

ASSOCIATION OF GREATER MANCHESTER AUTHORITIES

REPORT FOR DISCUSSION

DATE: 30th JULY 2010

SUBJECT: DELIVERY OF AGMA'S IMPROVEMENT & EFFICIENCY
AGENDA

REPORT OF: JANET CALLENDER & ROGER ELLIS

PURPOSE OF REPORT

To update the Executive on the approach to the leadership and delivery of AGMA's Improvement & Efficiency agenda as part of AGMA's ambitions for public sector reform. Detailed work will take place over the summer and a full report will be presented to the Executive on 24th September 2010. Cllr Bernard Priest, as Chair of the Improvement & Efficiency Commission will take up the Executive's invitation to lead the discussion.

RECOMMENDATIONS

The Executive is recommended to endorse the approach to the future leadership and delivery of AGMA's Improvement & Efficiency agenda.

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1. BACKGROUND

- 1.1 AGMA spend £2.4bn each year on goods and services and in recognition of the opportunities this level of spend presents, the Improvement & Efficiency Commission was asked to lead on the delivery of efficiency savings across AGMA and promote stronger collaborative working. This included the establishment of a Procurement Hub in June 2008.
- 1.2 AGMA commissioned Deloitte to develop an efficiency programme in 2008 and they highlighted 10 priority areas for collaborative opportunities and identified potential efficiency savings of £150m.. Following publication of their report, all Local Authorities & some partner agencies` committed to a baseline review of the 10 priority areas within their own organisation.
- 1.3 The Collaborative Efficiencies Programme Office (CEP) was established in June 2009 to support this work and the future delivery programme. The Programme (including Deloitte's work) was funded by contributions from each Local Authority and partner agencies together with NWIEP funding over a 3 year period. The Procurement Hub was entirely funded by NWIEP funding.
- 1.4 In terms of outputs, there has been some return on investment, with the Hub producing £3m in savings in 2009/10 and the CEP forecast to deliver £3m in 2010/11. As there were varying degrees of co-operation across the 10 authorities and partners, these efficiencies were delivered by "coalitions of the willing" working together, rather than across all ten authorities.
- 1.5 The scale of ambition and level of commitment from Leaders and Chief Executives and members of the Improvement and Efficiency Commission to achieving collaborative efficiencies has been strong throughout. However, this has not been effectively driven within and across authorities, resulting in a pace of delivery which has, on the whole, been slower and more fragmented than anticipated. To enable AGMA to seize the opportunities through improvement & efficiency and to achieve the scale of efficiencies the Commission originally identified as achievable (£150m) requires a significant shift in leadership focus, commitment and pace, with a clear focus on the delivery of agreed priorities and outcomes.
- 1.6 At the last meeting of the Executive, Leaders were clear that they wanted to have a full discussion around the Improvement & Efficiency agenda. They wanted the clear identification of targets and savings to be achieved with Chief Executives being held accountable for the delivery of those targets.

- 1.7 At a meeting of the WLG on the 5th July, it was agreed that Janet Callender, would take the lead on delivery of AGMA's Improvement & Efficiency agenda, working alongside Roger Ellis over the summer to hand over existing leadership and work programme. This will enable Roger to devote more time to his lead role in relation to AGMA Planning and Housing matters.

2. APPROACH

- 2.1 The existing Improvement & Efficiency Programme sets out objectives and deliverables in the short, medium and long term. Whilst these are paramount to the delivery of AGMA's longer term vision for Public Sector Reform, the Programme needs to be refocused with a set of delivery priorities that will deliver credible outcomes in the short-term.
- 2.2 In the short-term (6 – 8 weeks), it is proposed that a scoping exercise be undertaken to identify and understand the opportunities across each Commission and also to build a delivery plan that reflects local agendas, is flexible, outcome and neighbourhood focused, and is responsive to the immediate fiscal challenges.
- 2.3 The outcome of the exercise is to establish a programme for improvement & efficiencies which is both realistic and achievable and delivers efficiency savings which AGMA's leaders will be able to build into their individual authority's Financial Strategies. The programme must be clearly linked to individual authority's transformation and service improvement plans and priorities, and have strong performance management arrangements and clear lines of accountability to the AGMA Executive.
- 2.4 On a practical note, to achieve these outcomes will require significant capacity and resources. In recognition of current financial situation, WLG have agreed that this additional capacity be provided via existing AGMA working groups, for example Business Management Group and AGMA Treasurers. Also, each Chief Executive will be asked to designate a senior Director within each authority to support this work and report back to them on the effective delivery of the programme.
- 2.5 This approach would mitigate against some of the barriers to change currently being encountered, and which have resulted in a lack of buy-in and a slow pace of delivery.
- 2.6 An illustration of good practice, is the recent work by the Public Protection Commission, where a study is underway to identify whether the delivery of the Civil Contingency and Emergency Planning functions can be effectively delivered across AGMA through a shared service, rather than

across all 10 authorities, with the potential to deliver significant efficiency savings. There may also be further opportunities to be explored in due course by this Commission in relation to common building & licensing standards and functions.

3 THE WAY FORWARD:

- 3.1 To support AGMA members to respond to future economic challenges and to deliver real Public Sector Reform through the framework described above, (in the short, medium and longer-term) will require a different pace of delivery than previously experienced in AGMA and greater buy-in. Also, there may be merit in an acceptance from the beginning that there is a greater chance of achieving outcomes working with 'coalitions of the willing' rather than pursuing full consensus from all authorities before moving initiatives forward, with the risk of only moving at the pace of the slowest.
- 3.2 Developing this approach will require honest conversations with stakeholders to establish parameters and understand the scale of individual ambitions around this agenda.
- 3.3 To commence this process, meetings have taken place with Councillor Bernard Priest and the I & E Commission members to begin to shape the scope of the framework. Meetings have also been arranged with key stakeholder groups and individuals who will be key to driving this agenda forward. .
- 4.4 If the Executive are agreeable, a full report on the Delivery Framework will be presented to AGMA WLG on 3rd September and the meeting of the Executive on 24th September. This report will respond to the request, made by the Executive at their June meeting, for a specific target for efficiencies to be secured through AGMA collaboration and for new arrangements for securing accountability for progress on this key issue.

4. RECOMMENDATIONS

The Executive is recommended to endorse the approach to the future leadership and delivery of AGMA's Improvement & Efficiency agenda.

Janet Callender
Roger Ellis

15.07.10