carried out in March 2011.**
4. **The Board agreed that the delivery of the SRP programmes can be extended by a further 6 months to accommodate slippage due to specific programming or commissioning issues.**
5. **The Board agreed that the SRPs should ensure that effective monitoring of programme delivery and benefits tracking is addressed in accordance with the current guidance and reporting requirements.**

8. Regional Programme Update

The Board noted that there was a projected underspend of c£700k from the regional programme allocations. With the exception of the ring fenced climate change programme, it is anticipated that all regional programmes would be completed by March 31st.

1. **The Board agreed that any underspend from regional programmes c£700k will be added to the fund for the EM IEP legacy Improvement and Efficiency Programme.**
2. **The Board approved the closure of the Benefits Task Force Project releasing c£105k.**
3. **The Board agreed that the Customer Insight Project continues as planned, with a project underspend of c£15k noted.**

9. Supporting Councils in Difficulty Progress Report

The Board agreed that the sector led support, which had been provided by the EM IEP, had been successful and valued and should continue in the future. In particular it was noted that the process had been cost effective as a considerable amount of free time had been provided by both member and officer peers.

The Board considered the issue of establishing an 'early warning radar' system, which could include self assessment and peer reviews. The Board were advised that sector led support was high on the LGA's agenda. The

LGA Improvement Board had created a Performance Support Panel and each of the political groups had also established Improvement Boards.

10. EM IEP Climate Change Skills Programme

The Board noted that the climate change programme is well received and valued across the region. It was noted that the Skills Fund Programme (funding approval received in July 2010) would continue until March 2012.

The Board agreed that the Climate Change Skills Programme should continue to be delivered within the EM IEP legacy Improvement and Efficiency Programme.

11. Procurement Collaboration

The Board noted that there had been excellent collaboration across the region, which had enabled the regions local authorities to realise c£40m efficiency savings.

The Board agreed that procurement collaboration support would continue to be delivered within the EM IEP legacy improvement and efficiency programme.

12. Cultural Efficiency Challenge

The Board noted the report

13. EM IEP 2009/10 Final Accounts and Audit Report

The Board noted the report

Actions

- 1. A Members sub group be established under the overall governance arrangements approved for East Midlands Councils, with a specific remit focused upon the improvement, efficiency and productivity agenda post 31st March 2011, utilising ring-fenced EM IEP resource and supported by a very small team of up to 2 fte posts – SY/CA**
- 2. The creation of a ring-fenced fund for the EM IEP legacy Improvement and Efficiency Programme from both regional and sub regional programmes underspends. SRPs would each contribute £150k from their allocations with the addition of all underspending from regional programmes – CA/SRPs**
- 3. The delivery of the SRP programmes to be extended by a further 6 months to accommodate slippage due to specific programming or commissioning issues – SRPs**
- 4. The closure of the regional Benefits Task Force Project - CA**

- 5. Grants would continue to be paid on the delivery of outcome milestones, as previously approved by the Board – CA**
- 6. SRPs should ensure that effective monitoring of programme delivery and benefits tracking is addressed in accordance with the current guidance and reporting requirements – SRPs/CA**
- 7. A further peer review of SRP programmes will be carried out in March 2011- SRPs**
- 8. The Climate Change Skills Programme will continue to be delivered within the EM IEP legacy Improvement and Efficiency Programme – CA**
- 9. Procurement collaboration support should continue to be delivered within the EM IEP legacy improvement and efficiency programme - CA**

Agenda item No: 5

EAST MIDLANDS IMPROVEMENT AND EFFICIENCY PARTNERSHIP BOARD MEETING 12th April 2011

Report of the Director

Local Government Self Regulation Proposals—Local Government Group January 2011

1. Purpose of the report
 - 1.1 To appraise the Board of the self regulation proposals being debated between the LG Group/local councils and the government at the present time.
2. Background
 - 2.1 Extracts from the LG Group report to the Improvement Board attached (Appendix 1), summarises the current position from the LG Group on self regulation/sector led support for local government, following a series of consultation exercises with local authorities, over the past 12 months.
 - 2.2 The approach set out in the report will come into effect from April 2011 and is built around the two key principles:
 - Local Authorities are responsible for their own performance and for leading the delivery of improved outcomes for local people in their area.
 - Local authorities are accountable to their local communities and that stronger accountability through greater transparency helps local people drive further improvement.
 - 2.3 The report also enforces the approach that local authorities have a collective responsibility for the performance of the sector and to collaborate through sharing best practice and actively encouraging and providing both member and Officer Peer support.
 - 2.4 The report outlines the roles and areas of improvement under the following:
 - Role of the LG Group including tools available as;
 - Peer Challenge
 - Peer Support
 - Knowledge Hub
 - Data and Transparency
 - Leadership Support
 - Local Assessment Tools
 - Learning and Support Networks
 - Role of Audit and Inspection

- Role of Central Government

2.5 In summary the essential roles within the proposed approach to self regulation/sector led support are:

- (A) Local people and communities will hold councils to account by:
 - Participating in council consultation exercises
 - Utilising on-line expenditure information
 - Utilising published performance information
 - Attendance and participation in local meetings
 - Participation in any council self assessment/scrutiny activities
 - Challenging elected members/ward councillors
 - Through local elections.

- (B) Councils will:
 - Be responsible for their own performance
 - Build strong performance management systems across the council and local partnership
 - Share and compare key performance data as appropriate – including best practice
 - Take advantage, as appropriate of LG Group support and offers: Citizen engagement and accountability; Peer challenge and Peer support
 - Offer peer support – and assimilate learning
 - Be accountable to local people and communities by: Engaging with local people in priority setting etc and make performance information publicly available in ways that local people can understand and use.

- (C) The LG Group will:
 - Continue to lobby for further reductions in assessment; inspection and reporting
 - Provide tools for councils to use to strengthen engagement; accountability and performance improvement
 - Liaise with councils and offer support to those facing challenges.

- (D) Inspectorates will:
 - Provide external challenge for high risk areas such as adult and child safeguarding – but reforming their current approach so that it is more risk based and proportionate
 - Share concerns about poor performance with the sector to enable improvement support to be offered in advance of any further inspection
 - Co-ordinate inspection plans to minimise the burden on individual councils.

- (E) Government will:
- Minimise their data collection and reporting requirements on councils
 - allow the sector to deal with any performance issues facing any particular council before considering any form of intervention

2.6 The LG Group propose to publish further information on the proposed offers in the next few months.

3. LG Group Inform

3.1 Local Government (LG) Group Inform is an online service that will allow councils to access and compare data and present findings. The service will help councils build the evidence required to make informed decisions, reduce costs and improve services.

3.2 Through LG Inform local government members – including councillors, chief executives, heads of service, policy officers and many more – will be able to:

- access existing performance and contextual data, including national sources such as from the Office for National Statistics
- upload their own data
- compare and share relevant, meaningful data through customisable queries and reports
- share good practice, productive ways of delivering services, and insights from top performers to drive improvement across the sector
- deal proactively with transparency and open data requirements.

3.3 The service, facilitated by the LG Group, will be voluntary, not prescriptive or a reinvention of past national performance management systems.

3.4 Consistent with the LG Group's commitment to localism and sector self improvement, they are developing LG Inform with the sector to be owned and grown by the sector. The service is being built to open social standards and will require that all data sources are both open and linked. The service will be integrated with the Knowledge Hub.

4. Steering Group Comments

4.1 The Steering Group recommend that the Board discuss how to develop an 'early warning system' in respect of local authority performance monitoring, in the context of the principles underpinning sector led support and provide a political steer for the region.

4.2 The Steering Group recommend further discussions with the Local Government Group on the practical support that can be offered to the region from the LGID and other resources.

5. Recommendations

5.1 The Board note the Steering Group comments and consider the report and Appendix One, given that the resources available currently from EM IEP to support sector led improvement, are significantly reduced over the next two years.

5.2 A further report be prepared for the Improvement and Efficiency Board and EMC Executive Board on proposals to support sector led improvement for councils in the East Midlands.

Chris Allison
Director
EM IEP

Local Government Self Regulation and Improvement

Extracts from the LG Group report to the Improvement Board

Background

Our campaign to reduce the burden of inspection on councils has been successful. We've seen Public Service Agreements (PSAs), the Comprehensive Area Assessment (CAA) and burdens such as the Use of Resources and Organisational Assessments abolished over the last few months. At the same time, the government has welcomed the stance taken by the sector to provide more emphasis on self regulation and improvement.

Councils shouldn't be accountable to inspectors; they are accountable to their residents. Ultimately the electorate hold their councillors and councils accountable through the ballot box. In addition, day in day out, councillors and councils are engaging with their residents to ensure that they are delivering the high quality outcomes they deserve. From holding councillor surgeries through to formal citizen panels, councils are constantly seeking ways of engaging with their communities and being held more locally accountable for what they do. Now that the burden of bureaucratic accountability and the centrally imposed national targets have been lifted, they can concentrate even more on listening and engaging with their communities to deliver what they want.

The previous regime of inspectors and government field forces holding councils accountable through inspections, targets, and plans was estimated to cost in excess of £2 billion a year. Clearly this could not continue and the new government is seeking to promote greater local accountability through their drive for greater transparency.

In this paper LG Group sets out our approach to how self regulation and improvement will work in practice. We are not setting out a system that has to be adopted by all parts of the sector and all councils. But we do expect that councils will take steps to enhance the way they are held accountable locally. In addition, councils will continue to support each other, particularly through the use of Peers. The LG Group will provide approaches to help councils with each of these two objectives and also ensure that inspection does not creep back by keeping an overview of the performance of the sector and the wider regulatory regime in which they operate.

The next sections provide some more detail. The roles and suggestions are not meant to be prescriptive. Councils will choose based on what is best for them which ones they wish to use.

The approach set out in this paper will come into effect from April 2011.

Role of individual authorities

At the very heart of our proposals are two key principles which were overwhelmingly endorsed by our recent consultation paper.

1. Local Authorities are responsible for their own performance and for leading the delivery of improved outcomes for local people in their area.
2. Local authorities are accountable to their local communities. And that stronger accountability through greater transparency helps local people drive further improvement.

Councillors are elected to office with a mandate to deliver particular outcomes for their electorate. More often than not the mandate is set out in the party's manifesto where the public has a right to hold their council accountable for the delivery of these commitments.

How councils go about **strengthening local accountability** will vary from place to place. And we must not forget that councils providing local people with information and engaging with them in many different ways to hold them to account is not something new or that's not routinely done already.

But it is accepted that the lifting of some of the national burdens provides more opportunity to concentrate on local outcomes that local people have had more of a say in. We expect that councils will continue, where appropriate, to:

- a) Encourage feedback from their residents through a range of channels including councillors surgeries, satisfaction surveys, complaints, comments and compliments
- b) Make use of social media techniques to gather information
- c) Use citizen juries, mystery shopping
- d) Consult with the public on proposals that affect them
- e) Publish regular performance information so that the public can understand how well the council is meeting its objectives (e.g., annual report)
- f) Publish on-line all expenditure in line with national requirements in a way that the public can understand
- g) Make use of the role of scrutiny to challenge and improve both councils services and those of their partners
- h) Take stock of their own performance and identify areas for improvement and risks

- i) Make use of opportunities to be challenged by peers
- j) Seek and welcome support from the sector as and when required
- k) Develop their councillors to fulfil their role in this new environment.

Local authorities also have a **collective responsibility for the performance of the sector** and to collaborate through sharing best practice and actively encouraging and providing both member and officer peer support. This principle was also widely endorsed by the sector although some councils felt that in the current climate providing peers for others would be harder than in the past. Over the coming year LG Group will review, develop and implement an organisational development model for the sector to promote and/or incentivise collaboration and sharing expertise.

A key aspect of sector led regulation and support is that the sector is willing to provide the peers to both challenge and support others. This has been a key strength of the sector in the past and is even more important in the current challenging environment. In addition, the peers themselves are provided with a learning opportunity which we know from experience they find highly rewarding and use what they have learnt to make improvements in their own authority. Therefore we ask that authorities commit to continuing to provide the high quality peers that are required as a way of helping others but also learning for your own authority too.

Role of the LG Group

The LG Group is an integrated lobbying and improvement organisation for the sector. On lobbying we will continue to campaign for further devolution and for councils to have greater accountability of all public services in their locality. We will also continue to make the case for further reductions in inspection. In particular we will continue to lobby on behalf of the sector for changes to be made to the safeguarding inspection regimes and for a reduction in the burden of reporting to government.

On improvement we will support councils by making available tools for the sector to use them as and when required. We will encourage councils to make use of them as there is strong evidence that they help to drive improvement and provide a means for sharing good practice round the sector so that collectively everyone can benefit.

The key tools we are making available will be free to local authorities and we will work with the sector over the coming months to help shape them. In the responses there was strong support for any proposals to look beyond just councils and take into account the wider area and work with partners. We have already piloted some activities which are relevant across an area as a whole and we will develop these and other tools to provide an area dimension so that councils can use them in that way if they want to.

The tools will include:

1. Peer Challenge

We are making an offer to all local authorities to provide, **free of charge**, a peer challenge over the three year period starting in April 2011.

It will be voluntary to have a peer challenge but we know that since April 2007, almost 70% of local authorities have had a peer challenge and we know that during the CPA/CAA era, councils that had a peer challenge improved their ratings to a greater extent than those that did not.

To deliver on such a significant commitment we need help from the sector. We need the sector to make available the high quality peers that are required, particularly Leaders and Chief Executives and senior experts. In order to ensure a cost-effective way of delivering such a commitment we will need the peers and the local authorities to book in advance slots over the coming three year period where they can either give up time to be a peer on a challenge or when they wish to have a peer challenge.

The focus of the challenge will be worked up with each local authority and will be flexible to their needs. However, we expect they will all have some focus on the corporate capacity and leadership of the local authority – because we know these are key factors in council performance and improvement.

In addition, we will continue to offer shorter, sharper more subject specific challenges. It will not be possible for these to be free but the price will be kept to a minimum.

2. Peer Support

We are also offering up to 5 days of free member peer support for all councils which undergo change of control. Experience shows that providing member peer support to a new political administration in a timely manner is welcomed and of great benefit to the council.

In addition, we will continue to provide high quality member peers covering a wide range of areas. We are also actively expanding our peer banks to include experts from business, the voluntary sector and other parts of the public sector including, where wanted by authorities, civil servants.

3. Knowledge Hub

We know that Councils want to learn from each other but find it difficult to find the time or find the right information. Therefore we are investing on behalf of the sector in a new web based service that will create a single window to improvement in local government. It will use Web 2.0 technology and services and build upon the principles of the current

community of practice platform, to support networking, collaboration and knowledge sharing.

It will bring people together in one place online to share ideas, knowledge and information. Users will be able to find peers and experts who share their interests, to help each other and develop how they work. It will be a much more co-ordinated and dynamic way of using social media.

The Knowledge Hub will be fully operational by September 2011 and will be free for the sector. It will provide “money supermarket” style capability where improvement services can be compared in terms of customer experience and/or range of costs.

4. Data and Transparency

There is a clear demand amongst members and officers to be able to compare performance with other councils and areas – because it helps you understand your own information and can act as a spur to increase productivity and optimise outcomes.

Therefore, we are creating a free of charge place within the Knowledge Hub for individual councils to lodge data in an open source environment that gives access to services to help them understand their performance and productivity. These services include:

- Easy access to contextual data of known quality such as demographic and other socio-economic information;
- Help in getting under the skin of council and service productivity;
- On line means to share experience and understanding and find out about best practice;
- Access to analytic expertise in support; and
- The creation of individual and tailored council “dashboards” or agreed sets of data to present relevant data locally.

For councils who want the service, it will also provide a facility and structure to share and compare key data for selective, intelligent comparison with similar (or contrasting councils). We suggest that this would have a core of agreed metrics around cost efficiency and productivity, outcome and achievement, and citizen satisfaction, but with the service offering the ability to go beneath these measures.

We will ask all councils to place their data – such as government data returns on performance and cost - on the hub so that it is open to all users. If councils commission benchmarking clubs other than those provided by LG Group we ask that the data is placed on the hub and drawn from it by those clubs so that all local government performance, outcome, resident survey and cost data is open source to the public. This will ensure a VFM and effective means of local government reaching the highest standards of transparency in the public sector.

5. Leadership Support

The LG Group will continue to provide development support for political and managerial leaders. Our Leadership Academy and Leeds Castle programmes have provided development opportunities for hundreds of politicians. We will continue to provide leadership support for our political leaders and we will be making available **one subsidised place for every council for each of the next three years** on one of our main programmes commissioned from the market.

6. Local Assessment Tools

Following on from the self-evaluation tool the LG Group provided for councils under the CAA regime, we intend to develop with the sector a new local assessment tool that helps councils to work with local people, partners and communities to get a shared assessment of current performance.

Working with the Centre for Public Scrutiny, we will help local authorities make more effective use of scrutiny as a key tool for challenging performance locally.

We will also continue to make available products which it is sensible to invest in once nationally and then provide free of charge to the sector such as the YouChoose online budget simulator. This encourages members of the public to consider where council budget cuts should fall, where efficiencies might be made, and where income might be generated.

7. Learning and support networks

We will support networks of officers and Members at a national and sub-national level working with any sub-national groupings of councils and the relevant professional associations to share good practice and to provide timely support. We will prioritise our support to areas that the sector has said are a priority including children's and adult services.

We will also seek to make use of these networks to inform the wider policy and lobbying role the LG Group plays on behalf of the sector. LG Group is committed to sharing costs with councils' groupings in the interests of ensuring there is no duplication and the best use of councils' and the sector's improvement resources.

LG Group Improvement Board

We all agree that service or council "failure" damages the reputation of the sector as a whole as well as having an impact on the lives of local people and that we have to find some way of managing this risk – but councils don't want the LG Group to become some form of sector owned inspectorate; and we are not going to. Neither will we be able to rule out completely that no council will fall into difficulties in the future. Even the previous regime of inspection and government monitoring, couldn't stop failure completely.

But the damage that can be caused by a failure in just one council can have a huge impact on the rest of the sector. For example high profile failures in children's safeguarding have created inspection burdens and difficulties recruiting social workers for all councils.

We also believe there is a risk that if we do not take greater collective responsibility for overseeing the performance of the sector, including the release of peers, then inspection and ultimately government intervention will creep back.

Therefore, the LG Group Improvement Board working with the other policy boards at the LGA will maintain an overview of the performance of the sector. We will ensure that this role does not create any burdens for local authorities.

We will need to work with councils to find a light touch way to gather the wealth of information and intelligence that already exists in the sector – in political networks, through sub-national groupings and professional associations – so we are able to share good practice more effectively, to spot potential trends and also to identify where things might be beginning to go wrong. We will use that intelligence as a basis for talking with the council about possible improvement needs and offering appropriate support. Our Regional Associates, expanded in number with new roles, will co-ordinate this activity for the LG Group.

The LG Group will meet with the remaining regulators and government to receive information about the performance of the sector from their perspective. These meetings will provide the opportunity for local government to re-assure government that sector led regulation and support is a much more effective way of addressing performance failures.

Role of Audit and Inspection

Whilst inspection has been scaled back, external audit will continue. We agree that to ensure the integrity of the spending of public money it is necessary for financial audit to continue. We will wish to ensure though that this does not become inspection by the back door.

We also remain of the view that inspection should only take place in cases where an individual council or the sector more widely agrees that it would be appropriate. Our belief is that often peer challenge is more appropriate and in many cases where inspections is being carried out to dig deeper into known performance issues then it would be even better if sector support was put in place.

Councils accept that inspection of safeguarding should continue for the time being. However, councils are also clear that it should be more proportionate and be based on looking at outcomes rather than processes. The sector is also keen to make more use of peer challenge and the LG Group will continue to provide support in this area.

Role of Central Government

Central government will retain powers to intervene but they should be used as a last resort. Serious corporate failure is very rare in public bodies and we expect any concerns that government have to be raised with the individual local authority and the LG group so sector led support can be provided where necessary. We believe that this approach is much more preferable than the Secretary of State directing a body to carry out an inspection of an authority.

Government departments should cease to issue Improvement Notices on individual councils and work with LG Group to support those Councils.

Next Steps

Sector led regulation and improvement is already happening to a large degree and the approach set out builds on this but in a way that does not impose any additional burdens on councils but does reinforce the principle of collective responsibility.

We do not underestimate the challenge of this approach at a time when councils are having to make significant savings and take some very difficult decisions on behalf of their communities.

We will work with the sector over the next few months to refine the tools that the LG group are making available to ensure that they are what councils want and can be adapted where necessary to local circumstances.

We will publish updates on each of the proposed offers over the next few months.

LG Improvement Board Report 13 January 2011

Agenda item No: 6

EAST MIDLANDS IMPROVEMENT AND EFFICIENCY PARTNERSHIP BOARD MEETING 12th APRIL 2011:

Report of the Director

Progress Report Sub Regional Partnerships

1. Purpose of the report
 - 1.1 To provide an update on benefits delivered by the Five Sub Regional Partnership (SRP) Programmes, feedback from the five Peer Reviews of SRP Programmes and an update on the progress of the delivery of Total Place Projects.
2. Background
 - 2.1 At the meeting on 26th November 2010 the Board reviewed progress of the SRP programmes and noted that there was an issue with delivery being completed by 31st March 2011. The Board therefore, agreed that the delivery of the SRP programmes could be extended by a further 6 months to accommodate slippage, due to specific programming or commissioning issues.
 - 2.2 The Board also reviewed benefits that had been delivered across the SRPs programmes and agreed that SRPs should ensure that effective monitoring of programme delivery and benefits tracking is addressed, in accordance with the current guidance and reporting requirements.
 - 2.3 The Board agreed that the Peer Reviews of the SRP Programmes carried out in October 2011 had proved to be a positive activity. The Board also agreed that it would be helpful, to the Board, if a 'light touch' Peer Review be conducted in February/March 2011 with a focus on SRP programme delivery progress and benefits realisation.
 - 2.4 On the 15th April 2010 the Board considered a report to invest £1.1m of the Regional Programme resources for 2010/11 in Total Place (TP) type projects. At the meeting on 9th November 2010 the Officer Steering Group requested a progress update on these projects to be provided for their meeting in March 2011.
3. Sub Regional Partnerships Programme and Benefits Delivery Progress
 - 3.1 The sub regional programmes have enabled and supported their local authorities to deliver a total of £42m efficiency savings, as outlined in the table below. As projects continue to deliver benefits over the next 2-3 years a further c£97m efficiency savings are anticipated.

SRP	Grant Allocation £m	Delivered Savings £m	Total Potential Savings £m
Derbyshire	3.890	3.648	22.337
Leicestershire Rutland	4.237	1.344	5.738
Lincolnshire	3.982	0.340	35.330
Northamptonshire	3.545	1.608	15.561
Nottinghamshire	3.731	35.062	59.923
Totals	19.385	42.002	138.889

3.2 In addition significant service improvement, across all local authority services, have also been delivered. The 5 appendices attached provide a selected summary for each SRP Programme, setting out some of the improvements and benefits delivered to date.

4. SRP 'Light Touch' Peer Reviews

4.1 SRP Programme Managers undertook the 'light touch' peer reviews during March 2011 focussing on programme delivery progress, benefits achieved and systems monitoring for the delivery of benefits. The following table provide a high level summary of the feedback from the 'light touch' Peer Reviews. As noted above the Board had agreed that the SRP programmes could be extended to October 2011.

SRP	Balance at 31 st March 2011 £k	Balance Forecast 31 st March 2011 £k	Number of Projects to be c/f April – October extension period		System Established to Continue Monitoring Benefit Delivery
			Actual 31 st March	Forecast 31 st March	
Lincolnshire	546	144	6	4	Yes
Northamptonshire	1,106	125	16	5	Not past June 2011
Nottinghamshire	561	232	10	3	Not past Sept 2011
Leicestershire	945	338	21	5	Limited to October 2011
Derbyshire	1,647	1,079	25	10	yes
Totals	4,805	1,918	78	27	

4.2 As identified above 27 projects were identified in the SRP peer reviews to be carried forward into the residual programme. However, the current position of programme delivery, as identified above, does not reflect the peer review forecast for 31st March 2011. The peer reviews indicate that the significant difference in the forecast balances could be due to project delivery slippage or outstanding balances not being drawn down. Therefore, close monitoring will be required to ensure that projects are delivered in line with milestones and re-profiled where required, to ensure that delivery is assured within the April – October extension period.

4.3 The peer review of the Leicestershire, Leicester and Rutland Programme also highlights that a number of Total Place – Access to Services projects are at risk requiring the realignment and reallocation of around £293k to similar projects within the programme.

4.4 The peer reviews have identified there will be limited support for continued monitoring of the delivery of efficiency savings across the programmes. However, there is the possibility of establishing a reporting process directly for projects that are anticipated to continue to deliver efficiency savings when the sub regional structures are dissolved.

5. Progress in the delivery of the total Place projects

5.1 The following bullet points provide an overview of the progress of the delivery of the Total Place projects:

- **The Total Place Excellent Ageing project (Lincolnshire)** (£270k) is making rapid progress and already there is county-wide commitment to working together to deliver better value services and support for older people; older people have been engaged and involved in influencing the shape of these services. The proposed initiatives will be developed and implemented during the next stage of the programme
- **Nottingham City Children's & Families Project** (£186k) –The contract has been signed with Visionware to deliver the Multi/Vue data matching tool. Pilot working has been completed and there is now a greater degree of support for information sharing between agencies, and recognition of the value of doing so. There are still some practical hurdles to overcome; but in doing this it will bring some real long term benefits to the partnership in terms of more integrated and joined up working practice, and also to families in terms of better services. The web based tool for frontline practitioners will save 6 hours per worker per month in terms of time spent chasing information about other workers involvement in families
- **Derby City Property Alliance** (£38k) - Stakeholder workshops and meetings have been held and three Alliance sub-groups are taking forward projects that have been identified. A discussion paper on benchmarking standards has been produced and circulated to Alliance Members, and a Joint Property Strategy is being developed. An Alliance meeting in February 2011 refocused the key aims and future direction of the Alliance and they are confident that the Joint Property Strategy and the Action Plan will be completed and launched on time
- **Derbyshire Challenging Families** (£75k) – Data has been gathered for a number of families and young people to identify the interventions they have received, their impact and the cost. Analysis has been carried out to link the events in a family's life in a way that illustrates where agencies can work well and where agencies could potentially

improve. The interim analysis was extremely well received by both Children's Trust Board and the managers attending the briefings, and provoked a lot of discussion around what benefits families best and where service provision may appear to be lacking. This analysis has contributed to the development and vision for the multi-agency teams based in small localities to provide targeted intervention where it will most help families and young people. The project will present its final conclusions by the end of March 2011

- **Derbyshire Older People** (£65k) - Initial data collection has been completed across the partnership and analysis is underway, with reporting expected by mid March. The main partner organisations have been identified for consultation about local priorities and investments. Once the data analysis has been completed the stakeholder consultation will commence. A request to extend the project until August 2011 has been submitted
- **Leicestershire, Leicester – Drugs and Alcohol** (£225K) A focussed customer insight brief has been agreed targeting key 'at risk' groups, highlighting the drivers and motivators to change behaviours around alcohol misuse. A Social Marketing Programme has been commissioned: to reduce the harm associated with binge drinking amongst 18 to 25 yr olds in the Loughborough area. An approach within Community Budgets has been agreed and will form a wider programme. Community Budgets will be implemented from April 2011. Extension of the City watch Radio scheme with 20 new members, with a discount for 1 year agreed. An upgrade to allow secure access to 100 members/authorised users and administration for one year has also been supported. **Benefits Emerging** Pooled budgets for Substance Misuse have been established. A whole systems working approach across Substance Misuse and across Leicestershire public service partnerships have begun
- **Leicestershire, Leicester – Access to Services** (£45k) Focussing on customer insight specifically for A2S and Waste services. This will also help better define a broader approach to customer insight for Total Place type programmes. The Customer First Programme has established a Connect Service shop that requires further funding. The TellUsOnce programme requires some expenditure to support a local and regional marketing campaign. A further training package delivered by Aperia will embed the Circle of Need approach in both the Access to Services and the Customer First Programme.

6. Steering Group Comments

- 6.1 The Steering Group recommend that a learning event is delivered in the autumn 2011 highlighting the benefits and lessons learnt from Total Place and community budget projects delivered over the past 3 years.

7. Recommendations

- 7.1 The Board note the benefits that have been delivered to date by the SRP programmes
- 7.2 The Board note the Steering Group's Comments and consider the feedback from the 'light touch' Peer Reviews on the progress to deliver the SRP programmes and systems established to continue monitoring benefit delivery
- 7.3 The Board note progress of delivery of the Total Place projects
- 7.4 Elected Members representing the Sub Regional Partnerships confirm that governance arrangements are in place until programme delivery completion.

Chris Allison
Director
EM IEP

Appendices

- Nottinghamshire Sub-Regional Partnership Appendix One
- Derbyshire Sub-Regional Partnership Appendix Two
- Leicestershire/Leicester & Rutland Sub-Regional Partnership Appendix Three
- Lincolnshire Sub-Regional Partnership Appendix Four
- Northamptonshire Sub-Regional Partnership Appendix Five

Nottinghamshire Sub-Regional Partnership

Nottinghamshire CC Organisational Diagnostic Project (DECATS) - The programme used the DECATS methodology to assess the effectiveness of the organisation across 37 standard business functions. This work produced a number of outline business cases which suggested that £46m of savings could be made by re-designing a range of business functions across the Council. In April 2011 £32m of savings originally identified by DECATS were absorbed into departmental business plans with the remaining £14m attributed to discrete “horizontal” business cases which will be managed and delivered on a cross-departmental basis.

Council Tax Single Person Discount Reviews has enabled revenues of £3m to be claimed back by the City Council and the seven Nottinghamshire district authorities from false single person discounts council tax claims.

Joint Procurement has enabled £27,660 savings to be delivered from the joint procurement of Mosaic software. A number of joint procurements of software across the County have improved collaboration between partners and strengthened relationships while ensuring best value for money from suppliers. Some examples are joint website content management software, joint fleet management software and joint waste management software, performance software and e-tendering software.

A Nottinghamshire Lean/ Systems Thinking project has seen 368 individuals trained in lean/systems thinking. A number of projects are now being delivered to lean services across the County in services such as Customer Service, Housing Benefit, Development control, Environmental Health, Licensing enforcement and choice based lettings.

Two joint based lettings services have been established, one in the North Nottinghamshire area and one in the South Nottinghamshire area ensuring customers have access to a wide range of housing options over a wider area.

Two projects have focused on **reducing carbon emissions**. One working with large employers, public and voluntary organisations to reduce CO₂ emissions and one working with residents across three boroughs to reduce carbon emissions within communities.

Derbyshire Sub-Regional Partnership

A fully integrated Building Control IT system, across three partners, is freeing up officer time to concentrate on customer needs and fee earning work resulting in savings of £8.5k per annum. In addition, savings of £4.5k have been identified through licences that are no longer needed.

High Peak BC and Staffordshire Moorlands DC Joint teams are now in place for Finance, Property, Legal, Housing, Environmental Health, Cultural Services and Transformation including ICT and Procurement with EM IEP funding generating £335k savings to date, which are expected to rise to £460k.

Derbyshire authorities have established a **Joint Pest Control Service**. The unified and higher charges will lead to savings of £30k per year. Other efficiencies already identified are expected to rise to £20k per year.

The closure of the Chinley office and development of the **Glossop One Stop Shop** has been completed and will generate savings of £220k

Shared ICT Disaster Recovery across the county has generated savings of £17k to date for partners, which is expected to rise to £219k when all partners are connected.

The Derbyshire Wide Area Network is in place and delivering the shared ICT service between North East Derbyshire DC, Derbyshire Dales and Bolsover DC **Video Conferencing** will be delivered over the network with potential savings attributable to reductions in travel between sites.

A Joint ICT Service with three partners is now live £100k of savings has been generated to date and is expected to rise to £715k over 5 years.

Council Tax Single Person Discount Review has resulted in 134,000 discounts being analysed and letters sent to 57,752 households asking them to confirm that they are still entitled to the discount. Over 2,000 households have informed authorities they are no longer entitled; the discounts have been cancelled and they have been billed for an estimated £415k. A further 8,500 households have not responded and work is ongoing to cancel their discounts. The full value of the cancellations will be calculated at the end of the review when any challenges have been dealt with, but it is estimated that this will be in the region of £2m.

Derby City DECATS project has delivered £2.3m of transformation savings and £577k of procurement savings which are attributed to the funding provided by Derbyshire SRP and the initial regional programme investment for this project to support the implementation of the Council-wide programme of transformation and restructuring. **The Derby Workstyle project** funding contributed to the successful decant from the Council House ahead of refurbishment and generated cost avoidance of £109k for archiving materials off site. The project savings are expected to rise to £707k.

Over sixty bodies (local authorities and private sector organisations) across Derbyshire are working on **financial inclusion** and helping access to basic bank accounts, debt and income maximisation advice services, credit unions and Community Development Finance Institutions, as well as an active financial capability programme especially in schools. A New Credit Union service has recently launched in Amber Valley for the

first time. National recognised research from Leeds shows every £1 invested in financial inclusion generated £8.40 for the regional economy.

A series of courses run by Derbyshire Fire & Rescue, branded the **YES! Scheme**, for young people, aged between 13 and 16 who are on the cusp of or are already involved with criminality, giving them an insight into the life of a fire-fighter. This intervention project also teaches them to understand the consequences of their behaviour on their families, friends and the community. The majority of participants have gone on to join the Fire Cadet scheme which provides them with a BTEC qualification and also keeps them engaged in positive activities. Where a YES! Scheme has run there has been a reduction in anti-social behaviour and hoax calls to the Fire Service.

Over 370 people have attended Garnett Foundation **equality and diversity training** to address the requirement of the Public Sector to make significant changes to how they manage and measure equality in the local area.

Leicestershire/Leicester & Rutland Sub-Regional Partnership

Automatic Meter Reading (AMR) This project includes five Districts and the Leicestershire Fire and Rescue authority. All partners share the same system platform to allow similar data types to be easily compared. Sites were prioritised for installation on the basis of higher energy consumptions and, therefore, having the highest potential to achieve savings. In addition it was felt that the purchase of portable equipment would assist in identifying consumption patterns in lower usage sites where a permanent installation may not be as beneficial, as well as providing sub-metering facilities. Further procurement of the system has commenced across the partner authorities with additional savings made on the support and maintenance costs.

The **Strategic Commissioning** project has delivered a programme with the aim to enable decision makers in Leicestershire, Leicester and Rutland to plan and commission more efficient and effective services in a consistent manner. The 5 day Strategic Commissioning programme outline consisted of: strategy, strategic commissioning and the Commissioning Cycle, moving to outcome based commissioning and procurement, user/stakeholder involvement, personalisation and diversity, commissioning for service resilience in the face of economic dislocation and financial restraint, personal and organisational skills in Strategic Commissioning.

Reducing CO₂ Emissions. This project consists of three separate elements with both energy and cashable savings achieved alongside service improvements and includes a capacity building element supporting local communities to develop projects and initiatives by establishing a Knowledge Transfer Partnership. **Wattage Dimming** in Rutland will deliver £652 per year in energy and 3.9T CO₂ per year. Leicester is part of wider scheme costing £178k with CO₂ saving from EM IEP funding estimated as 29.7 tonnes per annum a pay back period of 2.68 years. Leicestershire is also part of an extensive programme which is aimed at producing £700k annually in cash savings and will deliver a reduction of up to 3,000 tonnes of carbon per annum contributing to about 4% to the Council's target of a 30% reduction in carbon emissions within 5 years. The **Big Switch Off** is a successful brand which has reinforced partnership working on issues of Climate Change. This bodes well for success in the establishment of a Strategic Commissioning Hub for the Environment. Savings identified during the Big Switch Off week will amount to £1.0m if continued throughout the year across Leicester, Leicestershire & Rutland. **10 community projects**, which can be confidently expected to deliver reductions over the medium term, form a good example and spur for other local communities to follow their lead.

Video Conferencing equipment has been procured and installed in a number of authorities across Leicestershire. It is forecast that savings will be made associated with a reduction in staff travel and time.

The successful establishment in April 2010 of a **shared legal service** between HBBC, O&WBC, Blaby and North Warwickshire has not only provided service resilience and improvements but has begun to realise efficiencies, within the first six months of operation the forecast savings of £44,000 for this year had been met.

The **shared Revenues and Benefits** service between HBBC, NWLDC and Harborough is on target to be fully operational by July 2011 and has estimated savings of £498k in year one of operation with ongoing savings of £280k per annum.

The county wide **Single person discount** review has enabled revenues of £1.3m to be claimed back by Leicestershire authorities who have worked together to tackle false single person discounts council tax claims.

Lincolnshire Sub-Regional Partnership

The **Home Energy Lincolnshire Partnership (HELP)** project is up and running and delivering in excess of expectations. Nearly 900 measures (cavity wall or loft insulation) have been installed in the first two full months of activity.

The **ICT projects** are moving along well with the first use of the *video conferencing* equipment in February, which will reduce staff travelling time and costs. Two of the district councils have already started to implement the **county wide anti-virus software** which when full roll out is completed will produce savings in excess of £200k. The **wireless networking** project is due to go live in February which will take a huge step towards supporting flexible and mobile working across the county.

The **Working Together Better** programme has numerous projects that are all progressing well and engaging senior leaders across Lincolnshire public sector organisations. The 7 **Leadership Master Classes** will have saved over £100k if the delegates had attended outside the Working Together Better programme. The **Leading into the Future** project delegates are working in Action Learning Sets to deliver Service Transformation projects e.g. one linked to Excellent Ageing.

Shared Back Office: two districts have merged back office functions and three others will be sharing a joint planning unit. Savings of £240k have been delivered with £4.86m anticipated over the next 5 years.

The **Business Transformation Programme** consists of 7 system led interventions across a range of services, improvements in service delivery are being made, and examples include: **Planning redesigns** in two councils, which have led to the time taken to deal with planning applications halving from 65-70 days to 35 or less, backlogs are being cleared and caseloads are now manageable.

Revenue and Benefits services across 3 councils are being redesigned prior to potential shared service. A local pilot has shown over 60% of customer demand could be dealt with "first touch", leading to less "rework" and "hand-offs". In one council reduction in failure demand led to a significant drop in phone calls equal to 9000 a year.

Northamptonshire Sub-Regional Partnership

Category Mapping of Expenditure has identified £366K of procurement savings for Northants authorities.

Buying Energy Efficiently. Councils are collaboratively purchasing energy for their higher usage sites through a flexible procurement arrangement taking advantage of favourable price movements resulting in savings of £341k being realised.

Community Benefits in Procurement has developed a web-hosted service *SupplyMyCouncil* which supports authorities and suppliers to improve the economic, social and environmental prospects for their local communities. This service is available for regional and potentially national rollout.

Kettering Carbon Reward Scheme this successful partnership with E.ON has delivered tangible benefits through the installation of smart meters in 1100 residences.

Local Councils Training and Development has delivered a countywide, comprehensive training programme to councillors and clerks serving in 208 parish and town council.

Business Continuity and multi-agency emergency planning has delivered a training programme and exercises and community risk registers to national standards.

Council Tax Single Person Discount Review has completed the initial phase in Northampton BC with 1610 discounts cancelled equating to over £400K additional revenue for 2009/10.

Improve Street Scene with Probation Service has enabled procurement of equipment to deliver improved environmental services and reduced maintenance cost.

Transportable Event LED Screens have delivered facilities for cost effective sub-regional authorities use at a wide range of outdoor events with opportunities to attract sponsorship, advertising and hire income from corporate partners.

Northampton Sexual Assault Referral Centre (SARC) is now realising up to £100K annual savings and efficiencies in staff time through installation of enhanced interview, forensic and peer review facilities in line with national standards.

Agenda item No: 7

EAST MIDLANDS IMPROVEMENT AND EFFICIENCY PARTNERSHIP BOARD MEETING 12th April 2011:

Report of the Director

Progress Report Regional Programmes

1. Purpose of the report
 - 1.1 To provide an update of the benefits delivered through the EM IEP Regional Programmes 2008/11
2. Background
 - 2.1 At the meeting on 26th November the Board were informed of the progress of the delivery of regional programmes and the anticipated under spend of c£800k. The Board agreed that any under spend, from across all of the regional programmes, would be reinvested into the Improvement and Efficiency (IE) Legacy Programme 2011/13.
3. Regional Programme Progress and Under Spend
 - 3.1 A further review of regional programme delivery has confirmed that the majority of the programme will be delivered by March 31^s 2011. However, there are a small number of projects that will not be completed until June 2011.
 - 3.2 The review has also identified an additional c£150k of under spend that will be added to the £800k previously identified, to be carried forward for reinvestment into the IE Legacy Programme 2011/13.
 - 3.3 The current position of the EM IEP regional programme spend and efficiency savings delivery is outlined in the table below. The programme balances include c£900k for the 2011/12 climate change programme and a further 11 projects that are due to be completed by June 2011. It is anticipated that the remaining 27 projects will be completed by end April 2011, with any further underspend added to the legacy 'pot'. Details of efficiency savings realised and service improvements enabled, through the regional programmes, are summarised in the following section (4) and detailed in the appendices attached.

Allocation £m	Balances 31 st March 2011 £m	Balances Anticipated April 30 th £m	Number of projects to be c/f			Efficiency Savings Delivered £m	Total Efficiency Savings Anticipated £m
			Actual 31 st March	30 th April	30 th June		
11.131	2.323	1.396	38	11	1	95.553	161.871

4. Delivered Benefits

4.1 The EM IEP regional programmes have enabled the region's local authorities to deliver £95.55m efficiency savings to date since 1st April 2008. As projects are completed a further c£66.32m efficiency savings are predicted to be delivered over the following 2-3 years. The 2008/11 EM IEP Efficiency & Improvement Programme of project funding, partnership support and capacity building activities has produced efficiency savings in the following areas:

- £40.93m Procurement
- £15.25m East Midlands Property Alliance
- £14.89m Midlands Highway Alliance
- £8.00m Culture & Sport
- £4.53m Care Funding Calculator
- £4.05m East Midlands Law Share
- £4.00m Shaping the Market for Children in Care
- £1.95m Transformation of Adult Social Care Systems & Process
- £1.31m Business Transformation
- £0.39m Shaping Adult Care Services
- £0.25m Carbon Management Programme

4.2 In addition to the above efficiency savings the regional investments have also delivered a significant capacity building programme providing:

- 205 free workshops and training events covering all LA services and back office functions attended by over 6,250 officers and councillors from across the region with 95% of the delegates rating the events excellent/good
- 57 good practice case studies
- 37 good practice films
- Information hubs for all key LA service areas on the website
- Sustainable networks for service improvement in all major service areas.

4.3 The attached appendices outline some of the delivered benefits enabled through the support of regional programme activity and funding.

5. Steering Group Comments

5.1 The Steering Group would like to draw to the Board's attention the capacity building activity outlined in paragraph 4.2, which has been appreciated by all authorities and partners across the region. It should also be noted that the sub regional partnerships have also delivered a significant amount of capacity building activities, some of which are detailed in report 6 appendices.

6. Recommendations

6.1 The Board note the comments of the Steering Group and benefits delivered through the regional programmes.

Chris Allison
Director EM IEP

Appendices

- Efficiency Programme Appendix One
 - Procurement
 - Efficiency in Waste Collection
 - Local Environmental Quality
 - East Midlands Property Alliance
 - East Midlands Highways Alliance
 - Cultural Improvement Partnership East Midlands
 - Business Transformation

- Children & Young People's Services Programme Appendix Two
- Adult Social Care Programme Appendix Three
- Community and Neighbourhood Development Programme Appendix Four
- Economic Growth Programme Appendix Five
- Regional Climate Change Programme Appendix Six

Regional EM IEP Efficiency Programme

- 1- Procurement**
- 2- Efficiency in Waste Management**
- 3- Local Environmental Quality**
- 4- East Midlands Property Alliance**
- 5- East Midlands Highways Alliance**
- 6- Cultural Improvement Partnership East Midlands**
- 7- Business Transformation**

1. Procurement

The Procurement Programme has supported six e-auctions for home to school transport (bus and taxis) which for an outlay of £30k have helped the authorities involved deliver savings of £5.9m. Further auctions covering IT hardware, furniture, paper, mobile phones have delivered savings of £567k. As part of the programme a regional software license has been procured by Derbyshire CC which will enable any local authority in the East Midlands to run an e-auction over the next 4 years at no direct cost.

Five authorities have worked with Lincolnshire County Council in adopting the Consultancy Value Programme which seeks to minimize and better manage the use of consultants. Using methodology developed by the National Audit Office a cost avoidance figure of £3.7m has been calculated.

To support the demand for increased transparency Derbyshire County Council has led a project to refresh the Source East Midlands contracts opportunity portal. This portal, which was originally designed by DCC ten years ago and was adopted by the region six years ago, has now been updated to facilitate better supplier access and incorporating technology such as e mail and text alerts.

Procurement clusters such as Procurement Lincolnshire, the Welland Partnership and the North Derbyshire Shared Procurement Unit, along with the county based procurement forums have continued to collaborate on procurement opportunities to deliver significant savings, such as the £445k savings on insurance delivered by the Welland, and £1.75m delivered by the Nottinghamshire authorities for a contract based on a common specification for refuse collection vehicles.

Of particular note for the future is the MSTAR framework that is being developed in conjunction with Espo. MSTAR, Managed Services for Temporary Agency Staff, is a collaborative project which has sought to engage with all local authorities in England and the Department for Education and seeks to reduce the agency fees involved in the supply of temporary agency staff. This framework which is due to be awarded at the end of March 2011 already has £125m committed spend and with further local authority and education (teachers) spend commitment, has the potential to exceed £500m in value on which potential savings of £50m are feasible

£30k worth of funding has also been provided to undertake Banking Reviews within 10 local authorities, which have identified potential savings of £375k.

Local Authorities have utilised the facilitated 'Efficiency Challenge' process to develop their efficiency action plans in waste and street cleaning activities and an income generation workshop has been provided for Nottinghamshire County Council.

2. Efficiency in Waste Management

The Waste Project has published four detailed case studies showcasing efficient and effective service delivery from across the region. A regional learning event was delivered to disseminate good practice on partnership working, joint procurement, and delivering efficiency savings and providing learning on current legislation and future government plans on waste minimisation.

Contract Management Training Workshops focused on waste management outsourcing as well as providing a broader view of contract management risks and opportunities.

A pilot 'target costing' working group was established where ambitious and achievable target costs for waste collection have been agreed with action plans developed for achieving these target costs.

A Derbyshire waste summit developed an action plan to deliver identified cost saving initiatives which all the Derbyshire local authorities will work towards over the next year.

3. Local Environmental Quality

The Local Environmental Quality Project enabled Councillors and officers from across the region to attend the 'Improving Efficiency in Local Environmental Quality' event showcasing the 'Efficiency Report 1' which explored non-cashable savings that could be delivered at an operational level and 'Efficiency Report 2' which explored the cashable efficiencies that can be gained from operations through strategic and radical approaches.

Four LEQ case studies have been published showcasing projects that have delivered service improvements and efficiencies. A further 2 case studies and a film have been published showcasing efficient and effective service delivery from across the region.

4. East Midlands Property Alliance (EMPA)

The EMPA was established in 2006/07 and formalised with effect from 1 April 2008, when 14 founder member authorities signed a concordat to work collaboratively over the procurement of design/build and repair/maintenance/minor works projects (capital and revenue). The role of EMPA and its managing agent, SCAPE System Build Ltd (a local authority owned company), was extended to help EM local authorities improve their performance and hence save considerable resources from a more coherent approach to asset management.

The EM IEP has invested £615k over the past three years with invest to save principles being applied at £410k. A repayment schedule has been agreed, which is subject to continued levels of business and hence income flowing through the SCAPE Ltd accounts.

A range of framework contracts covering project values from £10k to £30m are available to all EMPA member authorities. Currently 38 of the 46 East Midlands authorities plus 10 Fire and Rescue and Police authorities, are active EMPA members.

Since its inception £260m value of construction projects have been commissioned, with 110 separate projects now completed. Impressive statistics revealed are:

- Achieved savings of £15.25m from contract costs and through framework procurement procedures.
- An East Midlands supply chain of c1700 sub contractors has been established to support the 14 main contractors.
- 80% of the value of projects is spent with contractors operating within 40 miles of the project and 20% within 20 miles.
- 98% of projects are finished on time or early (national average 56%).
- Over 91% of projects are finished within budget and target costs are generally 2% under target (nationally 9% over target).
- In terms of safety no accidents on site in 99% of projects (national average 63%).
- The OGC Fair Payment scheme is operated such that 87% of payments to sub contractors are made within 30 days.
- An EM Construction Skills Academy has been established with support from both EM IEP and the National Skills Academy to train young people and address the skills shortage. So far 6 Apprenticeship starts have been achieved with a further 16 to come on stream shortly.
- Launched of the fixed price / standard designs for primary schools, which save up to 25% on bespoke design build solutions.

5. East Midlands Highways Alliance

The MHA was first established in 2006/07 with a grant from the East Midlands Improvement Partnership. The 9 East Midlands Highway authorities working in partnership with the Highways Agency and Peterborough, Milton Keynes and Staffordshire County Council(s) form the membership of the MHA. The basis of the MHA is collaborative working with the contracting industry to achieve value for money results for the participating highway authorities.

Further support has been given to this national exemplar project from 2008 and in total £270k has been awarded by the EM IEP Board to develop framework contracts for highways medium sized schemes, and professional services and lean systems projects. The 2008/09 grant of £50k has invest to save principles attached. A further £200k grant was given to EM IEP by the DfT to support efficiency schemes in highways/transportation and this sum was also made available to the MHA in 2009/10.

The value of the 56 projects workload to date contained within the various framework contracts is £126m. 49 of the projects have been completed generating £12.35m savings for member authorities. Further savings from commodity framework contracts and the professional services contract provide a further £1.7m of savings to date and the term maintenance tool has enabled the delivery of £818k savings in the first year.

A skills academy has also been established with support from the governments Skills Funding Agency with the primary purpose of driving up standards of training with contractors and local authorities, improve productivity and tackle skills shortages. Apprenticeships form part of the ambitious MHA skills academy operation.

6. Cultural Improvement Partnership East Midlands

Cultural Improvement Partnership East Midlands (CIPEM) projects have delivered cashable savings in excess of £8.0m. The main projects that have generated these savings are Northampton BC Leisure Trust; Northamptonshire CC changes on delivery of library services; Leicester City Joint Libraries Service; South Holland re-negotiation of Leisure Services contract and South Derbyshire DC re-procurement of leisure contracts.

The Culture & Sport Improvement Toolkit programme is drawing to a close with the pilot areas - Notts (completed), Leics & Rutland, Derbys and Corby - at various stages of implementing their county-wide Improvement Plans. A summary of CIPEM's achievements, including the KPMG & CSIT work will be showcased at a final conference in June 2011.

7. Business Transformation

The Business Transformation programme has supported authorities to deliver over £36million of cashable savings, regionally and sub-regionally, by providing funding support to a small number of successful projects over the three year period. In addition, a wide-ranging programme of training courses and seminars has enabled over 2200 managers and officers to develop their transformation skills and share best practice.

Below is a short summary of the programme's main achievements.

DECATS - organisational diagnostic that analyses activity across services to identify opportunities for improvements and efficiencies.

Regional funding supported a pilot in Derby City Council in 2009 and allocated £80k to each Sub-Regional Partnership to enable them to fund a diagnostic in their area. Derbyshire Sub-Regional Partnership used this to support implementation at Derby City which has delivered cashable savings of £2.8m to date. In 2010 Nottinghamshire Sub-Regional Partnership funded the diagnostic at Nottinghamshire County Council, which has delivered savings of £32m. These savings are reported by the respective Sub-Regional Partnerships (details of savings can be found in the Sub-Regional Progress Report 6 on this agenda).

Business Improvement Techniques NVQ

Over 380 officers from across the region have completed this government-funded training course. The training mimics a rapid improvement project, so that changes are implemented and services are improved during the training course. Participants achieve a nationally recognised qualification, an NVQ level 2, equivalent to 5 GCSEs. Projects resulting from the training have saved authorities £378k, and a further £513k has been saved by authorities as the training is fully funded by central government.

Training courses and seminars

Over 100 training courses and seminars have been provided as part of the programme, covering topics such as project management, shared services, 'lean' and systems thinking, facilitation skills, customer journey mapping and many more. These have ranged from three-day courses that develop practical skills to half-day seminars showcasing successful projects. In addition to free public courses, match-funding has enabled individual authorities to select and hold the transformation course they require at exactly the right time. The training courses have enabled thousands of officers and managers to develop their skills and apply them to transformation projects in their own authority, bringing service improvements and efficiency savings. In addition, £299k has been saved by aggregating demand for popular training courses. By running regional

courses in Prince2 project management, facilitation skills and 'lean' operations, EM IEP has been able to negotiate significant discounts that authorities could not achieve individually. This is particularly valuable for smaller authorities that can send delegates to a low cost course organised by EM IEP, rather than expensive public courses.

Funding for projects

Below are examples of two projects that received funding from the programme:

Nottingham City Council - Systems Thinking project

£677k has been saved by applying 'systems thinking' to the Benefits Service. A thorough review of the business processes identified waste and a system that was not meeting the needs of the customer. Re-designing the service and implementing a wide array of changes now mean that Benefit applications are processed faster, while both staff and customer satisfaction has increased.

Melton BC and Leicestershire Police - Anti-social behaviour project

Detailed workshops and interviews with both the victims and the perpetrators of anti-social behaviour (ASB) have provided valuable insights about the kind of services that are required to tackle this problem. Based on this insight a series of changes are being implemented, such as providing victim support services to ASB victims, vulnerability training to council staff and better liaison on specific cases between the local authority and the Police. These changes are helping to ensure that the Police and local authority are better co-ordinated and providing the kind of support that is most effective for the community.

Customer Insight and Research project

Four demonstration projects have been funded to test different research techniques while also providing valuable insights into the experiences of young people who are not in education, employment or training (NEET). In addition, a series of popular training courses and seminars have been provided to develop skills in this important new area, along with publications to highlight useful case studies and other resources.

Benefits 'fast track'

This programme of training and consultancy support from CIPFA has helped four authorities to investigate their own Benefits service, understanding the customer's experience and identifying improvements that will reduce processing times and increase satisfaction. Changes to services are being implemented, and delegates will be able to apply their new skills to other services within the authority.

Regional job portal

A regional job portal has been launched recently, allowing authorities to save money by advertising vacancies and managing the recruitment process online. Fourteen authorities are in the first wave of implementation, including Derbyshire County Council and all Derbyshire districts, Leicestershire County Council and Leicester City Council. The portal is one of four regional portals, initially funded by CLG.

Children & Young People's Services – Joint Improvement Programme

The Joint Regional Improvement and Efficiency Plan (JRIEP) for Children's Services has promoted work on four key themes since 2009 – (1) Workforce, (2) Safeguarding, (3) Commissioning and (4) Health Inequalities. Action plans within each theme have tackled some of the common issues being experienced in local authority areas and have led to a variety of high impact improvements, cost savings, cost avoidance and risk reduction.

Key to some of the cost savings has been reductions in regional fee negotiations of £1.2m and a collaborative procurement framework for care of looked after children that has seen fee reductions of £1.8m in 2010/11. This new fixed price arrangement for 4 years will deliver £2m savings for 2011/12 with a minimum of £2m savings expected in each of the consecutive 3 years.

Safeguarding and Health Inequalities developments are creating a set of leadership resources that strengthen processes in safeguarding to reduce the incidence of serious cases and inform partnership approaches to work to address child poverty and obesity – all of which will create greater efficiency and reduce future high costs.

The flagship of the JRIEP has been the development of a much-needed leadership programme for children's services to build regional capacity and competence for the emerging arrangements in public service.

Going forward, preliminary discussions are being held for a joint efficiency programme between children's and adult services to reduce some of the high costs around families with additional and complex needs through collaborative procurement, better transition and the re-design of services that can better support families and lead to higher levels of supported and independent adult living.

Adults Social Care – Joint Improvement Programme

The East Midlands Joint Improvement Partnership (JIP) is an alliance of key regional stakeholders, led by the Association of Directors of Adult Social Services (ADASS). It provides leadership to a programme of work jointly designed to improve adult social care across the East Midlands.

Seven work streams covered; Personalisation, Prevention and Early Intervention, Safeguarding and Dignity, Workforce, Commissioning, Valuing People and Performance. Successful outcomes include projects that have delivered the following benefits:

- Each locality worked on increasing the number of people with mental ill health self-directing their own support through a joint health and social care project, with a significant improvement in terms of uptake
- Seven LAs have co-ordinator posts in place to develop their micro markets helping to increase choices for service users
- Four LAs successfully bid for capital funding to deliver a predicted total of over £1 million efficiencies through establishing web based e-market places by March/June 2011
- LAs were supported to implement the National Minimum Data Set and use this to inform exemplar workforce strategies e.g. for personalisation
- Supported all LAs to have 'User Led Organisations' in place by March 2011, including pump priming for two to speed up the pace of change
- Jointly funded (SHA/RIEP/DH) five local efficiency projects to mainstream telecare in services for people with learning disabilities or dementia. The total regional net return on investment (ROI) is estimated to be £708,122 by the end of 2011/12, with a forecast of £3 million over the 5 year period
- Developed a Kite Mark Recognition Scheme for Dignity in Care Homes.
- The JIP and NHS QIPP sponsored a joint programme on dementia. Progress is being made on integrated workforce plans, a targeted workforce programme to improve quality in care homes, development of joint commissioning plans for dementia and plans to reduce the use of anti-psychotics in care homes
- Each LA has received an analysis and support to implement more cost effective housing solutions for people with learning disabilities. Four councils were involved in phase one of the programme and identified the potential to save £2.5m through a range of housing options
- All LAs were supported to have a local employment strategy for people with learning disabilities. The 2009/10 national indicator showed an EM increase from 5.4% to 6% of people known to social services in paid work
- Delivered in excess of £4.5 million savings through negotiating placement costs, using the Care Funding Calculator
- All LAs now have TRIPS software installed and are being supported to implement this to transform their data for more effective commissioning.

Regional Community and Neighbourhood Development Programme

Equalities & Diversity

When the new Equality Act became fully operational in October 2010, it extended the range of public duties across a wider range of equality strands, and introduced new duties around socio-economic disadvantage and changes for procurement and recruitment. Local authority (including procurement) officers, were well equipped to implement the changes to “build the new Equality and Diversity legislation into our procurement process” and recognised “the importance of embedding equalities into the procurement procedure”. This was a direct result of the timely direction and support provided by EM IEP’s **comprehensive Equality & Diversity programme**. This programme was also designed to improve the region’s overall effectiveness in this area, after underperformance had been highlighted by external bodies. With individual support, two authorities, which were at risk of prosecution received a clean bill of health from the Equalities & Human Rights Commission. Members, officers and communities have all benefited from an exchange of learning and ideas now encapsulated in the set of 6 case studies and DVDs of the 2010 Delivering Chances Awards which showcased excellent practice in authorities and groups in providing opportunities to socially excluded adults and young people.

Leadership of Place

Keeping Abreast of Change

Throughout the past 3 years EM IEP has kept members and officers abreast of changes in legislation and government initiatives ranging from LAAs and CAA to the most recent White Papers on Public Health. In 2013 local authorities will take on the function of joining up the commissioning of local NHS services, social care and health improvement through the establishment of health and well being boards. EM IEP prepared for these changes by commissioning a piece of work with Northamptonshire County Council to establish broad agreement between key local stakeholders on the aims, purposes and structure of a local health and wellbeing board. Councillors gained an increased understanding of their new scrutiny roles and responsibilities, and the voluntary sector were able to explore future opportunities and relationships. It is anticipated that this work will serve as a basis for a model for the creation of a Health and Wellbeing Board which can be used by other authorities.

Now, more than ever, elected members are required to make difficult but crucial decisions. Members attending seminars that focused on the importance of community engagement and ‘**Knowing Your Community**’ developed insights into the intelligence available to them. Consequently they were able to “strengthen my role as a representative at district level” and “put the information/skills into use in order to build relationships with the community”.

Exemplars and Localism

Over the past two years, EM IEP has worked strategically in partnership with the East Midlands Empowerment Partnership (EMEP) and the East Midlands Neighbourhood Resource Centre to a) increase the capacity in local communities to meet future challenges and b) to identify exemplars of good practice that are paving the way for the future.

In 2009, EM IEP/EMEP ran the **Empowerment Awards** which recognised resident-run projects that found new solutions to local problems. In 2010, the **Community Engagement Cultural Change Awards** demonstrated that a collaborative relationship between the public sector and the third sector can not only lead to a more empowered

community, but in turn to enhanced service delivery and facilities in local neighbourhoods. Throughout 2010 and 2011, 170 officers, members, parish councillors and communities, have benefited from the ideas and learning from the award winners through the organisation of '**Seeing is Believing**' visits. **The 'Big Offer' programme** also equipped Community representatives with tools and techniques to address issues in their own neighbourhoods, the importance of working collectively with other local groups and the effectiveness of restorative justice – all skills which will become future-critical.

Although the Localism Bill heralds a more mixed provider market, Local Authority officers discovered through EM IEP '**New models of Service**' events that "**options to traditional LA service delivery are possible**", and that social enterprises or Community Interest Companies have "commercial possibilities and potential" to save money and improve services. EM IEP also responded to the 'Community Right to Buy' challenge of the Bill by bringing together officers to develop a checklist that local authorities can use with community groups. This should prove a more effective and efficient method of dealing with community requests as resources in authorities decrease.

Regional Economic Growth Programme

Apprenticeships - In March 2010 the EMIEP in partnership with the National Apprenticeship Service (NAS), Unionlearn and East Midlands Councils launched the EMLAAA for unemployed 16-18 year olds. Its target was to secure 300 apprenticeship starts by April 2011, with 20% of all starts reserved for individuals from an ethnic minority background. The EM IEP grant for the agency totalled £75k with the training costs for each apprentice being met by the NAS. A prospectus outlining the apprenticeship scheme to Local Authorities, Schools and Fire & Rescue Authorities was published in March 2010.

Progress to date is summarised as follows:-

Recruitment of 16 to 18 year olds has been adversely affected by the recession so the project was opened up to include older recruits and conversions of existing employees on to Apprenticeship programmes. The greatest opportunity for 16 to 18 year olds has come from the Apprenticeship Training Agencies which focus on that age group.

The partnership worked closely with the Leicester College ATA which has a public sector focus. Supported by the project, the Mouchel Learning Partnership in collaboration with Lincolnshire County Council, has created an Apprenticeship Training Agency (ATA)

Further work to develop a public sector ATA is underway in Nottinghamshire, with Nottinghamshire Futures.

286 apprentices have started work with Local Authorities, including three hired by Local Authorities from Leicester College ATA, and 13 hired from Mouchel Learning Partnership ATA.

14 apprentices have been engaged to work with the Local Authority Supply Chain (Construction) through the East Midlands Property Alliance Skills Academy.

28 apprentices have been recruited for schools, including 8 where the school received a £1,000 grant, and 20 hired by schools from Leicester College ATA.

2 Apprentices have been recruited by Fire & Rescue Authorities.

A total of 330 apprenticeship starts achieved by March 31st 2011

East Midlands Social Lettings Agency (SLA) – (utilising private housing stock) is co-located with the Decent and Safe Homes organisation (DASH) at Derby City Council. The EM SLA is being piloted at Derby City and 4 other Derbyshire District housing authorities and was first established in 2010 with an investment grant of £200k from the EM IEP Board. The project aimed to match good landlords and good private properties with good tenants. The activities of the SLA can mirror the activities of a traditional/commercial lettings agency. The aim of this pilot project was to make available 100 homes from the private rented sector to vulnerable homeless people/families, often in unsuitable and expensive B&B accommodation, via a managing agent. Access to training/employment advice is also a feature of the pilot project. The estimated savings for LAs/DWP/NHS flowing from this approach are £1.4m over five years. As of February 2011 the 100 property milestone was realised between the five participating councils in Derbyshire. The next stage of this project will be to expand the service to other areas of the East Midlands.

Regional Climate Change Programme

As part of the regional Programme of Action, the two main strands of the 2008/11 EM IEP programme were region-wide projects aimed at achieving the regional adaptation and carbon dioxide reduction targets (own estate) by March 2011.

Adaptation

The Planning to Adapt project aimed to achieve an average of Level 2 (measured against the Local and Regional Adaptation Partnership guidance) across all local authorities in the region by March 2010 and an average of Level 3 by March 2011, with no authority having achieved less than Level 2. This has been achieved.

This means that local authorities have made a public commitment to identifying and managing climate related risk, that they have undertaken a comprehensive risk based assessment of vulnerabilities and opportunities to weather and climate, both now and in the future, and have identified priority risks for their services. They have identified the most effective adaptive responses and have started incorporating these in to council strategies, plans, partnerships and operations (such as planning, flood management, economic development, social care, services for children, transport etc). Appropriate adaptive responses have started to be implemented in some priority areas. In their role as community leaders, authorities have started working with their LSPs, encouraging identification of major weather and climate vulnerabilities and opportunities that affect the delivery of the LSP's objectives

Most authorities have also started embedding climate impacts and risks across council decision making and have developed comprehensive adaptation action plans to deliver the necessary steps to achieve the existing objectives set out in council strategies, plans, investment decisions and partnership arrangements in light of projected climate change. Authorities are implementing appropriate adaptive responses in all priority areas.

Some authorities are moving towards Level 4 by implementing comprehensive adaptation action plans across the local authority area, in liaison with LSP partners, and putting in place a robust process for regular and continual monitoring and review.

This regional approach has proved beneficial in terms of sharing the workload and providing mutual support in developing the project. A common methodology has been developed for undertaking risk assessments, which have been carried out for main service areas in all local authorities and for the objectives in the sustainable community strategies.

Support to the project has been carried out by Climate Adaptation Project Officers, recent graduates or post graduates, recruited through Studentforce.

Reducing carbon dioxide emissions

All local authorities, fire and rescue services and the Peak District National Park have now had the opportunity to take part in a Carbon Trust Local Authority Carbon Management Programme (LACM), either through the Carbon Trust's main programme or funded by the East Midlands bespoke programme, through by EM IEP.

One of the region's targets was to make the opportunity available for all local authorities, fire and rescue authorities and the Peak District National Park to undertake

a carbon management programme. It was recognised that the full Carbon Trust LACM was not suitable for smaller authorities, so a lighter bespoke programme was developed. In particular relevant tools were selected for the authorities to use and the programme was tightly steered with 'hands-on support' as a strong feature. Districts in Leicestershire and Lincolnshire, and the Leicestershire Fire and Rescue service took part in a pilot during 2009/10. Almost £2million year on year savings were identified from the pilot, and £250k worth of savings have already been implemented, with two authorities still to report.

The programme was deemed to be successful and Phase 2, six districts from Derbyshire, Nottinghamshire and Northamptonshire, plus the Peak District National Park have just completed their programme and have identified almost £1million year on year savings.

In the East Midlands, the two phases have cost £170k for £3million year on year savings, providing all of the measures can be funded and implemented. This programme is now being rolled out nationally by the Carbon Trust.

Agenda item No: 8

EAST MIDLANDS IMPROVEMENT AND EFFICIENCY PARTNERSHIP BOARD MEETING 12th APRIL 2011:

Report of the Director

East Midlands Improvement and Efficiency Board -- Terms of Reference 2011/13

1. Purpose of the report
 - 1.1 To present outline terms of reference for consideration by the existing EM IEP in order to frame recommendations to the East Midlands Councils (EMC) Executive Board.

2. Background
 - 2.1 The EMC Executive Board, at its meeting on 10th December 2010, agreed to continue with a two year improvement and efficiency programme under the direction of a specific Improvement and Efficiency Board, reporting to the EMC Executive Board.
 - 2.2 The attached draft terms of reference (Appendix A) has been developed from the original TOR for the EM IEP Board, to reflect the EMC arrangements in the East Midlands post April 2011.
 - 2.3 The Board are asked to consider the draft terms of reference and to make recommendations to the EMC Executive Board on its scope and remit.

3. Membership Options
 - 3.1 The Board needs to consider the size of the membership and appropriate sub regional representation and achieve political balance. The options appear to be:
 - a) Keep the membership level at 15 Elected Members based upon one Member from each of the 9 County/Unitary authorities, plus a representative from each of the 5 sub regions representing District Councils
 - b) Slim the Board down to another level of membership say 10/12 Elected Members in total
 - c) There is an advantage for keeping existing Members on the EM IEP Board involved with the new Board, or alternatively there is an opportunity for a refresh, if the Board so wishes.

3.2 It is considered helpful to the Board's remit concerned with sector led improvement, that the LGID Regional Associate be invited to attend meetings of the Board.

4. Steering Group Comments

4.1 The Steering Group recommend that the Board membership be as set out in paragraph 3.1 bullet a.

4.2 The Steering Group recommend that the terms of reference are refreshed to highlight the role of members in sector led support arrangements.

5. Recommendations

5.1 The Board consider the Membership options and the draft terms of reference and frame any recommendations for the EMC Executive Board.

Chris Allison
Director
EM IEP

Improvement and Efficiency Board

Terms of Reference

Under delegated authority from East Midlands Councils (EMC) Executive Board:

- To make executive decisions regarding the allocation of improvement and efficiency resources and the stewardship of delivery programmes
- To represent the region on issues relevant to Local Government Improvement and Efficiency at the regional and national level
- To provide strategic leadership to the Improvement and Efficiency Programme Officer Steering Group
- To approve or amend projects for inclusion in the legacy Improvement and Efficiency Programmes
- To review and monitor delivery of the residual EM IEP Programme and the legacy Improvement and Efficiency Programmes
- Through the Chair of the Improvement and Efficiency Board, formally report progress to EMC Executive Board.
- To commission projects and programmes which meet the need of Councils in the East Midlands, as required.

Membership

- Improvement and Efficiency Board to consist of 15 elected Members. The Improvement and Efficiency Board will be deemed quorate provided 5 Members are present.
- Improvement and Efficiency Board to reflect political balance in the Region and be reviewed on an annual basis.
- The membership of the Improvement and Efficiency Board to be reviewed by political groups and agreed at the EMC Annual General Meeting.
- Nominations to the Board to be made by EMC from within the political groups.
- The Chair and Vice Chair(s) of the Board to be elected annually at EMC Annual General Meeting.

Procedures

- Any proposal that would change the amount in total that would be available to fund the legacy Improvement and Efficiency Programmes to be subject to ratification by Improvement and Efficiency and EMC Boards
- Operating procedures will follow the standard practice of EMC.
- Operating within the EMC cycle of Board meetings, the Improvement and Efficiency Board to meet on a quarterly basis.
- Representatives at the Improvement and Efficiency Board meeting, to declare an interest in any item and take no part in the discussion of that item, indicating the nature of their interest.

Agenda item No: 9

EAST MIDLANDS IMPROVEMENT AND EFFICIENCY PARTNERSHIP BOARD MEETING 12th APRIL 2011:

Report of the Director

Improvement and Efficiency Programme 2011/13 Investment Principles

1. Purpose of the report
 - 1.1 To present the investment principles which have been developed with the input of councils from the East Midlands at a workshop in January 2011.
2. Background
 - 2.1 During the period of the EM IEP investment into projects and work programmes, the EM IEP Board had agreed principles for investment in both regional wide activity and for the sub regional partnerships. This also included invest to save criteria.
 - 2.2 Following the January workshop the investment principles (Appendix A) have been updated to reflect the limited funding available over the next two years and the need to ensure a sustainable income stream flows back into the Improvement and Efficiency Board, for future investments.
 - 2.3 It can be seen from the Investment Principles set out in Appendix A, that the programme will be established around a set of defined products or offers and specific projects. All will require approval from the Improvement and Efficiency Board and will need to conform to the light touch project management arrangements, which have operated throughout the EM IEP investment period 2008/11.
 - 2.4 Where it is recommended that invest to save principles should apply. A grant repayment schedule will be agreed with councils at the time of the project approval. Repayments will be made from efficiency savings realised from the project(s), by the councils involved.
 - 2.5 For the period 2011/13 the Improvement and Efficiency Board will have c£2.0m from the EM IEP legacy programme, for investment in a limited range of activity. A report elsewhere on the agenda deals with the proposed programme developed with the involvement of councils and specific service officer networks in the East Midlands.
3. Steering Group Comments
 - 3.1 The Steering Group recommend that in terms of investment principles there should be a presumption of partnership working with other local authorities, public sector bodies and that boundaries reflect geographical allegiances.

4. Recommendations

- 4.1 The Board note the Steering Group's Comments and consider and approve the Investment Principles for the Legacy Improvement and Efficiency Programme.

Chris Allison
Director
EM IEP

Improvement and Efficiency Programme
Investment Principles - 2011/13

- a) Projects should deliver outcomes that will directly contribute to the realisation of efficiency savings.
- b) **Projects:**
- Should be delivered in partnership, with other authorities in the region or sub region
 - The projects should be structured, wherever possible, to allow additional authorities to join at a future date
 - It will be expected that the lead authority will have a detailed business case for the project
 - A project profile (utilising the template provided) will be required for each project, providing an outline of the project, a brief summary of the cashable benefits (to be supported by a mietool calculation, if applicable) and a milestone/funding profile. These will be submitted to the Improvement and Efficiency Board for approval before funding can be allocated
 - Projects commissioned should be compliant with the nominated accountable body's procurement guidance and project management principles
 - Payments of funding (utilising the template provided) will be made against the delivery of the key project delivery milestones, as outlined in the project profile
 - Progress reports will be required quarterly (utilising the template provided), for the Improvement and Efficiency Board
 - On completion of projects a Projects Benefit Report (utilising the template provided) must be completed to disseminate the learning and best practice.
- c) **Products:**
- A range of products will be available to local authorities to support them in identifying where efficiency savings can be achieved. The Board will approve the list of efficiency products, which can be accessed by individual local authorities.
- d) **Invest to Save**
- If invest to save principles apply, a repayment schedule will be agreed with the project/product sponsor authority (accountable body) for repayment of grant received, from efficiency savings.
- e) **Efficiency Savings:**
- All efficiency savings enabled/generated through grant funding must be reported to the Board quarterly (utilising the template provided).
 - Authorities that fail to implement efficiency saving proposals, generated through the projects/products, could be required to refund the grants received to the Board.

Agenda item No: 10

EAST MIDLANDS IMPROVEMENT AND EFFICIENCY PARTNERSHIP BOARD MEETING 12th April 2011

Report of the Director

Improvement and Efficiency Work Programme 2011/13

1. Purpose of the report
 - 1.1 To present the outline programme for approval by the Improvement and Efficiency Board of East Midlands Councils, for the next two years.
2. Background
 - 2.1 At the meeting on 26th November 2011 the EM IEP Board approved a strategy which:
 - Provided for an orderly wind down of 2008/11 EM IEP programmes up to 31st October 2011. This will be known as the residual programme. A programme manager for the regional climate change skills programme will be retained and funded from the £950k ring fenced CLG allocation for this programme to 31st March 2012.
 - Created a legacy programme budget of c£2.0m from under spending on both the EM IEP regional and SRP's 2008/11 work programmes, plus repayments due on previous invest to save projects. The investment into the programmes will be targeted at efficiency saving activities in the areas of care services, procurement, business transformation and replicable projects/products that have a proven track record in the East Midlands and elsewhere. Programme/project delivery costs will need to be contained from within the budget allocations.
 - Established a unit of 2 members of the support team to manage and administer the residual and legacy programmes. The support team will be funded from the under spend on the existing (2008/2011) EM IEP support team allocations.
 - 2.2 Given this mandate the Support Team in conjunction with the officer networks in the region have been developing proposals along these lines, which are summarised in reports 11 and 12.
 - 2.3 With the future performance management emphasis agreed between government and the LG group, now concerned with the offer of sector led improvement, provision for sector led improvement has also been built into the 2011/13 programme. However, it has been confirmed that there will be no additional resources provided by the LGID for sector led support activities, although, LGID do have some additional resource to

support improvement in children's services including safeguarding and to help failing councils.

3. Outline 2011/13 Improvement and efficiency programme

- 3.1 The legacy budget is estimated to be c£2m, which is made up from £750k drawn back from the SRP programmes, £950k under spends from the regional programmes and £366k repayment of invest to save income (EMPA/MHA due over 2 years 2012/2013). However concerns about future repayment by EMPA of £326k have been raised by SCAPE, on behalf of EMPA, as the uncertainty surrounding local government capital programmes could result in insufficient income being generated for repayment of grants received, in relation to the initiatives the grant was specified for.
- 3.2 Taking into consideration the risk of late payment of the anticipated £366k invest to save income, it is proposed that allocations of £1.7m should be made to the following elements of the 2011/13 Improvement and Efficiency Programme, with the £366k anticipated invest to save income allocated at a later date.

Care Services	}	£400k
○ Adults		
○ Children's		
Procurement		£150k
Products & Offers <i>A series of standard offers such as banking reviews, energy audits, income generation, debt recovery etc.</i>		£150k
Projects <i>Replication of existing proven efficiency projects by groups of authorities from across the region or new initiatives</i>		£750k
Business Transformation Shared Services/Systems		£100k
Sector Led support activities.		£100k
Governance & Communication Costs 2011/13		£50k

- 3.3 Recognising the need for the sector to continue to lead on supporting councils in difficulty the sum of £100k has been included to continue the work that was developed and funded by the EM IEP.
- 3.4 The cost of running programmes ie programme/project management costs will need to be contained from within the notional budget allocations shown above.
- 3.5 2 posts are required to manage and administer the residual and legacy Improvement and Efficiency Programmes. Underspend on the 2008/11 EM IEP Support Team allocation of £285k (2011/13) and the balance of the contingency approved by the EM IEP Board for liabilities of £196k will be utilised for this purpose.
- 3.6 £50k has been set aside for governance and to support the continuation of the website (2011/13), to enable the sharing of the extensive best practice that has been published.
- 3.7 Further details on the content of the programme elements are contained within reports 11 and 12 for consideration.

4. Steering Group Comments

- 4.1 The Steering Group recommend that the Board approve the allocations to the legacy Improvement and Efficiency Programme as outlined in paragraph 3.2, the support team running costs and liabilities budget as outlined in paragraph 3.5.

5. Recommendations

- 5.1 The Board note the extent of the funding secured from the existing EM IEP work programmes to form an operating budget for the Improvement and Efficiency Board for the period 2011/13
- 5.2 The Board note the Steering Group's comments and consider and approve the outline funding allocations for the legacy Improvement and Efficiency Programme (2011/13)
- 5.3 The Board approve the Support Team running costs allocation (2011/13) and liabilities budget as outlined in paragraph 3.5.

Chris Allison
Director
EM IEP

Agenda item No: 11

EAST MIDLANDS IMPROVEMENT AND EFFICIENCY PARTNERSHIP BOARD MEETING 12th APRIL 2011

Report of the Director

Efficiency Project Bids

1. Purpose of the report
 - 1.1 To present the outline project bids received for consideration and approval by the Improvement and Efficiency Board of East Midlands Councils.

2. Background
 - 2.1 In report agenda item 10 a funding allocation of £750k was proposed from which authorities could bid against in respect of replicable and proven efficiency projects delivered over the past three years and for new initiatives
 - 2.2 The project(s) budget (£750k) is essentially the claw back from SRP grant allocations 2008/2011. The Investment Principles report elsewhere on the agenda, recommends this be available to authorities to contribute to the realisation of efficiency savings, possibly with invest to save principles applying.
 - 2.3 SRPs/councils have provided bids against this resource; the projects are listed in the table below with outline business cases provided in a separate attachment.

Points	Sponsoring Authority	Project	Grant Requested £	Cashable Efficiency Savings £	Partnership Project	Building on previous good practice
7	North Kesteven DC	Shared ICT	100,000	2,137,416 5 years	yes	yes
7	Nottinghamshire CC	Business Intelligence and e-sourcing	95,000	301,500 2 years	yes	yes
7	Leicester City	EM Public Sector Network	125,000	10m per annum	yes	yes
6	Nottinghamshire CC	Fleet Management	50,000	589,701 5 years	no	yes
5	Derby City Council	Carbon Reduction In Schools	22,000	24,000 per annum	yes	yes
5	Nottingham City	Changing Thinking for Leaner Services	150,000	100,000	yes	yes
4	North East Derbyshire DC	Leisure Management Bookings	82,000	17,000 per annum	yes	yes
4	Northampton BC	Mobile Framework	88,000	200,000	yes	No

Points	Sponsoring Authority	Project	Grant Requested £	Cashable Efficiency Savings £	Partnership Project	Building on previous good practice
4	Nottingham City	Rethinking Development Services	180,000	165,000	yes	yes
4	Derby City Council	Energy Efficiency for Business SME	81,900	30,000 5 years	yes	yes
3	Northampton BC	Drupal Framework	92,100	15,000/ 30,000 annual saving	No (others have expressed interest)	no
3	Amber Valley BC	Winter Gritting and Snow Clearance	32,000	4,000 per annum	yes	not specified
2	South Derbyshire DC	Reducing Household Energy Bills	64,800	none specified	yes	yes
2	North East Derbyshire DC	Financial Inclusion	48,390	none specified	yes	yes
2	Northampton BC	NVQ Centre Development	45,000	None specified	yes	yes
2	Northamptonshire CC	Drugs & Alcohol Arrest Referral Service	300,000	None specified	yes	yes
2	Derbyshire CC	Transparency – Contract Opportunities	10,000	None Specified	yes	yes
2	Derbyshire Sport	Active Derbyshire NHS savings	85,000	113,664	yes	yes
1	Melton BC	Co-location for efficiencies and better outcomes in localities	150,000	None Specified	yes	yes
1	Bassetlaw DC	Land Registry	7,000	none specified	no	no
1	Bolsover DC	Joint Garage and Fleet Maintenance services	10,000	50,000/ 100,000 anticipated	yes	yes
1	Derby City Council	Property Alliance - Manor Kingsway Hospital	36,500	none specified	yes	yes
1	North East Derbyshire DC	Sheffield City Region Landlord Accreditation	151,000	none specified	yes	yes
1	Rutland CC	Energy Monitoring Loan Scheme	7,600	None specified	no	yes
1	North Kesteven DC	Business Transformation	50,000	None specified	yes	yes
0	High Peak BC	Optimum Value from existing shared supplier arrangements	40,000	none specified	yes	not specified
		Total Grant Requests	2,103,290			

2.4 All bids have been scored against the following criteria:

- Does this project involve other councils?
- Does the project generate cashable savings and reach breakeven in 2 years?

- Has this project a proven track record i.e. from previous EM IEP grant or similar.

2.5 The resultant scores are shown in the table above. It can be seen that the projects in the table below produced the highest scores:

Sponsoring Authority	Project	Scores	Grant Allocation £
North Kesteven DC	Shared ICT	7	100,000
Nottinghamshire CC	Business Intelligence and e-sourcing	7	95,000
Leicester City Council	EM Public Sector Network*	7	125,000
Nottinghamshire CC	Fleet Management**	6	50,000
Derby City Council	Carbon Reduction In Schools	5	22,000
Nottingham City	Changing Thinking for Leaner Services	5	150,000
Total			542,000

*Set up and delivery costs funded by this bid with procurement costs funded by East Midlands Broadband Consortium and East Midlands further education sector

**Currently this project is framed as a single local authority bid

2.6 In addition, the following projects need further development work to quantify cashable efficiency gains, before a decision should be considered. It is proposed that these projects are referred back to the sponsor authority / SRP to complete the work, and be re presented to the Board at its next meeting in June 2011:

- Melton BC – Co-location for Efficiencies and Better Outcomes in Localities
- Northampton BC – Mobile Framework
- Nottingham City – Rethinking Development Services
- Rutland – Energy Monitor Loan Scheme
- Northamptonshire CC – Drugs and Alcohol Arrest Referral Service
- Derby City Council – Energy Efficiency for Business and SMEs

3. Steering Group Comments

3.1 The Steering Group recommend that the Board approve the 3 projects with scores of 7.

3.2 The Steering Group recommend that a further bidding round be approved providing an opportunity for existing bids to be re-worked and new ideas to emerge.

3.3 The bidding process would conclude with a report to the next Board meeting to allocate the remaining £430k within this budget allocation.

4. Recommendations

- 4.1 The Board note the Steering Group's comments and consider and approve the 3 bids with 'scores' of 7 submitted against the £750k projects budget allocation.
- 4.2 The Board approve a further bidding round to enable existing bids to be reworked and new bids to be submitted to the next Board meeting.

Chris Allison
Director
EM IEP

Agenda item No: 12

EAST MIDLANDS IMPROVEMENT AND EFFICIENCY PARTNERSHIP BOARD MEETING 12th APRIL 2011

Report of the Director

Regional Programmes 2011/13

1. Purpose of the report
 - 1.1 To present the outline regional programmes for approval by the Improvement and Efficiency Board of East Midlands Councils, for 2011/2013
2. Background
 - 2.1 In the agenda item 10 report an outline funding for four regional programmes was proposed. These incorporate
 - Products and Offers - £150k investment
 - Care Services Programme - £400k investment
 - Business Transformation - £100k investment
 - Procurement Programme - £150k investment
3. Outline 2011/13 Regional programmes
 - 3.1 The Products and Offers were explored and refined by an officer group meeting on 25th January 2011. Appendix One contains summaries of the products and offers selected to support authorities to realise efficiency savings.
 - 3.2 It should be noted that if this programme is approved by the Board then a competitive procurement process will be required to establish framework arrangements from which local authorities within the region can call off. The procurement process is expected to be undertaken within 4 weeks. Authorities across the region will be notified of the products and offers available and the process for accessing these.
 - 3.3 The Adult and Social Care Programme has been developed by the Adult and Children`s Directors working in collaboration with the appropriate Member Champions, Councillors Roger Begy and David Sprason. The outline business case for the Care Services Programme is attached at Appendix Two.
 - 3.4 The Business Transformation Programme has been developed as a result of requests from local authorities to continue support for business transformation, as this activity is directly contributing to the realisation of efficiency savings within local authorities. The overview of the programme is attached at Appendix Three

3.5 The Procurement Programme has been developed by the regional Heads of Procurement Group. This group will serve as programme sponsors and be accountable to the Improvement and Efficiency Board for delivery. The overview of the programme is attached at Appendix Four.

4. Steering Group Comments

4.1 The Steering Group recommend that the regional programmes are approved.

4.2 The Steering Group recommend allowing some flexibility in delivery of the Business Transformation Programme to address supply and demand issues.

5. Recommendations

5.1 The Board note the Steering Group's comments and consider and approve the four regional programmes.

Chris Allison
Director
EM IEP

Summary of Efficiency Products & Offers – 2011/13

Investment - £150k

	Efficiency Reviews	Explanation / Scope
1	Banking Review	The review will encompass all of the Council's banking, card acquiring and cash management arrangements and provide benchmark tariffs/pricing for similar sized authorities/organisations as well as a comparison to best practice of use of the banking system and internal processes/procedures. An outlay of c£3k per review produces c£30k of savings ie an average ROI of 10:1. This was achieved across 10 authorities undertaking pilot reviews in 2010.
2	Energy Efficiency Audit	An audit of metered, surface water and highways drainage water charges and energy (gas & electric) usage, identifying usage on site, opportunities for reducing losses and greater efficiency (reduced) use. An audit cost of c£2.5k for two large sites with potential savings of c£100k.
3	Utilities Expenditure Audit	An expenditure audit covering fixed and mobile telecommunications, gas, electricity and water, in which the contractor will analyse bills highlighting any errors, identify potential savings through changes to tariffs, and identify current contractual arrangements and opportunities for consolidation. At £3k per District Council and £4k per Unitary Council, significant savings have been discovered where these audits have been applied.
4	Income Generation	The contractor will produce a report assessing current income generation activity, benchmarking current pricing levels relative to regional peers, summarising best practice from the UK, and identifying specific and practical opportunities to generate further income with indicative new revenue levels. Typical cost per District Council is £4.5k and where such reports have been produced they show realistic options for further income maximisation by councils.
5	Operational Service Reviews	A review by a local authority peer expert to identify efficiency and improvement opportunities within a specific service area of the authority. These reviews have been used essentially in Waste Management and Street Scene service areas, but the process can be applied to any area, subject to peers being available. For Waste/Street Scene Peers coordinated by WIN, only Peers expenses are required.

	Risk and Reward Opportunities	Explanation / Scope
1	Accounts Payable Review	A review to identify duplicate payments, and incorrect treatment of VAT with the contractor recovering overpayments to the Council's account. Experian offer this product with a free diagnostic. Significant cost recovery potential.
2	Debt Recovery Service	A service which, in conjunction with Experian, the contractor seeks to (a) trace absconded debtors (b) obtain repayment of outstanding debts. Note the contractor is not a bailiff but may work with bailiffs to increase repayment success rate. Examples show a success rate of 35% on debts 4 years old. A number of specialist providers have realised considerable recovery rates of old debt for local authorities, on a gain/share basis.
3	Direct Debit campaign	A fully managed campaign targeted to increase direct debit take up for council tax payments by reducing cheque payments. Payment is made to the contractor against a guaranteed % take up increase dependent upon the existing level of direct debit payments. Average cost savings between cheque and DDR transactions has been calculated at £1.65/transaction, plus substantial back office processing savings.
4	Empty Property Review	This review seeks to (a) encourage the reduction in empty property discount and to (b) identify properties in use but which are classed as empty by the local authority so that funds can be recovered.
5	Tenancy Miss-use Review	Audit Commission published figures suggest that outside of London the estimated rate of tenancy mis-use is between 1% and 4%. This review seeks to identify those council owned properties which are subject to (a) unauthorised sub-letting of a council property or part of a property, (b) submitting false information in a housing application to gain a tenancy and (c) Non occupation by the tenant as their principal home.

Joint Efficiency Programme (Children's and Adult Social Care) 2011/13**Investment - £400k****Project Outline Business Case**

Project Name	Joint Efficiency Programme (Children's and Adult Social Care)
Project Sponsor	DCS: Carol Chambers (Rutland) DASS: Mick Connell (Leicestershire)
Authorities Involved	All nine East Midlands local authorities

Status of the proposal

At the stage of writing, the regional groups of Directors of Children's Services (DCS) and Directors of Adult Social Services (DASS) have agreed to the content area of this project and a smaller working group has put together the detail below. The final details, including precise actions and metrics for impact evaluation, are still in consultation and development. Councillors David Sprason (Adults) and Roger Begy (Children's) have been involved in the development of this proposal and are keen to ensure the £400K funding request is supported by EM IEP's Officer Steering Group and Member Board.

1. Project Description

This will be a two-year programme to secure key efficiencies in social care, primarily around high cost placements, by developing arrangements that enable more children and adults with additional (often complex) needs to live at home, reducing the use of both local and out-of-county residential educational and adult social care placements.

It is recognised that the current pattern of family support and specialist placements/services is not financially sustainable and does not always lead to a high likelihood of independent supported adult living or social inclusion. Similarly, a number of recent initiatives around 'complex' individuals and families and person-centred approaches are yielding significant returns on investment that are ripe for application across wider service areas.

Some regional progress has been made recently to shape the market and reduce costs for young people in care, as well as adults with learning disabilities. Work has also started to increase local supported living arrangements and support more people into employment. Significant potential remains to scale up this work to achieve significant efficiencies and improvements for a wider population of children and adults with additional, often complex, needs. These groups include those with disabilities, complex learning and mental health needs (including behaviour, ASD) and the preliminary scoping of the business case for partnership action that includes health (and the interface with Continuing Healthcare) is underway.

The aims of this project will be achieved through a range of activities including:

- a. Broadening existing joint analysis and data projections to target children and adults with complex needs and associated high costs (including out-of-area placements).
- b. Culture change and the development of person centred care pathways and threshold management, especially through the transition from Children's to Adult

Services, that promote independence, reduce costs and secure greater sustainability within adult services.

- c. Joint market development and procurement initiatives that utilise combined purchasing power and shared services to reduce costs, (e.g. framework contracts) as well as enabling purchase by individuals (e.g. via direct payments).
- d. Stimulating the market to develop 'new' local personalised services required to support more children and adults to live at home.
- e. Increased deployment of telecare (by public bodies and providers) to underpin safe, cost effective independent supported living, residential and 'step down' facilities.
- f. Extending best practice across Children's and Adult services to secure savings and promote benefits to families. Initial themes include family intervention, personalisation, re-ablement, workforce leadership, serious case reviews and a family approach to safeguarding.

The project builds upon a strong legacy of joint-working across the region and has strong executive leadership from the DCS and DASS groups, including collaborative procurement, market development and telecare projects. Carol Chambers (Rutland) and Mick Connell (Leicestershire) will serve as project sponsors and provide accountability to EM IEP for delivery.

The indicative actions a) – f) above are currently being developed into specific objectives and clear project plans that will then be co-ordinated through the existing JIP (adults) and JRIP (children's) work-streams, with an increasing proportion of joint work.

While this project is fully focussed on securing efficiencies, there will also be a wider programme of associated improvement work overseen by the DCS and DASS groups. Initial partners in this wider work - some of whom are already offering financial and in-kind support - include the National College, LGID, DH, DfE and others.

2. Outline Benefits

Early data analysis has identified that the joint regional spend across children's, adult and health services on residential placements (often out-of-area) for disability, complex special educational needs (SEN), mental health and work with 'families with multiple disadvantage' exceeds £100m per year. Experience of regional statistical analysis undertaken through the JIP Care Services Efficiency Delivery Team (CSED) Cost Effective Housing Options for People with Learning Disabilities project and the gains secured through similar procurement frameworks lead us to estimate that the activities, a - e overleaf, will secure savings in excess of 5%, reducing spend by at least £5m, potentially far more.

3. Outcome milestones and spend profile

Outcome Milestone	Anticipated completion delivery date	Funding payment profile
Business case with clear objectives, precise plans and budgets agreed with project sponsors	May 2011	
Analysis of target cohort of high cost placements, focusing on a reduction in use of residential and out-of-county placements	July 2011	

Outcome Milestone	Anticipated completion delivery date	Funding payment profile
Revision of Council inclusion programmes (to promote local placements) and delivery of change programme (to promote earlier planning for local personalised placements) leading to reductions in 'unsustainable placements' transitioning into adult services in all local areas; reducing costs by a min 5%	Completion by Jan 2012	£400,000 Interim payment milestones to be developed as part of detailed business case
Collaborative procurement (e.g. approved provider framework) and market development initiatives, each delivering min 5% savings	Min £5 million cash efficiencies. Completion Jan 2013	
Wider sharing of effective practice and application of identified cost-saving approaches across children's and adult services to improve efficiency, e.g. assistive technology, family intervention, personalisation, re-ablement, workforce leadership.	Specific dates for each area of activity selected	

The total project cost identified is in the region of £400,000 to fulfil all aspects of project implementation including the required project co-ordination 2011-2013

Business Transformation programme – 2011/13

Investment - £100k

Discussions have taken place with stakeholders and transformation practitioners from across the region to ask what they would like to see in any future Business Transformation programme. All wanted the current elements of the programme to continue, with its emphasis on capacity-building rather than funding projects. Some adjustments were also suggested, recognising the limited funding available. This has resulted in the elements listed below, along with suggested budget allocations.

1. Match-funding for transformation training - £30k budget

Match-funding will be available to support authorities to hold short training courses that help their transformation. This may be a 3-day course on project management, systems thinking, service redesign or whatever the authority feels it needs most in this area. Authorities would commission their events from providers through framework arrangements, then claim back the match-funding capped at £3k. This element of the transformation programme has been popular with authorities to date, allowing them to identify exactly the training that they need and receive it at the right time. As a result, internal officers and managers are given the skills to lead transformation projects without relying on costly consultancies.

2. Match funding to Identifying natural change leaders – £10k budget to support two authorities

Match funding for the commissioning of an innovative scheme to identify natural change leaders in two authorities. The interested authorities would commission this activity through framework arrangements, claiming back the match funding capped at £5k. This product includes a survey, group interviews and network analysis; the natural change leaders – those who are highly influential and able to make change happen – will be identified and trained in change management. This scheme has helped a number of transformation programmes to be implemented faster, cheaper and with greater success.

3. Capacity Building - £60k budget

The following initiatives would require facilitation to deliver these activities over the period of 2011/13, which would be contained within the budget allocation of £60k.

- *Free Showcase events*

Free events to showcase successful transformation projects in the East Midlands sharing best practice and providing opportunities for transformation practitioners to exchange ideas and collaborate on common challenges. Practitioners have said that they find these events particularly useful, picking up valuable lessons and discussing the issues that they face in their authorities.

- *Free training seminars*

The approach is straightforward and proven - by running regional training courses in Prince 2 project management, facilitation skills, shared services and 'lean' operations, EM IEP has been able to negotiate significant discounts with training providers that authorities could not achieve individually.

- *Free Training in Business Improvement Techniques (BIT)*

Over 380 officers in the East Midlands have completed this training as a result of EM IEP's promotion and support of it. Officers achieve an NVQ level 2, equivalent to 5

GCSEs, and also deliver savings for the authority through a small scale improvement project. The training is fully funded by the Government and although the arrangement changes on 31st July 2011, funding is expected to continue.

- *Free mentoring and action learning group*

A mentoring and action learning group would be established to enable transformation practitioners to support one another, providing guidance and transferring knowledge.

- Signposting to resources

Managers and officers struggle to find time to search for useful tools, guidance and examples of good practice. Such resources may seem insignificant but can help authorities make considerable efficiency savings. Identifying and promoting these resources takes time but not financial resources.

Alternative Options

If the Board would prefer the Business Transformation programme to help deliver cashable savings rather than build capacity with the elements above, the £100k budget could be used to match-fund **DECATS diagnostics** at two upper-tier authorities. This organisational diagnostic has helped Nottinghamshire County Council to save £32m (of a planned £46m) and Derby City Council to save £2.8m (of a planned £16m). The diagnostic takes approximately 16 weeks and usually becomes the basis for a three year programme of transformation within an authority.

Procurement Programme- 2011/13

Investment - £150k

Project Outline Business Case

Project Name	Joint Efficiency Programme (Procurement)
Project Sponsor	Derbyshire County Council
Authorities Involved	All nine upper tier authorities. And open to all District Councils

Status of the proposal

The Heads of Procurement Group have reviewed the needs of the region to facilitate collaboration and removal of duplicated effort within the regions procurement activities. The Heads of Procurement Group have agreed to the content area of this programme, and to further develop the scope it is proposed to establish a smaller working group to develop the final details, including action plans, benefits and benefit realisation.

1. Project Description

This project builds upon the strong legacy of joint working by the Heads of Procurement Group which has already delivered a number of collaborative procurement initiatives including Source Initiative, Regional E-Auctions licence, Consultancy Value Programme and numerous joint contracting initiatives.

This project will further deliver the building blocks for long term collaboration as it will establish strategies, supporting systems and processes to initially identify and then by focused activity deliver procurement opportunities across all authorities and spend areas. In addition the systems envisaged will allow for other professional groups (Care, Highways Alliance etc) to access and manipulate spend data.

The aims of this project will be achieved through a range of activities including:

- a. Development of the Lincolnshire Category Analysis Tool (LCAT) which will allow a Standard view of Spend as well as intuitive spend tools to allow procurement collaboration across all authorities
- b. Joint market development and procurement initiatives that utilise combined purchasing power to reduce costs
- c. Market development through a Category approach through a virtual team, ESPO and direct authority leads
- d. Extending best practice to secure savings and efficient use of resources
- e. Delivery of identified effective collaboration contracts
- f. Delivery of a Strategy to bring together contract programmes and seek standardisation common areas of spend.

While this project is focussed on securing efficiencies, there will also be a wider programme of developing the governance, stakeholder engagement, process and supplier management to deliver an effective regional procurement plan going forward.

2. Outline Benefits

The joint regional spend across the region is estimated at £3 billion. Significant gains have already been achieved through collaborative procurement activities through the EM IEP sponsored regional procurement programme which has exceeded a ROI of 10:1 against an investment of £250k and it is expected that this programme will deliver similar returns with a target of £1.5m. This will be achieved through the availability of data from across the East Midlands and the seeking to bring procurement programmes into line to achieve aggregation.

3. Outcome milestones and spend profile

Outcome Milestone	Anticipated completion delivery date	Funding payment profile
Agreed strategies, governance and identified resource implications.	July 2011	£150,000 Interim payment milestones to be developed as part of detailed business case
Identification and implementation of system needs, including data collection and analysis.	Completion by Jan 2012	
Collaborative procurement and market development initiatives	Commencing September 2011	
Wider sharing of effective practice and application of identified cost-saving approaches.	Specific dates for each agreed activity	

The total project cost identified is in the region of £150,000 to fulfil all aspects of project implementation and costs.