

Agenda item No: 8

EAST MIDLANDS IMPROVEMENT AND EFFICIENCY PARTNERSHIP BOARD MEETING: 12th SEPTEMBER 2008

Report of the Director

EM IEP Regional Investment Programme 2008/09

1. Purpose of the report

1.1 The EM IEP Officer Steering Group on the 16th June 2008 considered a lengthy and detailed report on potential projects for a regional investment programme. The report is not replicated but can be found on the EM IEP Web site. The purpose of the report was:-

- a) To present the outline business cases of a number of potential regional projects and programmes for discussion.
- b) To agree the shortlist of regionally commissioned projects and programmes to be placed before the EM IEP Board for approval and inclusion in the 2008/09 regional programme.

1.2 **Appendix 1** contains the summarised business cases for the regional investment programme.

2. Background

2.1 The EM IEP Officer Steering Group agreed to recommend approval to the EM IEP Board the following investment projects to form the 2008/09 regional programme, to be funded from the 30% resource allocation:

Description	£k
Project 940 – Shaping the Care Services market for Adults with Learning Disabilities and high support needs.	75
Project 941 – Adult Social Care Programme	100
Project 944* - Shaping the Market for Children in Care	56
Project 951* - East Midlands Property Alliance	150
Project 952* - Midlands Highway Alliance	50
Capacity Building Activities	
Project 960 – Business transformation programme (£400k) (windfall grant previously approved)	558
Project 962 – Support for Workshops/Events, Networks & Training (£158k)	
Support for local authorities in difficulty (see report 7)	270
TOTAL	1,259

*denotes that these projects should be approved subject to invest to save principles being applied.

2.2 In addition the Officer Steering Group agreed to the commissioning of the regional benchmarking exercise and a sum of £35k was allocated. The output of this activity is included elsewhere on the agenda.

3. Recommendations

3.1 The EM IEP Board is recommended to consider and agree:

- a) The proposed regional programme as set out in the table above.
- b) That progress reports will be provided to future Board meetings.

Chris Allison
Director EM IEP

Project Outline Business Cases (summarised)

Project 940: Shaping the Care Services Market for Adults with Learning Disabilities and High Support Needs

1. Project Description

The East Midlands High Cost Placement project was set up 2 years ago. The aim of this regional project was to explore the issues and help local authorities - in their lead/joint commissioning roles - to understand and manage the market more effectively. Already, there have been tangible savings delivered in Leicestershire. Annual savings of between £115,000 and £137,000 have been identified through the detailed, targeted review of existing individual high cost placements

The original project has progressed to a conclusion, however, there are outstanding issues that need to be addressed in order to ensure that the benefits are maximised through putting the learning and commissioning into effective operation. Funding of £75k is required for phase 2 of this project in 2008/09.

2. Phase 2 Project Objectives:

- Ensure the efficiency potential of phase 1 of the project is realised by co-ordinating the implementation of the collaborative commissioning process;
- Utilise the information from the procurement process to provide quality feedback and information to all providers, developing both their understanding of commissioning priorities and setting new standards for the provision of services;
- Support improved outcomes, increasing the number of people with learning disabilities in settled accommodation by maximising the use of supported living models for people with higher level needs;
- Share learning and assess the benefits of further collaborative exercises for other groups
- Roll out the use of targeted review and the Care Funding Calculator (national pricing tool), maximising its benefits in respect of Learning Disability placements and for placements for other service users groups

3. Outline Business Benefits

The total expenditure on placements and packages for people with learning disabilities across the region is in excess of £100 million per year. Approximately 40% of this is spent on those costing over £1000 per week. It is anticipated that, providing authorities fully engage, savings of up to 3% of their spend on placements and packages over £1000 per week are achievable. (These savings are estimated at a total of £1.2 million per annum based on current spending.)

Project 941: Adult Social Care Performance

1. Project Description

This bid is for three Project Support Officers who will each assist with the development of detailed business cases, Project Initiation Documents and programme support as part of the development of the Adult Social Care Joint Improvement Partnership (JIP) Programme. These will be utilised as follows:

- One dedicated to the extensive Personalisation programme
- One to be shared between Safeguarding and the Health, Well-being & Quality of Life Programmes
- One to assist the Learning Disabilities, Procurement and Cross-cutting programmes

Funding of £100k will provide for three Programme Managers to develop the programmes as part of the JIP.

2. Project Objectives

All Council services face the efficiency challenges of CSR 07 but Adult Social Care is a major spend area. CIPFA statistics for 2006/7 suggest the total expenditure on Adult Social Care by the nine Upper Tier local authorities in the East Midlands was £819 million. Adult Social Care is, therefore, a critical service for the achievement of improvements and greater efficiencies and necessitates significant attention if these gains are to be realised.

3. Outline Business Benefits

The Adult Social Care proposals anticipate that significant efficiencies will be achieved through radical service re-design, especially the personalisation transformation changes. There are, nevertheless, specific plans to improve procurement and support cross-cutting improvements in commissioning, leadership and workforce planning.

The transformation is much bigger than Adult Social Care. It cannot be achieved without the wider involvement of the nine Councils and the contribution of Districts. Whilst the focus is on vulnerable adults, they should have access to a broad range of advice, information and support to enable inclusion and enhance citizenship.

Further plans, business cases and details surrounding improvements/efficiency will be provided for the EM IEP Board.

Project 944: Shaping the Market for Children in Care

1. Project Description

Commissioners of Adults and Children's care services have identified Foster Care placements as an area which offered opportunities for improvements and efficiencies. Some initial scoping work was undertaken by the Lincolnshire Children's Services, Service Development and Review Team, which identified that savings of around £1.8m could potentially be delivered if the lowest mean price could be substituted for the market mean price on foster care placements. It was also recognised that significant savings could be delivered by reducing the volume of residential placements and substituting these with foster care placements. The Children's Services Working Group also recognised there would be benefit in collaborating regionally and developing a project to address how we might better manage the market and deliver improvements and efficiencies. Since then, a detailed PID has been developed (and is supported by the Region's Directors of Children's Services).

Funding is now sought from the EM RIEP to pay primarily for a dedicated Project Manager to co-ordinate activities and take the project forward. In 2008/09 the cost of this activity is £56k

2. Project Objectives

The key outputs from this project will be by:

- An analysis and understanding of the Residential, Independent Foster Care and SEN Residential Provider market within the East Midlands region.
- A 'map' of how each authority in the region operates in terms of Residential Care, Foster Care placements and SEN Residential – both in-house and externally provided services.
- Agreed standards of core costs and a shared regional pricing structure/schedule for Independent Foster Care and Residential provision.
- A detailed review of current provision, for example: geographical location of suppliers, contracts currently in place in order to develop common standards, an agreed transparent pricing schedule and a clear contracting strategy(s) that leads to regional commissioning/contracting.
- Contributing to each authority's Comprehensive Performance Assessment score for the Use of Resources module. (Councils must be rated as 'Performing Well' in this module for the Council to be judged as an 'Excellent' or 4 star Council.)
- Sharing knowledge and highlighting best practice.

3. Outline Business Benefits

Anticipated savings over 5 years have been conservatively estimated at £10 million against projected project costs of £268k over 3 years. In addition, this project is designed to deliver better outcomes for children, young people and their families, and so make a positive impact on the delivery of LAA targets and the 5 Every Child Matters outcomes on which the new National Indicators for Children and Young People are based.

Project 951: East Midlands Property Alliance (EMPA)

1. Project Description

The EMPA was established through EMCE funding at the request of local authorities in the region. Its objectives are to facilitate collective action which enables its members to improve the delivery of their property function to the benefit of their communities. The EMPA will do this by;

- Developing areas of mutual interest on matters which have a bearing on the efficient provision of services
- Providing training and staff development on property related matters
- Developing the suppliers in the region to enhance their contribution
- Promoting best practice in all activities
- Improving systems of Performance Management
- Developing continuous improvement programmes
- Facilitating the co-operation of Local authorities working in clusters
- Facilitating the establishment of themed work groups to direct the establishment of regional framework arrangements
- Establishing through Scape System Build Limited (a local authority owned company), regional frameworks and other products for the provision of property related works.

The EMPA launch event was held on the 31 March 2008 at Beaumanor Hall Leicestershire and was attended by Members and Officers of the 14 founder authorities in the region. A concordat was signed which enables the formulation of the EMPA management Board to direct the work programme on behalf of all local authorities in the region. An assessment of detail needs and priorities has now been completed by Scape System Build Limited. The perceived immediate priorities for the founder member authorities are:

- Establish a regional facilities management framework contract
- Re tender the current Nottinghamshire/East Midlands design and build framework for projects valued at £2.0m to £7.0m as this has now reached its advertised quantum of business at £120m.
- Develop a small design/build project framework (suitable for small authorities) for projects up to £2.0m.
- Property maintenance and refurbishment frameworks

The funding proposed from the EM IEP of £150k in 2008/09, is to cover the costs and liabilities of Scape System Build Limited in the development of framework arrangements and other products during 2008/09. In future years Scape costs will be recovered via a levy on contracts, by subscription from EMPA member authorities and/or support from EM IEP.

2. Outline Business Benefits

The cost benefit analysis shows that on an assumed quantum of design and build projects valued at £100m over 4 years, it is anticipated that a financial saving of £5.3m will be realised. This will be further enhanced from the property maintenance and FM projects, as they are rolled out.

Project 952: Midlands Highway Alliance

1. Project Description

The Midlands Highway Alliance was launched in 2007 with EMIP grant funding of £227k. It is a collaborative partnership between the 9 East Midlands highway authorities, Peterborough City Council and the Highways Agency. A concordat and Memorandum of understanding have been signed along with a partnership agreement by all 10 authorities.

The MHA objectives are;

- To establish and develop collaborative procurement framework(s) to secure the delivery of Major (highway) Capital Schemes
- To establish and develop collaborative procurement framework(s) to deliver medium size (highway) schemes, initially with the Highways Agency
- To establish, implement and develop a continuous improvement model for highway term maintenance to achieve convergence to best practices
- To establish and develop other collaborations for highway activities as agreed by its members
- To embed partnering principles and construction best practice in all its work and throughout the supply chains
- To promote and publicise the work of the Alliance

2. Outline Business Benefits

The throughput of schemes through the medium size framework is as shown in the table below:

Authorities	2008-9 £m	2009-10 £m	2010-11 £m	2011-12 £m
East Midlands	10.3	24.8	38.3	24
Highways Agency	40	30	0	0

The savings accruing to the 10 Highways Authorities are anticipated to be c£6.0m over 4 years.

In addition £120k from a new Midlands salt framework is anticipated over the next 4 years.

Project 960: Business Transformation Programme

1. Programme Description

The government expects that 37% of all efficiency savings for local authorities during CSR07 will flow via the business transformation programme. For the East Midlands region, this means that business transformation and collaboration is expected to deliver £142m of efficiency savings by 2010/11. The primary aim of this programme is to support business transformation projects across the region, helping authorities to improve services for customers and realise cashable efficiency savings.

Funding of £400k was received for this programme as part of the CLG 'windfall' grant.

2. Programme Objectives

The programme includes:

- Seed-funding for innovative projects, led by authorities, which act as regional exemplars.
- Fully subsidised training, leading to an NVQ level 2 in Business Improvement Techniques, along with other training courses which enable authorities to build internal business transformation capability.
- Promotion of best practice through case studies and events, introducing leading techniques such as systems thinking.
- A scheme to encourage the sharing of skilled staff between authorities, benefiting from others' experiences and helping to realise improvements and efficiencies.
- A knowledge network for peer support and knowledge sharing.
- Access to reduced cost external consultancy support through a framework agreement.
- Advisory support for authorities undertaking business transformation projects.

3. Outline Business Benefits

The Business Transformation programme will bring the following benefits:

- An increased number of business transformation projects across the region.
- More innovation and partnership working,
- Development of the practical and strategic skills needed to deliver business transformation projects, through training, mentoring and peer support.
- Increased capability to deliver business transformation without relying upon costly external consultancy.
- More staff with recognised business transformation qualifications.
- Fewer instances of authorities 'reinventing the wheel'
- Greater collaboration between authorities, as they are made aware of other similar projects taking place in the region.
- Greater sharing of experiences and best practice between authorities
- Support and guidance from a regional resource, as well as from peers.

Project 962: Support for workshops/capacity building activity, networks and RIEP annual conference

1. Project Description

The support for regional workshops and networks has been a valued aspect of the work carried out by the EMCE and EMIP over the past 3 years.

The Capacity building funding of £158,000 for 2008/2009 will be used to deliver a comprehensive capacity building programme for both officers and Members (including the EM IEP annual conference). The programme will include workshops, training opportunities and events showcasing good practice. £25k of the capacity building budget has been allocated to establishing an ICT Common Standards Group with additional funding used to support a wide range of service networks that have already been established to build capacity and support the delivery of regional and local improvements and collaborative working.

In addition an approach to partnership building has been developed in the East Midlands with previous East Midlands Improvement Partnership funding. Jeremy Hawkins based at the Government Office East Midlands (GOEM) is the provider of this support using the social network analysis and a thinking improvement tool known as Effective Intelligence and in the process has developed a service offering that has demonstrated its ability to improve performance in the workplace and in a range of partnership situations. £43,000 has been allocated from the capacity building budget to fund this initiative until the end of March 2009.

2. Outline Business Benefits

This capacity building activity will provide tangible benefits through raising awareness, showcasing good practice and introducing new ideas for improved service delivery.