

# RIEP Progress Update

**RIEP Name: East Midlands Improvement and Efficiency Partnership**

**Date: March 2011**

## **1 Headlines:**

- **The EM IEP has supported and enabled local authorities across the region to deliver a total of £137m efficiency savings (£135m cashable and £2m non cashable), since the 1<sup>st</sup> April 2008, through the 2008/11 EM IEP Efficiency & Improvement Programme of project funding, partnership support and capacity building activities. As projects are completed a further c£194m (c£168m cashable and c£26m non cashable) efficiency savings are predicted to be delivered over the following 2-3 years.**
- **In addition significant improvement to service delivery has also been achieved through EM IEP Programme support. This is showcased in 37 films and 55 case studies published on the EM IEP website**

## **2 Partnership Update:**

At their meeting on 12<sup>th</sup> April the EM IEP Board will review and approve a number of projects and programmes for the future efficiency and improvement activity within the region post March 31<sup>st</sup> 2011. The EM IEP Board agreed a Members sub group/Board will continue under the overall governance arrangements approved for East Midlands Councils, with a specific remit focused upon the improvement, efficiency and productivity agenda post March 31<sup>st</sup> 2011, utilising residual EM IEP resource.

## **3 Efficiency Update:**

The EM IEP has supported and enabled the region's local authorities to deliver **£137m savings:**

- £41.6m Procurement
- £37m Business Transformation
- £15.2m East Midlands Property Alliance
- £14.0m Midlands Highway Alliance
- £8m Culture & Sport
- £5.2m Single Person Discount Reviews
- £4.5m Care Funding Calculator
- £4.1m East Midlands Law Share
- £4m Shaping the Market for Children in Care
- £1.9m Transformation of Adult Social Care Systems & Process
- £0.6m Shared Services and Collaborative Working
- £0.4m Shaping Adult Care Services
- £0.2m Carbon Management Programme

**The Procurement Programme** has supported six e-auctions for home to school transport (bus and taxis) which delivered savings of £5.9m. Further auctions covering IT hardware, furniture, paper, mobile phones have delivered savings of £567k. As part of the programme a regional software license has been procured by Derbyshire CC which will enable any local authority in the East Midlands to run an e auction over the next 4 years at no direct cost. Five authorities have worked with Lincolnshire County Council in adopting the Consultancy Value Programme Using methodology developed by the National Audit Office a cost avoidance figure of £3.7m has been calculated. The Source East Midlands portal has now been updated to facilitate better supplier access and incorporating technology such as e mail and text alerts. Procurement clusters collaborate on procurement opportunities to deliver significant savings, such as the £445k savings on insurance delivered by the Welland, and £1.75m delivered by the Nottinghamshire authorities for a contract based on a common specification for refuse collection vehicles.

**Efficiency Challenge** - Local Authorities have utilised the facilitated 'Efficiency Challenge' process to develop their efficiency action plans in waste and street cleaning activities and an income generation workshop has been provided for Nottinghamshire County Council. £30k worth of funding has also been provided to undertake Banking Reviews within 10 local authorities which has identified potential savings of £375k.

**Efficiency in Waste Collection** - Four detailed case studies have been published showcasing efficient and effective service delivery from across the region. A regional learning event was delivered to disseminate good practice on partnership working, joint procurement, delivering efficiency savings and providing learning on current legislation and future government plans on waste minimisation. In addition Contract Management Training Workshops focused on waste management outsourcing as well as providing a broader view of contract management risks and opportunities. A pilot 'target costing' working group was established where ambitious and achievable target costs for waste collection have been agreed with action plans developed for achieving these target costs. A Derbyshire waste summit developed an action plan to deliver identified cost saving initiatives which all the Derbyshire local authorities will work towards over the next year.

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**Local Environmental Quality Project** - Councillors and officers from across the region attended the 'Improving Efficiency in Local Environmental Quality' event showcasing the 'Efficiency Report 1' which explored non-cashable savings that could be delivered at an operational level and 'Efficiency Report 2' which explored the cashable efficiencies that can be gained from operations through strategic and radical approaches. Four LEQ case studies have been published showcasing projects that have delivered service improvements and efficiencies. A further two case studies and a film have been published showcasing efficient and effective service delivery from across the region.

**East Midlands Property Alliance (EMPA)** - A range of framework contracts covering project values from £10k to £30m are available to all EMPA member authorities. Currently 38 of the 46 East Midlands authorities plus 10 Fire and Rescue and Police authorities, are active EMPA members. Since its inception £260m value of construction projects have been commissioned, with 110 separate projects now completed. EMPA has achieved savings of £15.25m from contract costs and through framework procurement procedures. An East Midlands supply chain of c1,700 sub contractors has been established to support the 14 main contractors. 80% of the value of projects is spent with contractors operating within 40 miles of the project and 20% within 20 miles. An EM Construction Skills Academy has been established with support from both EM IEP and the National Skills Academy to train young people and address the skills shortage.

**Midlands Highways Alliance (MHA)** - The 9 East Midlands Highway authorities working in partnership with the Highways Agency and Peterborough, Milton Keynes and Staffordshire County Council(s) form the membership of the MHA. The basis of the MHA is collaborative working with the contracting industry to achieve value for money results for the participating highway authorities. The value of the 56 projects workload to date contained within the various framework contracts is £126m. 49 of the projects have been completed generating £12.35m savings for member authorities. Further savings from commodity framework contracts and the professional services contract provide a further £1.7m of savings to date. A Skills Academy has also been established with support from the governments Skills Funding Agency with the primary purpose of driving up standards of training with contractors and local authorities to improve productivity and tackle skills shortages. Apprenticeships form part of the ambitious MHA skills academy operation.

**Culture & Sport** – CIPEM has enabled the EM local authorities to deliver cashable savings of c£8m through a range of initiatives i.e. Leicestershire joint library services, renegotiation of joint leisure service contracts in Lincolnshire and Derbyshire and changes in the way library services are delivered in Northamptonshire.

### **Business Transformation**

**Regional recruitment portal** – The portal has gone live and is being populated by the 14 authorities in the first wave, including Derbyshire CC and all Derbyshire districts, Leicestershire CC and Leicester City.

**Customer Insight & Research project** – Two demonstration projects have been completed: one traced the different learning journeys of young people in urban and rural areas who are NEET (not in education, employment or training), the other looked at the motivations and experiences of young perpetrators of anti-social behaviour. A series of popular training courses and seminars have been delivered, along with a number of valuable publications and an online community.

**Benefits 'fast track' programme** – The programme of training and consultancy support from CIPFA has helped four authorities to identify and implement changes to their Benefits service.

**Shared services conference** – The RIEP Business Transformation group organised a major shared services conference, attended by over 150 delegates, with speakers from across the country including several from the East Midlands.

**Training courses** – A range of regional training courses and seminars have been provided including courses on shared services, 'lean' and change management. Individual authorities have also been provided with training courses to help them achieve their specific objectives.

**Needs Analysis Project** – Melton BC and Leicestershire Police have implemented a number of changes to better support victims of anti-social behaviour. The project is now linking in with a national police initiative to better coordinate agencies responses and treatment of the victims of anti-social abuse

**Children & Young People's Services Programme** - A procurement framework for care of looked after children has seen fee reductions approaching £2m in 2010/11. A new fixed price arrangement for the next 4 has delivered £2m savings for 2011/12 with a minimum of £2m savings expected for the consecutive 3 years. Safeguarding and Health Inequalities developments are strengthening processes in safeguarding reducing the incidences of serious cases and inform partnership approaches to address child poverty and obesity, which will create greater efficiency and reduce future high costs. The flagship of the JRIEP has been the development of a leadership programme for children's services to build regional capacity and competence for the emerging arrangements in public service. Going forwards a joint efficiency programme between children's and adult services has been developed to reduce some of the high costs around families with additional and complex needs.

**Adults Social Care Programme** - Each locality worked on increasing the number of people with mental ill health self-directing their own support through a joint health and social care project; Seven LAs have co-ordinator posts in place to develop their micro

markets helping to increase choices for service users; Four LAs have predicted efficiencies of over £1 million through establishing web based e-market places; Five local efficiency projects have mainstreamed telecare in services for people with learning disabilities or dementia. The total regional net return estimated to be £708,122 by the end of 2011/12, with a forecast of £3 million over the 5 year period; Each LA has received an analysis and support to implement more cost effective housing solutions for people with learning disabilities. Four councils were involved in phase one of the programme and identified the potential to save £2.5m through a range of housing options; In excess of £4.5 million savings have been delivered through negotiating placement costs, using the Care Funding Calculator; All LAs now have TRIPS software installed and are being supported to implement this to transform their data for more effective commissioning.

**Apprentices** - In March 2010 the EM IEP in partnership with the National Apprenticeship Agency (NAS), Union Learn and East Midlands Councils launched the East Midlands Local Authority Apprentice Agency for unemployed 16-18 year olds. The project has secured 330 apprenticeship starts with 20% of all starts reserved for ethnic minority communities. The EM IEP grant for the agency totalled £75k with the training costs for each apprentice being met by the NAS.

**East Midlands Social Lettings Agency (SLA) utilising private housing stock** – this project aimed to match good landlords and good private properties with good tenants. The activities of the SLA can mirror the activities of a traditional/commercial lettings agency. The aim of this pilot project was to make available 100 homes from the private rented sector to vulnerable homeless people/families via a managing agent. The estimated savings flowing from this approach are £2.3m over three years. As of February 2011 the 100 property milestone was realised between the five participating councils in Derbyshire.

**Climate Change Programme** – All East Midlands local authorities, fire and rescue authorities and the Peak District National Park have now had the opportunity to take part in a carbon management programme. The first returns from Phase 1 of the East Midlands Carbon Management programme show that, with two authorities still to report, savings of just over £250,000 have already been achieved. The total year on year savings identified from the programme were almost £3 million, for a programme that cost £170,000. Following the success of Phase 1 of the programme, a second phase was commissioned. Upper tier authorities in the East Midlands have assessed themselves as being at an average of Level 3 against the Local and Regional Adaptation Partnership guidance that was developed for National Indicator National Indicator 188. Outreach work has also supported district councils and other partners, placing the East Midlands amongst the most able to make service delivery resilient to the consequences of climate change.

**Equalities & Diversity** - This programme was also designed to improve the region's overall effectiveness in this area, after underperformance had been highlighted by external bodies. With individual support, two authorities which were at risk of prosecution received a clean bill of health from the Equalities & Human Rights Commission. Members, officers and communities have all benefited from an exchange of learning and ideas now encapsulated in the set of 6 case studies and DVDs of the 2010 Delivering Chances Awards which showcased excellent practice in authorities and groups in providing opportunities to socially excluded adults and young people.

**Leadership of Place** - work with Northamptonshire County Council to establish broad agreement between key local stakeholders on the aims, purposes and structure of a local health and wellbeing board. Councillors gained an increased understanding of their new scrutiny roles and responsibilities, and the voluntary sector were able to explore future opportunities and relationships. It is anticipated that this work will serve as a basis for a model for the **creation of a Health and Wellbeing Board** which can be used by other authorities. Members attending seminars that focused on the importance of community engagement and **'Knowing Your Community'** developed insights into the intelligence available to them. Consequently they were able to "strengthen my role as a representative at district level" and "put the information/skills into use in order to build relationships with the community". In 2009, EM IEP/EMEP ran the **Empowerment Awards** which recognised resident-run projects that found new solutions to local problems. In 2010, the **Community Engagement Cultural Change Awards** demonstrated that a collaborative relationship between the public sector and the third sector can not only lead to a more empowered community, but in turn to enhanced to service delivery and facilities in local neighbourhoods. Throughout 2010 and 2011, 170 officers, members, parish councillors and communities, have benefited from the ideas and learning from the award winners through the organisation of **'Seeing is Believing'** visits. The **'Big Offer'** programme also equipped Community representatives with tools and techniques to address issues in their own neighbourhoods, the importance of working collectively with other local groups and the effectiveness of restorative justice – all skills which will become future-critical. Although the Localism Bill heralds a more mixed provider market, Local Authority officers discovered through EM IEP **'New Models of Service'** events that **"options to traditional LA service delivery are possible"**, and that social enterprises or Community Interest Companies have **"commercial possibilities and potential"** to save money and improve services. EM IEP also responded to the 'Community Right to Buy' challenge of the Bill by bringing together officers to develop a checklist that local authorities can use with community groups. This should prove a more effective and efficient method of dealing with community requests as resources in authorities decrease.

### Sub Regional Partnership Programmes

**Nottinghamshire** - Nottinghamshire CC used the *DECATS* methodology to assess the effectiveness of the organisation across 37 standard business functions. This work produced a number of outline business cases which suggested that £46m of savings could be made by re-designing a range of business functions across the Council. In April 2011 £32m of savings originally identified by DECATS will be absorbed into departmental business plans with the remaining £14m attributed to discrete “horizontal” business cases which will be managed and delivered on a cross-departmental basis. **Council Tax Single Person Discount Reviews** has enabled revenues of £3m to be claimed back by the City Council and the seven Nottinghamshire district authorities from false single person discounts council tax claims. **Joint Procurement** savings of £27,660 have been achieved from the joint procurement of Mosaic software. **A number of joint procurements of software** across the County have improved collaboration between partners and strengthened relationships while ensuring best value for money from suppliers. Some examples are joint website content management software, joint fleet management software and joint waste management software, performance software and e-tendering software. A Countywide **Lean Systems Thinking** project has seen 368 individuals trained in lean systems thinking. A number of projects are now being delivered to lean services across the County in services such as Customer Service, Housing Benefit, Development control, Environmental Health, Licensing enforcement and choice based lettings. Two **joint based lettings services** have been established, one in the North Nottinghamshire area and one in the South Nottinghamshire area ensuring customers have access to a range of housing options over a wider area. Two projects have focused on reducing carbon emissions. One working with large employers, public and voluntary organisations to reduce CO<sub>2</sub> emissions and one working with residents across three boroughs to reduce carbon emissions within communities.

**Derbyshire** - A **Building Control** fully integrated IT system across three partners is freeing up officer time to concentrate on customer needs and fee earning work resulting in savings of £8.5k per annum. Savings of £4.5k have been identified through licences that are no longer needed. **Derby Workstyle** project funding contributed to the successful decant from the Council House ahead of refurbishment and generated cost avoidance of £109k for archiving materials off site, project savings are expected to rise to £707k. The **Joint Transformation Programme** with High Peak BC and Staffordshire Moorlands DC joint teams are now in place for Finance, Property, Legal, Housing, Environmental Health, Cultural Services and Transformation including ICT and Procurement. EM IEP funding has generated £335k savings to date, which are expected to rise to £460k. **Shared ICT Disaster Recovery** has generated savings of £17k, which is expected to rise to £219k when all partners are connected. The **Council Tax Single Person Discount Review** has analysed 134,000 discounts. Over 2,000 households have informed authorities they are no longer entitled; the discounts have been cancelled and they have been billed for an estimated £415,000, which is expected to rise to £2m when a further 8,500 households, who have not responded, have their discounts cancelled. The **Derby City DECATS** project has delivered £2.3m of transformation savings and £577k of procurement savings which can be attributed to the funding provided by Derbyshire SRP to support their implementation of the Council-wide programme of transformation and restructuring. Four authorities have joined together to deliver **Joint Pest Control Services**. The unified and higher charges will lead to savings of £30k per year. Other efficiencies already identified are expected to rise to £20k per year. **Derbyshire Wide Area Network** is in place and delivering the shared ICT service between three DC. **Video Conferencing** will also be delivered over the network. **Joint ICT Service** with three partner service is now live and has delivered £100k of savings, which is expected to rise to £715k over 5 years. The closure of the Chinley office and development of the Glossop **One Stop Shop** is complete and will generate savings of £220k per year. **Tackling Financial Exclusion**, over sixty bodies (LA and private sector organisations) across the county are working on financial inclusion and helping access to basic bank accounts, debt and income maximisation advice services, credit unions and Community Development Finance Institutions, as well as an active financial capability programme especially in schools. **A New Credit Union service** has recently launched in Amber Valley (from Erewash CU) for the first time. National recognised research from Leeds shows every £1 invested in financial inclusion generated £8.40 for the regional economy. **YES! Scheme courses** have been run for young people aged between 13 and 16 who are on the cusp of or are already involved with criminality. Where a YES! Scheme has run there has been a reduction in anti-social behaviour and hoax calls to the Fire Service. **Improving Equalities and Diversity** over 370 people have attended Garnett Foundation equality and diversity training to address the requirement of the Public Sector to make significant changes to how they manage and measure equality in the local area.

**Lincolnshire** – The **Home Energy Lincolnshire Partnership (HELP)** project is up and running and delivering in excess of expectations. Nearly 900 measures (cavity wall or loft insulation) have been installed in first two full months of activity. **Video conferencing** equipment installed in February will reduce staff travelling time and costs. Two of the district councils have started to implement the **county wide anti-virus software** which when full roll out is completed will produce savings in excess of £200k. The **wireless networking** project will support flexible and mobile working across the county. The **Working Together Better** programme has been engaging senior leaders across Lincolnshire public sector organisations with the **7 Leadership Master Classes** saving over £100k if the delegates had attended outside the Working Together Better programme. The **Leading into the Future** project is supporting the Service Transformation projects. Two districts have begun **merging back office functions** and three others will be sharing a **joint planning unit**. Savings of £240k have been delivered with £4.86m anticipated over the next 5

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years. The **Business Transformation Programme** consists of 7 system led interventions across a range of services, improvements in service delivery are being made, for example **Planning redesigns** in two councils leading to the time taken to deal with planning applications halving from 65-70 days to 35 or less, backlogs are being cleared and caseloads are now manageable. **Revenue and Benefits services across 3 councils** are being redesigned prior to potential shared service. A local pilot has shown over 60% of customer demand could be dealt with “first touch”, leading to less “rework” and “hand-offs”. In one council reduction in failure demand lead to significant drop in phone calls equal to 9000 a year.

**Northamptonshire - Category Mapping of Expenditure** has identified £366k of procurement savings for Northants authorities. Councils are **collaboratively purchasing energy** for their higher usage sites through a flexible procurement arrangement taking advantage of favourable price movements resulting in savings of £341k being realised. **Kettering Carbon Reward Scheme** is a successful partnership with E.ON delivering tangible benefits through the installation of smart meters in 1100 residences. **Community Benefits in Procurement** has developed a web-hosted service **SupplyMyCouncil** which supports authorities and suppliers to improve the economic, social and environmental prospects for their local communities. **Local Councils Training and Development** has delivered a countywide, comprehensive training programme to councillors and clerks serving in 208 parish and town council. **Business Continuity and multi-agency emergency planning** has delivered a training programme and exercises and community risk registers to national standards. **Council Tax Single Person Discount Review** has completed the initial phase in Northampton BC with 1610 cases cancelled equating to over £400K additional revenue for 2009/10. **Improving Street Scene with Probation Service** has enabled procurement of equipment to deliver improved environmental services and reduced maintenance cost. **Transportable Event LED Screens** for sub-regional authorities use at a wide range of outdoor events with opportunities to attract sponsorship, advertising and hire income from corporate partners. **Northampton Sexual Assault Referral Centre** is realising up to £100K annual savings and efficiencies in staff time through installation of enhanced interview, forensic and peer review facilities in line with national standards.

**Leicestershire, Leicester and Rutland** - The **Automatic Meter Reading** project includes five Districts and the Leicestershire Fire and Rescue authority. All partners share the same system platform to allow similar data types to be easily compared. Sites were prioritised for installation on the basis of higher energy consumptions and, therefore, having the highest potential to achieve savings. In addition it was felt that the purchase of portable equipment would assist in identifying consumption patterns in lower usage sites where a permanent installation may not be as beneficial, as well as providing a sub-metering facilities. Further procurement of the system has commenced across the partner authorities with additional savings made on the support and maintenance costs. The **Strategic Commissioning** project has delivered a course with the aim to enable decision makers in Leicestershire, Leicester and Rutland to plan and commission more efficient and effective services in a consistent manner. The 5 day Strategic Commissioning programme outline consisted of: strategy, strategic commissioning and the Commissioning Cycle, moving to outcome based commissioning and procurement, user/stakeholder involvement, personalisation and diversity, commissioning for service resilience in the face of economic dislocation and financial restraint, personal and organisational skills in Strategic Commissioning. **The Reducing CO<sub>2</sub> Emissions** project consists of three separate elements with both energy and cashable savings achieved alongside service improvements and includes a capacity building element supporting communities to develop projects and initiatives and have established a Knowledge Transfer Partnership. **Wattage Dimming** in Rutland will deliver £652 per year in energy and 3.9T CO<sub>2</sub> per year. Leicester is part of wider scheme costing £178,000 with CO<sub>2</sub> saving from RIEP funding estimated as 29.7 tonnes per annum a pay back period of 2.68 years. Leicestershire is also part of an extensive programme which is aimed at producing £700,000 annually in cash savings and deliver a reduction of up to 3,000 tonnes of carbon per annum contributing to about 4% to the Council’s target of a 30% reduction in carbon emissions within 5 years. The **Big Switch Off** is a successful brand which has reinforced partnership working on issues of Climate Change. This bodes well for success in the establishment of a Strategic Commissioning Hub for the Environment. Savings identified during the Big Switch Off week will amount to £1million if continued throughout the year across Leicester, Leicestershire & Rutland. **10 community projects** can be confidently expected to deliver reductions over the medium term and to form an example and spur for other local communities to follow their lead in delivering sound local projects. **Video Conferencing** equipment has been ordered and delivered and installed in a number of authorities across Leicestershire. It is forecast that savings will be made through costs associated with a reduction in staff travel and time. The successful establishment in April 2010 of a shared legal service between HBBC, O&WBC, Blaby and North Warwickshire has not only provided service resilience and improvements but has begun to realise efficiencies, within the first six months of operation the forecast savings of £44,000 for this year had been met. The shared Revenues and Benefits service between HBBC, NWLDC and Harborough is on target to be fully operational by July 2011 and has estimated savings of £498k in year one of operation with ongoing savings of £280k per annum. The county wide **Single person discount review** has enabled revenues of £1.3m to be claimed back by Leicestershire authorities who have worked together to tackle false single person discounts council tax claims.