

Agenda item No: 7

EAST MIDLANDS REGIONAL IMPROVEMENT AND EFFICIENCY PARTNERSHIP OFFICER BOARD MEETING: 16 JUNE 2008

Report of the Director

RIEP Regional Investment Programme 2008/09

1. Purpose of the report
 - 1.1 To present the outline business cases of a number of regional projects and programmes for discussion and approval.
 - 1.2 To agree the list of regionally commissioned projects and programmes for submission to the first meeting of the EM RIEP Member Board, following the EMRA AGM on 18 July.
2. Background
 - 2.1 The EM RIEP business delivery plan was considered by the Officer Board (30 April) and Member Board (29 May). The apportionment of resources suggested at 70:30 sub regional to regional commissioned activities has met with some measure of agreement. The Member Board have indicated they do want to see the detail of the regional programmes before agreeing to the investment of £1.429m in 2008/09.
 - 2.2 The outline business cases incorporated within the **attached** document have been developed over the past 4 months by the EM RIEP support team in conjunction with the various service networks in the region.
 - 2.3 For ease of reference the recommended projects programme has been summarised under the 4 main improvement themes contained within the business delivery plan, namely:
 - Self Improvement and Partnerships support
 - Capacity building
 - Efficiency programmes
 - Innovation & Transformation
 - 2.4 It should be stressed that the business delivery plan 2008/09 contains c£2.5m of EMIP/EMCE legacy projects and capacity building programmes. These are ongoing and are being rolled out separately. Therefore they have not been included in the business case compendium **attached**.
 - 2.5 Elsewhere on the agenda, the Board have a report from the Director of Adult Social Care concerning the Joint Improvement Partnership plan (JIP). A number of projects are contained within this plan around the priorities and cross cutting themes of:

- Personalisation
- Safeguarding
- Health, Well Being and Quality of Life
- Learning Disabilities

At the time of writing this report three or more of the outline business cases identified in the JIP, which are seeking EM RIEP financial investment, have not been completed and are not included in the attached report. These will be brought forward to a future meeting of the Officer Board.

2.6 Within the Business Delivery Plan one of the identified income streams was a contribution to the Well Being agenda from the Department of Health. We now know the national sum to be allocated to RIEPs is £2.0m and the East Midlands anticipated share is expected to be c£200k. When details are finalised this will have to be incorporated in the regional programme of activity and a further report will be presented to the Officer and Member Boards.

3. Recommendations

3.1 The Board consider, discuss and agree the outline business cases and summary information in the attached report.

3.2 The Board frame its recommendations for the next meeting of the Members Board in relation to the regional programme as presented.

Chris Allison
Director

East Midlands Regional Improvement & Efficiency Partnership

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Regional Improvement and Efficiency Programme

Better Outcomes for People and Places

The Business Delivery Plan, drawn from the Regional Improvement and Efficiency Strategy, provided the EM RIEP Officer and Member Boards with an outline of projects and indicative funding allocations for the regional Improvement and Efficiency programme.

A number of these projects have been worked up into outline business cases to enable the Officer and Member Boards to review the proposed projects and approve the funding allocations to enable work to commence on delivery.

The programme will be supported by 3 regional programme managers. Currently the EMIP legacy project on Business Improvement provides resources of £52k to support the employment of the Programme Manager leading the Transformation Government work stream. The remaining 2 programme managers are being funded from the regional programme allocation.

An additional sum of £35k is required to support the cost of undertaking a regional benchmarking project against the agreed 26 stretch targets in the Regional Improvement and Efficiency Strategy (RIES). The benchmarking project will provide a baseline for reporting progress in delivering the 26 RIES stretch targets and provide the intelligence to support the sub regional partnerships when developing their programmes.

The aim of the EM RIEP Programme is to support all authorities to meet their potential. In some cases this is moving beyond excellence. In some cases stimulating them to move beyond “coasting.” But it also means that councils currently weak are strengthened and those at risk are prevented from declining. Indicative allocations of funding for preventative and early intervention support for authorities in difficulty (£180k) and commissioning stronger authorities to support weaker authorities (£90k) have been included in the regional programme, as outlined in the Business Delivery Plan and Regional Improvement and Efficiency Strategy.

The following tables provides a summary of the proposed EM RIEP regional programme 1008/09 with indicative funding allocations:-

Work Stream	Project Number	Project /Resource for	Funding Allocation £k
Self Improvement and Partnerships, Efficiency, Innovation & Transformation and Capacity Building		3 Programme Managers <i>(excluding £52k EMIP Legacy funding & £25k contribution from Climate Change project)</i>	94
Efficiency	940	Shaping the Care Services Market for Adults with Learning Disabilities and High Support Needs	75

Efficiency	941	Adult Social Care Programme	100
Efficiency	944	Shaping the Market For Children in Care	56
Efficiency	946	Regional Procurement opportunities	125
Efficiency	948	Regional Approach to sustainable Procurement	80
Efficiency	951	East Midlands Property Alliance	150
Efficiency	952	Midlands Highway Alliance	50
Capacity Building	953	Climate Change Programme	100
Capacity Building	955	commissioning stronger authorities to support weaker authorities	90
Self Improvement & Partnerships	956	Preventative and early intervention support for authorities in difficulty	180
Capacity Building	957	Mietool training	10
Self Improvement & Partnerships	961	Regional benchmarking project	35
Capacity Building	962	Support for Workshops/Networks and Capacity Building Activity	148
		Total	1,293
		Notional Regional Programme Allocation	1,429
		Balance for un-scoped regional projects	136

In addition the outline business case for the agreed windfall grant allocation of £400k for project 960 - Business Transformation Programme, is attached for approval.

Index of Attached Outline Business Cases

Shaping the Care Services Market for Adults with Learning Disabilities and High Support Needs	Project 940
Adult Social Care Programme	Project 941
Shaping the Market for Children in Care	Project 944
Regional Procurement Opportunities	Project 946
Regional Approach to Sustainable Procurement	Project 948
East Midlands Property Alliance	Project 951
Midlands Highway Alliance	Project 952
Climate Change Programme	Project 953
Mietool training	Project 957
Business Transformation Programme	Project 960
Support for Workshops/Networks and Capacity Building Activity	Project 962

Project Outline Business Case

Sub Regional Partnership / Regional Project	Regional Project
Project Name	Shaping the Care Services Market for Adults with Learning Disabilities and High Support Needs
Project number	940
Project Sponsor	Mick Connell (Director of Adult Social Care, Leicestershire County Council)
Authorities Involved	All 9 LAs in the East Midlands with responsibility for providing Adult Social Care Services

1. Background

The East Midlands High Cost Placement project was set up 2 years ago (with the help of grant funding from the EMCE) in response to the spiralling costs of placements and packages for people with learning disabilities and high support needs. 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.

The main elements of the project were to: undertake a regional procurement exercise in order to fully test the market both for residential placements and supported living provision; explore the benefits of using pricing tools, and to consider particular issues that exist within exceptionally high cost provision.

2. Achievements to date & opportunities going forward

All 3 elements of the original project have 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. There is also considerable potential to build upon the achievements, particularly broadening the approach to other groups of service users.

Already, there have been tangible savings delivered in Leicestershire; achieved through negotiations with providers based on the work of the project. Annual savings of between £115,000 and £137,000 have been identified through the detailed, targeted review of existing individual high cost placements.

This method, which is supported by the use of pricing tools, has been developed and tested in Leicestershire with the idea that learning will be shared with all participating authorities through a series of workshops.

There is scope for further savings in Leicestershire, using this approach, of upwards of £100,000 annually. Assuming the situation is similar in other East Midlands authorities, they too may expect similar efficiencies.

The roll-out of the recently completed procurement process will enable the effectiveness of the collaborative approach, and the processes required, to be fully tested. The prices submitted

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by providers, particularly for supported living, are seen as extremely competitive. This should enable efficiencies to be achieved on new placements too (see 'Outline Business Benefits')

3. Phase 2 Project Objectives:

- Ensure the efficiency potential of the procurement exercise undertaken within the EMCE High Cost Placements project is realised by co-ordinating the implementation of the collaborative commissioning process;
- Utilise the information gained through the procurement process to provide quality feedback and information more generally 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 (aka national pricing tool), maximising its benefits in respect of Learning Disability placements but also for placements for other service users groups

4. 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.

The original, EMCE-funded High Cost Placements Project has culminated in the identification of a small number of approved providers who will be offered a framework agreement to provide supported living and residential care across the East Midlands Region. Each local authority will contract individually with providers but to a common specification and framework agreement.

The successful implementation of the commissioning process (likely to be in the summer of 2008) will ensure that new placements and packages for people in the target group will be purchased cost-effectively and to a good quality standard.

The Care Funding Calculator has been developed by the Regional Improvement and Efficiency Partnerships to support local authority commissioners to ensure improved outcomes for service users and the best use of resources. The tool, which has been researched in some depth, provides a financial model against which the costs of proposed or existing placements can be judged. The main benefit is that it provides baseline information about a full range of input costs which empowers commissioners in their negotiations with providers.

A press launch of the Care Funding Calculator is planned for early June 2008. A number of other regions are in the process of appointing regional 'super users' whose role will be to support the training of local authorities, PCTs and providers within their region. The designers of this tool propose that it could support efficiency savings of up to 5%. Whilst this figure may be optimistic, the tool clearly has potential to support cost reductions and so its effective implementation across the region will be of significant benefit.

There are, therefore, 3 separate but connected strands within this project that will support savings i.e. targeted review, efficiently procured new services and the roll-out of the Care Funding Calculator. It is difficult to estimate with true accuracy the level of efficiency gains that will be made, however, 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.)

5. Contribution to RIEP Targets

This project will make a valuable contribution towards a number of the 26 stretch targets in the RIES, in particular, those focused around improving efficiency and the use of resources (12,13,14,15,19,20 & 26).

The project directly supports key national policy initiatives such as Valuing People, Putting People First, Valuing People Now, Our Care Our Health Our Say and the Mansell 2 Report which sets out a range of principles that should govern placements for Adults with high dependency needs.

The project will help deliver better outcomes for the most vulnerable adults in the Region, and so make a positive impact on delivery of the 7 Our Care Our Health Our Say outcomes from which many of the new National Indicators for Adult Health and Wellbeing stem. This, in turn, will support delivery of the Region's LAAs.

6. Project Budget

This is a 12 month project spanning two financial years, however the budget for 2009/10 is indicative only and will be subject of further approval of delivery plans.

Description	2008/9	2009/10
Project Officer Post (1 FTE)	£50,000	£25,000
Project Administration/ workshops etc	£25,000	£12,500
Total	£75,000	£37,500

7. Key Risks

Risk	Likelihood 1 (low) – 5	Impact 1 (low) -5	Mitigation
LAs fail to engage	1	4	Project is part of the agreed Joint Improvement Partnership Plan for the Region. Develop & Implement an effective Communications Plan
Providers fail to engage with LAs in respect of Care Funding Calculator	2	4	Emphasis will be placed on developing negotiation skills within each authority.
No implementation = zero efficiencies	2	5	Communicate the potential benefits of the project to each authority and improved collaborative commissioning across the Region.
LAs fail to provide data and or/loss of Motivation	3	4	As above.

Project Outline Business Case

Sub Regional Partnership / Regional Project	Regional
Project Name	Adult Social Care Programme
Project number	941
Project Sponsor	Sallyanne Johnson ASC Director Nottingham City Council
Authorities Involved	All nine adult social care authorities

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

2. Introduction

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. The Policy Challenges

Demographic trends, an increase in conditions such as dementia and greater public expectations have all added to the financial pressures faced by the nine Adult Social Services authorities in the Region.

Performance across the nine local authorities is variable. There are two 3 star Councils, two 1 star Councils and the remainder are 2 star. A regional priority is to ensure that all Councils are at least 2 star Adult Social Services Authorities (or the equivalent under the new performance monitoring arrangements) or better by 2010/11.

The 'Putting People First' Concordat requires a new approach to the delivery of Adult Social Care; the changes will be much more radical than those brought about with the introduction of Community Care in the early 1990s.

There is a broad consensus that personalisation through individuals having their own budget to arrange the most appropriate support will assist vulnerable people to:

- Live independently whenever possible
- Stay healthy and recover quickly from illness
- Retain maximum dignity and respect
- Participate as active and equal citizens, both economically and socially
- Have the best quality of life, irrespective of illness or disability

4. The Priorities

Both nationally and locally, there is wide-spread recognition that focusing only on Adults with the highest levels of social care need is not the most effective approach.

Prevention and early intervention should help tackle inequalities, promote social inclusion and also be more cost effective in the longer-term. (In some parts of the Region, 'self-funders' are a very large percentage of Social Care service users and it is generally accepted that they too should have access to quality advice and information.)

The Joint Improvement Partnership (JIP) has identified, developed and agreed the following key priorities for the Region:

- Personalisation
- Safeguarding
- Health, Well Being & Quality of Life
- Learning Disabilities

There are also some cross-cutting themes including improved procurement, support to leadership and workforce planning.

5. Partnership Working

The regional priorities and the draft JIP Plan have been developed through the strong and effective partnership developed in the East Midlands.

The main partners are: ADASS (Association of Directors of Adult Social Services), CSIP (Care Service Improvement Partnership), CSED (Care Service Efficiency Delivery), East Midlands Centre of Excellence (now EM RIEP), Skills for Care, Government Office for the East Midlands (GOEM), East Midlands Public Health, the Commission for Social Care Inspection (CSCI) and the Improvement and Development Agency for Local Government (IDeA).

6. Infrastructure for Effective Delivery

It is intended to ensure effective delivery of the JIP Plan through a robust project management approach. Programme Boards will be established for:

- Personalisation
- Safeguarding
- Health, Well Being & Quality of Life
- Learning Disabilities
- Improving Procurement
- Cross-cutting Improvement

Each Board will be chaired by a Director of Adult Social Services who will sponsor the work. They will report on progress and variations to their plans at quarterly meetings of the East Midlands Adult Social Care Joint Improvement Partnership.

7. Funding

It is expected that the JIP Plan proposals will be funded from:

- CSIP and Department of Health (DH) Regional Presence funding (amounts still to be agreed)
- CSED funding
- Badged DH improvement funding for 1 star Councils
- Regional allocation of the Social Care Reform Grant (£200k for each of the next three year – years two & three subject to confirmation)
- Contributions from Local Councils (Social Care Reform Grant, mainstream funding, staff secondment /contribution of expertise).
- The EM RIEP and sub regional IEPs

It is recognised that RIEP bids will require a robust business case (including return on investment) and Project Initiation Documents (PIDs). Mietool will be used to assist with the assessment and monitoring of projects.

Securing funding for the Project Support Officers is therefore an essential priority as it will ensure the programme infrastructure can be put in place so that project plans can be further developed. (This activity will be co-ordinated by the Programme Boards whose Chairs will also ensure there are viable, detailed and fully costed project plans prior to bids being submitted for approval.)

An initial task for the Programme Boards will be to profile the cost of each project as some will only require a relatively small sum this financial year but the bulk will be needed in year 2 and some in year 3. It may also be necessary to prioritise individual projects or the scope of the work if insufficient funding is available.

8. Outline Business Benefits & Contribution to RIEP Targets

The Joint Improvement Partnership Plan is a cohesive, coherent set of agreed programmes and activities that seek to address the Adult Social Care priorities agreed by the Region's key stakeholders.

The plan also supports national policy initiatives such as Putting People First, Valuing People Now, Our Care Our Health Our Say and delivery of many of the new national performance indicators (including those around improved use of resources, better commissioning, improving health and quality of life).

The programme approach will aid overall delivery effectiveness, however, the individual projects will contribute greatly to the primary aims of improving outcomes for vulnerable adults within the Region (enhancing their chances of becoming active, empowered citizens and supporting social inclusion) and achieving greater efficiencies.

Co-ordination will be achieved through the close partnership working of the Programme Chairs (all Directors of Adult Social Services) and the quarterly meetings of the East Midlands Adult Social Care Joint Improvement Partnership.

The Adult Social Care proposals anticipate that 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.

9. Project Budget

Description	2008/09
3 x Programme Support Officers and associated costs	£100,000

10. Key Risks

Risk	Likelihood 1 (low) - 5	Impact 1 (low) -5	Mitigation
Lack of resources to develop business cases and programme	3	5	OBC seeking EM RIEP Funding.
Lack of co-ordination across Adult Care Services within the Region	3	5	Regular JIP meetings to Include all key stakeholders. Set up Programme Boards ASC Directors to lead each key Programme and take responsibility for delivery of projects within their respective programme
Lack of commitment/buy-in to transformational (cultural) change required.	4	5	CSED and targeted support for transformational change programme
Lack of support from Districts who also have a role to play in the successful deliver of the wider, transformational change associated with Personalisation	4	3	Communication plan to be developed to ensure effective engagement of key players.
Lack of Member support	3	4	Presentation to Board

Project Outline Business Case

Sub Regional Partnership / Regional Project	Regional Project
Project Name	Shaping the Market for Children in Care
Project number	944
Project Sponsor	Andy Smith (Interim Service Director, Leicester City Council)
Authorities Involved	All 9 local authorities in the East Midlands with a responsibility for providing Children's Services.

1. Project Description

During 2006, the region undertook a supplier spend analysis which identified that, of the region's £3bn spend with external suppliers, social care (both adults and children's) represented £370m or 14% of the total spend.

At a supplier spend workshop for commissioners of Adults and Children's care services in the summer of 2007, participants identified Foster Care placements as an area which offered opportunities for improvements and efficiencies. As a result, 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.

In addition, recent takeovers within the Independent Foster Care Market mean a few key suppliers now dominate the marketplace and it is known that venture capitalists see residential homes as a very profitable area of business.

Set against this background, local government is expected to achieve a challenging cashable annual efficiency target of 3% (equivalent to 9.3% by the end of 2010/11), the bulk of which (circa 57%) the Government expects to come from smarter procurement/commissioning and increased competition.

At a meeting held in October 2007, the Children's Services Working Group 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.

2. Outline Business Benefits

The key outputs from this project will be the delivery of tangible efficiencies – both cashable savings and non-cashable, value for money gains (including future cost avoidance) by:

- a) An analysis and understanding of the Residential, Independent Foster Care and SEN Residential Provider market within the East Midlands region (turnover, ownership, market share, marketing & pricing strategies, geographic location and coverage)
- b) 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. (E.g. structures, practices, in-house/external capacity & costs, future development/recruitment strategies, particular issues faced by urban/rural authorities such as unaccompanied children seeking asylum, sibling group placements, and the perceived strengths, weaknesses and future challenges of those approaches).
- c) Agreed standards of core costs and a shared regional pricing structure/schedule for Independent Foster Care and Residential provision (utilizing the pricing schedule in the National Residential Contract and linking with DCSF's plan to develop a National IFA contract in 2008)
- d) A detailed review of current provision, for example: geographical location of suppliers, contracts currently in place (what they cover, expiry dates, terms and conditions, pricing etc.) in order to develop common standards, an agreed transparent pricing schedule and a clear contracting strategy(s) that leads to a regional commissioning/contracting strategy for Independent Foster Care and Residential provision, encompassing a regional approach to negotiating with Independent Foster Care and Residential providers (in association with, and supporting the work of, the Cross-Regional Procedures Group). This does not mean a single regional contract.
- e) 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.)
- f) Sharing knowledge and highlighting best practice.

3. Contribution to Targets

This project will make a valuable contribution towards a number of the 26 stretch targets in the RIES, in particular those focused around improving efficiency and the use of resources (12,13,14,15,19,20 & 26). Anticipated savings over 5 years have been conservatively estimated at £10 million against projected project costs of £268k over 3 years (outlined in the chart overleaf).

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.

4. Project Budget

This is shown as a 3 year programme, however years 2 and 3 are indicative only and will be subject of further approval of delivery plans

Description	2008/9 Budget	2009/10 Budget	2010/11 Budget
Project Manager	40,000	75,000	75,000
Support costs	5,000	10,000	10,000
IT & Communications	4,000	1,000	1,000
CIPFA Benchmarking	2,500 (tbc)	9,000	9,000
Printing costs	-	1,000	1,000
Regional Stakeholder	4,500	5,000	5,000
Tendering costs	-	5,000	5,000
Annual total	£56,000	£106,000	£106,000

6. Outline milestones and spend in 2008/9

Milestone	Anticipated completion delivery date	RIEP Funding payment profile
Recruit Project Manager	31 March 2009	£40k
Support arrangements in place		£ 9k
Join CIPFA Benchmarking Club		£ 2.5k
Hold regional stakeholder meetings		£ 4.5k

7. Key Risks

Risk	Likelihood 1 (low) -5	Impact 1 (low)-5	Mitigation
Partners on the project not delivering	2	4	Sign-up on an individual/authority basis to deliver information.
Failure to gain senior management commitment	1	5	Plan to build on briefing paper to DCS & seek Project Sponsor.
Unable to recruit appropriate project manager	3	5	Look for secondment opportunity as preferred option at an attractive salary range.
Loss of key personnel (Project Manager)	3	4	Establish clear partnership principles and agree to support PM.
Initial project funding not available	1	5	
Conflicting priorities regarding objectives	3	4	Data collection & analysis across the region will help determine priorities.
Failure to deliver continual benefits to all authorities	3	2	
Monopoly business	1	2	ITT Process
Opportunity for efficiency is not realised	2	4	
Efficiency V Quality balance	1	2	
Demonstrate project progress throughout project life.	2	3	Communications Plan.
No implementation = no efficiencies	2	5	

Project Outline Business Case

Sub Regional Partnership / Regional Project	Regional Project
Project Name	Regional Procurement Opportunities Programme
Project number	946
Project Sponsor	Paul White Head of Corporate Procurement Northamptonshire CC
Authorities Involved	All via the County / Unitary Heads of Procurement Group and Regional Districts Groupings

1 Project Description

The East Midlands local authorities spend circa £3bn on externally provided goods and services.

Value for money is always high on the public sector agenda and the Governments Comprehensive Spending Review 2007 (CSR07) published in October 2007 announced that Local Government will be expected to achieve a challenging cashable efficiency target of 3% (equivalent of 9.3% by the end of 2010/11)

Within the CSR07 guidance it is clear that Government is expecting Procurement to make a substantial contribution to the efficiencies required. Of the £4.9bn worth of efficiencies expected nationally £2.8bn (57%) is anticipated to be from “**Smarter Procurement**”

In the East Midlands this target equates to £384m of which “Smarter Procurement” is expected to deliver £219m

CSR07 recognises that Construction (25.7% of external spend), Care Services (14%) and Environment Services (6%) are the three largest spend areas and consequently places considerable emphasis on these. These three areas are excluded from this project since there are specific initiatives which target these.

This leaves 54% under the general banner of Corporate Services Procurement with an efficiency saving requirement of £118m across the region.

2 Programme Approach / What we are going to do / How are we are doing it

The programme approach will be to focus on four areas

- Major Projects
- Best Deals Service
- Facilitating collaboration
- Coordinating national projects

Fundamental to the programme are two dedicated programme support officers which will be hosted by Northamptonshire CC and Lincolnshire CC.

Major Projects

The Support Officers will research the spend analysis data and along with suggestions from the County / Unitary and Districts Procurement groups identify suitable projects which are considered likely to deliver substantial efficiencies. These projects are more

than likely to involve other service professionals and will involve transformation and change to the supply chain.

The Support Officers will be tasked with collecting the necessary data and undertaking appropriate research to develop a business case. This will include understanding the often differing specific requirements of both large and small authorities.

Each major project will be subject to a PID and appropriate project management methodology and would have a Head of Procurement as project sponsor. The initiation and engagement process for such projects is described in appendix 1.

Two potential project areas identified are

- o A Regional Approach to Temporary Staff (regional spend circa £90m)
- o Professional Services (Consultancy) (regional spend £100m)

The Support Officers will be responsible for the management of the project, the facilitation of meetings, monitoring of progress and reporting to the Steering Group.

The County Unitary Heads of Procurement Group will be required to authorise the commencement of any major project to ensure that there is sufficient “buy-in” to the project.

A Best Deals Service

In many commodity areas such as stationery, printer consumables, photocopiers, washroom materials there exist a variety of framework contracts available from various public buying organisations, local authorities and central government departments.

With limited resource procurement departments should be concentrating their efforts on the more strategic issues and opportunities and not on the limited efficiency opportunities provided by the generic commodity products. To assist local authorities in their decision making it is proposed that a “best deals “ service be offered on an agreed list of commodity products.

This service would be provided by the Support Officers, in which the specific commodity areas are researched, available deals compared and benchmarked with the resulting information, including pros and cons, made available to councils.

Facilitating collaboration

Public Buying Organisations (PBO's) and local authorities instigate framework contracts at various times. It is recognised that framework contracts provide better deals when there is commitment from local authorities when the framework is offered to the market.

The role of the support officers will be to liaise with the PBO's and local authorities to identify forthcoming framework contract opportunities, communicate these to local authorities within the region, facilitate participation in the specification requirements design stage and gain commitment into the opportunity that is put to the market.

Such activities will, over a period of time reduce duplicating framework contracts and enhance volumes with a resulting improvement in the offer.

Coordinating National Projects

There are a number of national projects based around the OGC Category programme which includes Energy, Fleet, Professional Services, and Office Supplies.

The Support Officers will attend such national meetings as appropriate and report back to the Steering Group on any potential efficiency opportunities which emanates from these groups. The Steering Group will consider their appropriateness for the East Midlands and providing the opportunity offers a suitable ROI and it is considered that the local

authorities have the capacity to utilise the offering then those opportunities will be facilitated.

3 Outline Business Benefits

- Support the region to deliver its agreed collective targets contained with the Regional Improvement & Efficiency Strategy (March 2008) with regard to the 3% efficiency targets
- Tangible cost efficiency savings and delivery of increased value for money over the long term
- A move towards a more joined up cohesive contracting approach to major spend areas across the region.
- The opportunity to transform services and so deliver improved services for users.

4 Contribution to the targets

This project will contribute to the regions targets in the RIES, in particular those focused around improving efficiency and use of resources (targets 12, 13, 14, 15, 19, 20, & 26)

5 Project Budget

This is shown as a 3 year programme, however years 2 and 3 are indicative only and will be subject to further approval of delivery plans

Description	Year 1 £'s	Year 2 £'s	Year 3 £'s
Two x Support officers and associated costs	90,000	110,000	110,000
Tender & E auction costs	20,000	20,000	20,000
Communication, printing, costs	10,000	10,000	10,000
Facilitation, meeting costs etc	5,000	5,000	5,000
Total	125,000	145,000	145,000

6 Risks

Risk	Likelihood 1 (low) -5	Impact 1 (low)-5	Mitigation
Failure to gain senior management commitment.	1	5	<ul style="list-style-type: none"> • Senior Manager Sponsorship of project; • Sponsor to provide briefing paper and engage with each CX's to seek endorsement and commitment; CX's fully involved in key decisions; • Effective Project Management put in place.
Unable to recruit appropriate Support Officers .	3	5	<ul style="list-style-type: none"> • Look for 2yr fixed contract opportunity as preferred option at an attractive salary range.

Project 946

Loss of key personnel	3	4	<ul style="list-style-type: none">• Establish clear partnership principles
Partners on the project not delivering.	2	4	<ul style="list-style-type: none">• Sign-up on an individual/ authority basis to deliver info.
Conflicting priorities regarding objectives.	3	4	<ul style="list-style-type: none">• Data collection & analysis across the region will help determine priorities.
Unrealistic expectations of implementation of the project.	3	4	<ul style="list-style-type: none">• Obtain buy-in from each authority to identify realistic timescales.
Failure to deliver continual benefits to all Authorities.	3	4	<ul style="list-style-type: none">• Robust Project Management.

Project Outline Business Case

Sub Regional Partnership / Regional Project	Regional Project
Project Name	Regional Approach to Sustainable Procurement
Project number	948
Project Sponsor	Sharon Cuff Head of Corporate Procurement Lincolnshire CC
Authorities Involved	All via the County / Unitary Heads of Procurement Group and Regional Districts Groupings

1. Project Description

To assist and encourage local authorities to understand the ‘whole life’ social, environmental and economic impacts of their procurement decisions. To provide support to local authorities to further develop their sustainable procurement practice to positively impact on the vitality and wellbeing of their communities in line with Sustainable Community Strategies and the priorities of Local Area Agreements (LAA).

The Flexible Framework effectively forms the cornerstone of the Sustainable Procurement National Action Plan and **is the structure that will be used by the Audit Commission in assessing local authorities within the CAA and the Use of Resources judgement in delivering sustainable outcomes and value for money.**

This document sets out the business case to secure funding with an aspiration that 75% of all East Midlands local authorities achieve “Practice Level 1” of the Flexible Framework by 2009 and 90% by 2010. In addition the Project Board will seek to establish 10 local authorities within the East Midlands to be “exemplary” in achieving “Practice Level 3” of the Flexible Framework and “Practice Level 5” in one area by 2009/10

2 The Specific objectives of the project are as follows:

People:

- Deliver training and development activity that helps embed sustainable procurement objectives across the region and promotes links into LAA’s;
- Develop and embed leadership, guidance and direction in sustainable procurement and encourage scrutiny in the search for more sustainable solutions;
- Raising awareness and adoption of return on investment being measured in terms of positive sustainability impacts as well as financial returns.

Policy, Strategy & Communication:

- Develop a regional approach to facilitate and promote sustainable procurement and communicate progress to achieve sustainable procurement objectives to stakeholders;
- Make a positive impact to the social, environmental and economic well being of the region;
- Agreement and endorsement of the application of specific tools and templates including harmonised strategies and processes to enhance supplier access including Small, Medium sized Enterprises (SME’s) the Third Sector and Social Enterprises to contract opportunities.

Procurement Process:

- Develop and embed tools that enable sustainable objectives to be addressed in the procurement process.

Engaging Suppliers:

- Enhancing opportunities for SME's/Third Sector/Social Enterprises;
- The transformation of key markets, including the stimulation of product development and process innovations that deliver improved environmental performance and efficiency savings.

Measurement & Results:

- Develop, utilise and embed sustainable procurement performance Indicators to measure performance including methods/techniques for doing so;
- Capture and demonstrate learning of current and forecasted opportunities for sustainable procurement.

3. Outline Business Benefits

Some of the key benefits that can arise from implementing sustainable procurement include:

- Tangible cost efficiency savings and delivery of increased value for money over the long-term; supporting a contribution to the £218m of efficiency savings required from the East Midlands region during the CSR07 period.
- Achievement of local socio-economic objectives;
- Achievement of key LAA and CAA targets;
- Improvement to knowledge base resulting in a clearer focus on agreed regional priorities and the improved effectiveness of staff;
- More innovative and inspirational solutions to sustainable procurement challenges;
- More rounded views of what "excellent sustainable procurement" means resulting in improved levels of community satisfaction;
- Stronger markets, increased opportunity for innovative practice, strengthened partnership working with Third Sector and opportunities of improved value for money;
- More efficient and effective procurement practice resulting in improved outcomes for regional communities;
- Better use of public money resulting in greater community benefits and opportunities for re-investment in regional economy;
- Improved environmental performance;
- Increased employment opportunities arising for local people and the long-term unemployed

4 Contribution to the targets

This project will contribute to the regions targets in the RIES, in particular numbers, 12, 13, 16, 17, 18, 19, 20,

5 Project Budget

This is shown as a 3 year programme, however years 2 and 3 are indicative only and will be subject to further approval of delivery plans.

Description	2008/9 Budget	2009/10 Budget	2010/11 Budget
Sustainable Procurement Practitioner and associated costs	60k	90k	90k
Communication Costs	10k	10k	10k
Regional Training/E-learning Costs		80k	50k
Supplier Engagement Costs	10k	20k	20k
Total	80k	200k	170k

6 Key Risks

Risk	Likelihood 1 (low) -5	Impact 1 (low)-5	Mitigation
Failure to gain senior management commitment.	1	5	<ul style="list-style-type: none"> Senior Manager Sponsorship of project; Sponsor to provide briefing paper and engage with each CX's to seek endorsement and commitment; CX's fully involved in key decisions; Effective Project Management put in place.
Unable to recruit appropriate Sustainable Procurement Practitioner.	3	5	<ul style="list-style-type: none"> Look for 3yr fixed contract opportunity as preferred option at an attractive salary range.
Loss of key personnel (Sustainable Procurement Practitioner).	3	4	<ul style="list-style-type: none"> Establish clear partnership principles and agree support to Sustainable Procurement Practitioner.
Initial project funding not available.	1	5	<ul style="list-style-type: none"> Seek and develop alternative funding proposal.
Partners on the project not delivering.	2	4	<ul style="list-style-type: none"> Sign-up on an individual/ authority basis to deliver info.
Conflicting priorities regarding objectives.	3	4	<ul style="list-style-type: none"> Data collection & analysis across the region will help determine priorities.
Unrealistic expectations of implementation of the project.	3	4	<ul style="list-style-type: none"> Obtain buy-in from CX's of each authority to identify realistic timescales.
Failure to deliver continual benefits to all Authorities.	3	4	<ul style="list-style-type: none"> Robust Project Management.
Opportunity for efficiency is not realised.	3	4	<ul style="list-style-type: none"> Returned on Investment exercises completed.
Efficiency V Sustainability balance.	3	3	<ul style="list-style-type: none"> Improvements to knowledge base by general awareness programme.

Project 948

Impact on CAA.	3	5	<ul style="list-style-type: none"> • Robust Project Management.
Failure to engage with the market and stimulate innovation in their supply chains.	2	4	<ul style="list-style-type: none"> • Engagement Programme through supply chain networks and regional forums.
Ability of the market to respond.	3	4	<ul style="list-style-type: none"> • Improved communication and partnership working between the local authorities and their supply chain.
EU law and our ability to promote social/economic issues within its constraints especially around using local businesses.	2	5	<ul style="list-style-type: none"> • Seek Legal advice.
Demonstrate project progress throughout project life.	2	3	<ul style="list-style-type: none"> • Develop & implement communication plans/strategy.

Project Outline Business Case

The information contained within this outline business case will enable the RIEP Support Team to monitor and report the delivery of the sub regional/regional programmes to the EM RIEP Members Board/LGA/Government

Sub Regional Partnership/ Regional	Regional
Project Name	East Midlands Property Alliance (EMPA)
Project number	951
Project Sponsor	Richard Hanson – Head of Property Nottinghamshire County Council Lynn Cave – Head of Property, Leicester City Council
Authorities Involved	All authorities throughout the EM

1. Project Description

The EMPA was established through EMCE resources 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
- Obtaining external funding
- 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 , 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.

The immediate time table of action is ;

- 14 May founder authorities to have signed the memorandum of understanding to allow Scape System Build Limited to commence work
- 30 May nominations for election to be available for the Chair and Vice Chair positions on the EMPA Executive
- 13 June election completed
- 18 June Steering Group meeting in Leicester to formally ratify the Executive
- 3 July first meeting of the Executive.
- In order to enable Councils to use the developed products via Scape System Build Limited , it will be necessary for each authority to sign an Access Agreement—a legally binding contract.

In the meanwhile an assessment of detail needs and priorities is being undertaken by Scape System Build Limited. All administration has passed from the EMCE/RIEP to Scape .

The perceived immediate priorities for the founder member authorities are to establish a regional facilities management framework contract, re tender the current Nottinghamshire/ East Midlands design and build framework as this has now reached its advertised quantum of business at £120m.

Property maintenance and refurbishment frameworks are also high on the EMPAS agenda.

The funding proposed for EMPA from the EM RIEP 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 and or by subscription from EMPA member authorities.

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.

The continued operation of the EMPA activity will contribute to the following EM RIES targets;

- *Efficiency savings ; targets 12,13 and 14*
- *Improvement in the use of resources score ; target 19*

The combined efficiency savings total for the East Midlands by 2011 is £384m Property services is the highest area of external expenditure by all councils.

The value of the local authority property assets currently in use including land is in excess of £100bn .

3. Outline milestones and spend

The draft Scape Business Plan Supplement for the work of the EMPA shows that in 2008/09, year 0, the year before the frameworks are established, for the EMPA to commence operation, the following broad costs will be incurred:

	£K
Running costs of EMPA, including work on other initiatives.	210
Establishing a Framework for large project	107
Establishing a Framework for small projects	107
Total	424

The Executive Committee has yet to refine EMPA's schedule of work and cashflow, the Steering Group has give approval to proceed. It is clear that Scape is required to make a significant investment over a number of years before an income shows a return. The EM REIP funding is therefore invaluable in shortening the risk period and making EMPA viable.

The following schedule is based on the proposals contained in the Scape' Business Plan Supplement. It will be subject to ongoing review by Scape and EMPA.

Milestone	Anticipated completion delivery date	RIEP Funding payment profile £K
EMPA the organisation <ul style="list-style-type: none"> • Administer election process for Executive Committee • Invite volunteers for Working Groups • Commence communications with EMPA members Frameworks (small and Large run in parallel) <ul style="list-style-type: none"> • Form Working Groups and determine areas of research 	30 June 08	15
EMPA the organisation <ul style="list-style-type: none"> • Executive Committee meeting • Ongoing support, communications, Frameworks (large and small) <ul style="list-style-type: none"> • Research and market testing 	31 July 08	15

<p>EMPA the organisation</p> <ul style="list-style-type: none"> • Establish Working Groups for Minor works and soft fm • Ongoing support, communications • Commence work on hub web site <p>Frameworks (large and small)</p> <ul style="list-style-type: none"> • Research and market testing 	<p>31 August 08</p>	<p>19</p>
<p>EMPA the organisation</p> <ul style="list-style-type: none"> • Executive Committee meeting • Working Groups for Minor works and soft fm • Ongoing support, communications • Work on hub web site <p>Frameworks (large and small)</p> <ul style="list-style-type: none"> • Complete research establish and document principles for Frameworks • Post Notices for expressions of interest 	<p>30 September 08</p>	<p>22</p>
<p>EMPA the organisation</p> <ul style="list-style-type: none"> • Working Groups for Minor works and soft fm • Ongoing support, communications • Work on hub web site <p>Frameworks (large and small)</p> <ul style="list-style-type: none"> • Drafting Framework tender documentation 	<p>31 October 08</p>	<p>14</p>
<p>EMPA the organisation</p> <ul style="list-style-type: none"> • Hold mini conference to update members on progress and provide training event • Working Groups for Minor works and soft fm • Ongoing support, communications • Work on hub web site 	<p>30 November 08</p>	<p>17</p>

<p>Frameworks (large and small)</p> <ul style="list-style-type: none"> • Selection of tender list • Complete tender documentation 		
<p>EMPA the organisation</p> <ul style="list-style-type: none"> • Executive Committee meeting • Working Groups for Minor works and soft fm • Ongoing support, communications • Work on hub web site <p>Frameworks (large and small)</p> <ul style="list-style-type: none"> • Tender documents distributed 	31 December 08	12
<p>EMPA the organisation</p> <ul style="list-style-type: none"> • Working Groups for Minor works and soft fm • Ongoing support, communications • Launch Hub web site <p>Frameworks (large and small)</p> <ul style="list-style-type: none"> • Tenderer briefing 	31 January 09	10
<p>EMPA the organisation</p> <ul style="list-style-type: none"> • Annual meeting of EMPA • Working Groups for Minor works and soft fm • Ongoing support, communications <p>Frameworks (large and small)</p> <ul style="list-style-type: none"> • Return of tenders and tender analysis 	28 February 09	16
<p>EMPA the organisation</p> <ul style="list-style-type: none"> • Executive Committee meeting • Working Groups for Minor works and soft fm • Ongoing support, communications <p>Frameworks (large and small)</p> <ul style="list-style-type: none"> • Implementation commence of Frameworks 	31 March 09	10
	Total	150

4. Key Risks

Risk	Likelihood 1 (low) - 5	Impact 1 (low) -5	Mitigation
Empa authorities fail to buy into the frame	3	5	Constant dissemination of information negotiation with interested Las.
No resources allocated from EM RIEP	3	5	The EMPA proposal relies upon investment in the first year of operation. Without funding EMPA won't fly.
Alternative products are developed by EM which militate against the the EMPA qaun	3	5	Discussion and negotiation via the Executive.

Project Outline Business Case

The information contained within this outline business case will enable the RIEP Support Team to monitor and report the delivery of the sub regional/regional programmes to the EM RIEP Members Board/LGA/Government

Sub Regional Partnership/ Regional	Regional
Project Name	Midlands Highway Alliance
Project number	952
Project Sponsor	Leicestershire County Council
Authorities Involved	All 9 EM Highway Authorities , plus Peterborough City Council

1. Project Description

The Midlands Highway Alliance was launched in 2007 with EMIP grant funding of £227k. It is a collaborative partnership between the 10 highway authorities 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

The Alliance is making progress with all of the above objectives but there is much more to do.

For the current year the MHA has agreed a budget of £132,793 assuming subscriptions are paid and utilising the balance of the EMIP money. With this budget tangible benefits will be delivered to members but the EMIP money is likely to end during this financial year with a potential shortfall of £154k. The Alliance does not have a sustainable budget, especially for the following years.

Governance arrangements have been established within the ten participating councils supported by the Collaborative Working Centre Ltd, who also undertake the project management arrangements at present. Leicestershire County Council Chair the officer management board.

A number of working groups have been established covering;

- Major schemes,
- Medium schemes
- Term maintenance
- Commodities
- Professional services

2. Business Needs

The key assumptions about the next four years which have been used to estimate costs are as follows;

- a. A new Medium Schemes Framework will need to be mobilised by October 2010. This will 'stand alone' and not rely on the Highways Agency to procure another framework. However that the HA would still be participating member
- b. A Major Schemes Framework should be mobilised by October 2009.
- c. The current 3 Counties Professional Services framework arrangement will be extended to all (or most) members in a new framework starting in 2010.
- d. A Term Maintenance Framework will start in October 2011 driven by the success of the convergence to best practices approach currently being promoted.
- e. A continuing programme of collaborative procurement with three new commodities each year and re-tendering will be promoted.

This work will be supported by 'out-side' consultants although there will be an 'in-house' Alliance Manager.

3. Annual Costs

The costs of the business need described above have been estimated. For each year the likely resource requirement needed is;

2008/9 £287,800-- budgeted £132,793 **ie shortfall of c £154k**

2009/10 £326,000

2010/11 £276,000

2011/12 £230,000

Sustainable income of between £250,000 and £330,000pa is needed, therefore, to support this work.

4. Sustainable Income Proposed business model

Subscriptions from authorities in accordance with the Agreement will produce between £30,000 and £40,000 a year. These have been kept low so that they do not become a barrier to membership. It is proposed, therefore, that sustainable funding needs to be related to the direct benefits each Member receives from using the Alliance, rather than a significant increase in subscriptions. The scope for Authorities contributing a fee which is a percentage of the work they commission using the MHA arrangements has been explored.

With the Medium Schemes Framework the best estimate of through put at the moment is shown in the table below

Authorities	2008-9 £m	2009-10 £m	2010-11 £m	2011-12 £m
Local	10.3	24.8	38.3	24
HA	40	30	0	0
Total	50.3	54.8	38.3	24

Table showing likely expenditure through the MWF3

This table uses the estimate of likely workload on 30th April 2008 with assumptions about a spend profile for each scheme. This workload is being updated regularly and can only be regarded as 'work in progress' It is proposed that a levy on workload is used to raise sustainable funding. A precedence has been set for levy funding for framework and procurement arrangements in various framework and joint procurement schemes namely:

SMARTE East

London Area Procurement Network,
OGC Buying solutions
ESPO basic business model

A levy of 1% on the value of work commissioned would provide a minimum of £240k per annum from 2009-10 if only the Local Authorities were contributing. It could also provide a 'top-up' for this financial year of £100,000. With the HA contributing as well income would be considerably higher.

Other savings are expected through collaborative procurement of commodities and improving practices in term contract work, particularly for maintenance. These, however, are likely to be far smaller in cash terms.

The recent work on a framework for salt procurement will likely lead to two authorities benefiting in year two from savings in salt procurement of about £60,000 in that year (£2 saving/ tonne on 30,000 tonnes). In broad terms expenditure on this salt at £25/tonne would be of the order of £750,000. A levy of 1% on through put would not be realistic as this would exceed any saving.

To date we have no confirmed savings on the term contract work although improvements in working practices are likely to be made in each authority.

It is clear ,therefore, that initially sustainable funding needs to be based on the medium schemes workload.

5. Conclusion

A 1% levy on capital works commissioned for medium schemes and a similar levy on actual savings in the other strands of activities seems the most sustainable way forward.

It would seem more equitable to levy all users allbeit the HA contribution would be offset by its procurement costs.

The £50k EMRIEP 08/09 allocation is required to top up the EMIP grant to cover perceived expenditure in this financial year only. There after subscription and or a levy placed on contractors will provide the running costs for the MHA in future years. However, this position should be revisited at March 2009.

All framework contracts have been tendered on the basis that West Midlands authorities can join at any stage. Benefits arising from this development have been excluded at this stage.

6. Outline Business Benefits

Mietool has been used to calculate benefits for the MHA programme Medium Schemes framework. £6.989m (npv) cashable benefits anticipated to be delivered over 5 years

A framework contract was let in November 2007 involving the MHA authorities, the Highways Agency and 4 major contractors. This framework contract will contribute to the £384m of efficiency savings required across the EM by 2011.

A shared professional service contract was let between three County Councils and a private sector contractor in 2007 with estimated savings of £2.0m anticipated over the lifetime of the contract.

A joint collaborative framework with West Midlands Highway authorities on road salt procurement should realise a minimum of £120 k savings for EM authorities over 4 years.

This project will contribute to the following RIES targets:

- *Efficiency savings ; targets 12,13 and 14*
- *Improvement in the use of resources score target 19*

7. Outline milestones and spend

Milestone	Anticipated completion date	RIEP Funding payment profile
Additional frameworks tendered and let.	31 March 09	£50k

8 .Key Risks

Risk	Likelihood 1 (low) - 5	Impact 1 (low) -5	Mitigation
MHA does not finish its programme	2	5	Negotiations with the ten LAs involved.
MHA can not generate sufficient income from contractors and LA subscriptions.	3	5	£50k support from EMRIEP in 08/09

Project Outline Business Case

Sub Regional Partnership / Regional Project	Regional Project
Project Name	Climate Change Best Practice & Environmental Services Support Programme
Project number	953
Project Sponsor	TBC
Authorities Involved	All

1. Project Description

It is widely acknowledged that local authorities have a vital role to play in tackling climate change through local leadership and service delivery.

From April 2008, councils' success in cutting carbon dioxide emissions will be measured as part of a new performance framework. They will also be assessed on their efforts to adapt to the effects of climate change, and to tackle fuel poverty. Many authorities have set specific targets to lead the drive to cut back on carbon emissions in their areas.

Local authorities need to look beyond their own estates and operations – important though these are – for opportunities to cut carbon, and work with people and businesses in their area to inspire change across the whole community.

A new £4 million programme to help local authorities tackle climate change was announced by Environment Minister, Phil Woolas, and Local Government Minister John Healey in March 2008; £2.45m of which has been allocated for a Climate Change Best Practice Programme in 2007/8. (Further Defra funding will be made available over the next 3 years to support this programme.)

Our Region's share of this year's allocation is £260k. It is proposed to devolve a total of £160k to the 5 sub-regional partnerships and retain £100k centrally to support the development, co-ordination and promotion of the Climate Change Best Practice Programme across the East Midlands.

2. Outline Business Benefits

The programme will spread existing best practice on climate change among local authorities, and provide training, mentoring and peer group learning to help them reduce emissions and adapt to the already unavoidable effects of climate change.

The programme will be tailored to local needs and priorities, with delivery being co-ordinated and promoted at a regional level by a Programme Manager based within the EM RIEP Support Team. (This post will be part funded with £25k of the climate change allocation)

The programme will draw on existing experience, including that of the Beacon Scheme which identifies authorities that are delivering the best services to their local citizens and can teach others to do the same. It will also provide support and guidance for authorities, and help them to identify and implement effective measures that suit local circumstances.

Contribution towards RIES Targets

This project will make a valuable contribution towards the EM RIES targets by providing tailored support and encouragement to local authorities so they can deliver effectively against the new climate change requirements of the new local government performance framework. It will address both mitigation and adaptation to climate change and is targeted particularly at local authorities that have identified climate change as a priority in their LAA.

3. Outline milestones and spend

Milestone	Anticipated completion delivery date	RIEP Funding payment profile
Climate Change Best Practice Programme promotional events	31 March 2009	£75k
Delivery of local authority capacity-building activities		
Benchmarking/self assessment toolkit		
Local authority Networking activities		
Peer Support Programme		
Contribution to Programme Manager post	2008/09	£25k

4. Key Risks

Risk	Likelihood 1 (low) - 5	Impact 1 (low) -5	Mitigation
Climate Change is a long-term issue but the measures and funding could be viewed as very limited and short-term and so impact negatively on 'buy-in' and commitment.	4	5	Build on the commitment made by all 46 authorities to the Nottingham Declaration on Climate Change.
The Climate Change Best Practice Programme may not be seen as a priority	4	5	Involve key stakeholders in the design, development, communication, delivery, evaluation and review of the programme.
Mixed 'buy-in' from SRPs	3	5	As above plus demonstrate how the programme supports achievement of LAA targets and the new performance framework.

Project Outline Business Case

The information contained within this outline business case will enable the RIEP Support Team to monitor and report the delivery of the sub regional/regional programmes to the EM RIEP Members Board/LGA/Government

Region	Regional Project
Project Name	Mietool Training
Project number	957
Project Sponsor	Chris Allison Director RIEP
Authorities Involved	All authorities across the EM

1. Project Description

mietool was commissioned by the Department for Communities and Local Government (CLG) and the Regional Improvement and Efficiency Partnerships from RSe Consulting, who developed the software. mietool is a major new resource for local authorities. It is designed, to help authorities to measure the efficiency impacts of projects and to provide the information that the new Efficiency PI will require, to help with the planning and evaluation of all improvement projects

mietool provides a rigorous framework for the costing and planning of projects to quantify expected efficiency gains. It also allows you to measure improvement both to the organisation and to the community at large against all the 198 new National Performance Indicators. In this way, it will add rigour to the approach to business case development and performance management.

During January 2008 two delegates from all East Midlands authorities (including fire & Rescue and Peak District National Park) were invited to a free, one day training event to find out how mietool is used to assess the efficiency and improvements of potential projects. Each authority across the EM region has received the free to use mietool, training pack and reference guide. However, the RIEP support team have had a number of request for further mietool training opportunities.

It is envisaged that for the £10k allocated to this project that the RIEP support team will be able to commission 2 further training workshops for the Region. When these have been completed there will be an evaluation of the regions requirements to enable funding in years 2009/11 to be prioritised if required.

2. Outline Business Benefits

This is a capacity building Project - The project will provide tangible benefits through raising awareness and skill development in the use of the cost/benefit analysis tool in the planning for new projects and programmes.

This Project will contribute to the following RIES targets

- Efficiency savings ; targets 12,13 and 14
- Improvement in the use of resources score ; target 19

3. Outline milestones and spend

Milestone	Anticipated completion delivery date	RIEP Funding payment profile
Delivery of 2 regional workshops for mietool training	September 08	£10k

4. Key Risks

Risk	Likelihood 1 (low) - 5	Impact 1 (low)	Mitigation
Workshops over subscribed	3	1	Prioritise funding for additional events for 2009/2011

Project Outline Business Case

Sub Regional Partnership / Regional Project	Regional project
Project Name	Business Transformation programme
Project number	960
Project Sponsor	Business Transformation Steering Group
Authorities Involved	All authorities in the region – 46 Local Authorities and 5 Fire & Rescue authorities

1. Project Description

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.

The programme includes:

- Seed-funding for innovative projects, led by authorities, which contribute to the RIES targets and 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.

Background

Local government is expected to achieve challenging cashable efficiency savings of 3% per annum, equivalent to £4.9bn by 2010/11. CLG's Value for Money Delivery Plan highlights business transformation as one of three key areas for driving forward efficiency, innovation and improvement. Of the £4.9bn of cashable efficiency savings expected during CSR07, 37% is expected to come from business transformation and collaboration:

Business transformation and collaboration	£1.8bn	37%
Smarter procurement	£2.8bn	57%
Asset management	<u>£0.3bn</u>	6%
	£4.9bn	

In the East Midlands, this means that business transformation and collaboration is expected to deliver £142m of efficiency savings by 2010/11.

In addition to this national focus, surveys indicate that authorities also view business transformation as critical to the modernisation of public services, and anticipate completing more business transformation projects to deliver significant efficiency gains.

The National Process Improvement Project (NPIP) sought to investigate and test business improvement methods through a series of pathfinder projects. Seven authorities took part, running projects across ten service areas, from child protection to waste management. The findings have demonstrated the potential for both cashable and non-cashable savings, along with improvements to service provision and organisational culture.

Business transformation projects vary widely in scope and scale – from implementing a new technology system in Adult Social Care to promoting new staff behaviour in Customer Services. The project may involve changing processes, culture, technology, job roles and location to name a few. Projects increasingly involve collaborating with partners and sharing services. Although varied, all these projects aim to realise efficiency savings whilst also improving service to the customer. At its heart, business transformation is about focusing on customers and redesigning services around them.

This programme will look to provide authorities with the support and the crucial seed-funding that they need to deliver such projects.

Terminology

Terminology in this field is unclear - in this context, 'business transformation' is used as an umbrella term, incorporating Business-Process Re-engineering (BPR), Business Process Improvement (BPI), Business Improvement (BI) and Service Redesign. The changing terminology reflects the broadening of the subject, no longer just focusing upon processes but now considering the people and organisational elements of transformational change.

Governance

The Business Transformation programme is sponsored by a Steering Group, made up of nine senior managers and directors from authorities across the region. As well as guiding the programme's activity, this group will collectively consider and approve applications for seed-funding from authorities and partnerships.

Funding

This programme is one of the activities to be funded by the CLG Windfall Grant (see Appendix 2 of the Business Delivery Plan). In this grant, £400,000 was set against 'BPI Consultancy Support'. A breakdown of this budget is provided below.

2. 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, with authorities delivering projects that might not have been initiated if seed-funding had not been available.
- 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', struggling through a project unaware that other authorities have already completed the same project and can provide practical advice and support.
- 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, so that directors can identify opportunities for collaboration.
- Support and guidance from a regional resource, as well as from peers.

As explained, the programme will support authorities and partnerships as they deliver business transformation projects. In turn, these local projects will deliver:

- Improved services for customers, in a wide variety of contexts.
- Considerable efficiency savings, both cashable and non-cashable.
- Significant contributions to the RIES targets.
- Stronger performance against LAA and MAA targets.
- Improvements to National Indicators and CAA scores.
- Faster, more effective and efficient processes.
- Better use of technology and integration of data.
- Improvements to staff morale and the culture within authorities.
- Greater insight into customers and their needs, leading to an improved customer journey with authorities doing the 'joining up' so that customers don't have to.

At this stage it is difficult to quantify the value of benefits as the nature of the business transformation projects is not known. However, each application for seed-funding will be accompanied by a projected calculation of benefits, both financial and otherwise, using the CLG sponsored 'mietool'.

Contribution to EM RIES targets

This programme will contribute to the RIES targets, in particular numbers 1, 12, 13, 22, 24, 25 and 26.

3. Outline budget

Description	Budget
Seed-funding for innovative projects, led by authorities	£300k
Training courses to build internal business transformation capability	£50k
Scheme to encourage the sharing of skilled staff between authorities	£30k
Best practice events and materials	£10k
Knowledge network events	£10k
<i>Total</i>	£400k

4. Key Risks

Risk	Likelihood 1 (low) – 5	Impact 1 (low) -5	Mitigation
Authorities fail to deliver business transformation projects on time and budget	3	3	Monitor progress and ensure robust project management
Projects do not bring anticipated savings and improvements for customers	3	5	Utilise 'mietool' and check progress against anticipated benefits
Steering Group not sufficiently engaged	2	3	Maintain regular contact plus periodic meetings
Authorities do not understand the support available	3	3	Provide clear communications and engagement activities
Sharing of staff between authorities proves impractical	4	3	Discuss scheme widely and pilot it.

Project Outline Business Case

The information contained within this outline business case will enable the RIEP Support Team to monitor and report the delivery of the sub regional/regional programmes to the EM RIEP Members Board/LGA/Government

Sub Region/Regional	Regional Activity
Project Name	Support for workshops/capacity building activity, networks & RIEP annual conference
Project numbers	962
Project Sponsor	Chris Allison Director EMRIP
Authorities Involved	All Authorities across EM

1. Project Description

The support for regional workshops and networks has been a valued aspect of the work carried out by the EMCE over the past 3 years. The EMCE delivered 95 events showcasing good practice, innovation and service transformation for 2831 delegates with an overall event rating of 100% (excellent/good/fair). This capacity building activity has been supported by the development and facilitation of a range of regional networks to enable the sharing of best practice and collaborative working.

The Capacity building funding of £148,000 for 2008/2009 will be used to deliver a comprehensive capacity building programme for both officers and Members (including the EMRIEP annual conference). The programme will include workshops, training opportunities and events showcasing good practice across the EMRIEP work streams. £25k of the capacity building budget has been allocated to establishing an ICT Common Standards Group with additional funding used to facilitate the range of networks that have already been established to build capacity and support the delivery of regional projects to facilitate collaborative working.

In addition a unique 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 unique social network analysis, 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 December 2008; thereafter the full cost of this service will be chargeable to the sub regional partnerships/individual local authorities directly commissioning the Effective Intelligence TM service.

2. Outline Business Benefits

This is a capacity building project – the project will provide tangible benefits through raising awareness, showcasing good practice and introducing new ideas for improved service delivery.

This capacity building activity will support the delivery of all of the 26 stretch targets in the RIES

3. Outline milestones and spend

Milestone	Anticipated completion delivery date	RIEP Funding payment profile
A range of workshops will be delivered	31 st March 2009	£80,000
Facilitation of networks		
EMRIEP annual conference		
ICT Common Standards Group		£25,000
Support for Social Network Analysis	31 st December 08	£43,000

4. Key Risks

Risk	Likelihood 1 (low) - 5	Impact 1 (low) - 5	Mitigation
Regional Networks are not inclusive	1	4	Ensure that contacts lists are current and ownership/participation is enabled
Workshops/events are not inclusive	2	3	Ensure that all events are well publicised on the website and in the monthly news bulletin and that contact lists are current for targeted events