

AGENDA ITEM 5



REPORT TO: AGMA IMPROVEMENT & EFFICIENCY COMMISSION

DATE: 27TH JULY 2010

REPORT OF: THERESA GRANT, CORPORATE DIRECTOR,
TRANSFORMATION & RESOURCES, TRAFFORD COUNCIL &
CYNTHIA THOMPSON, CEP PROGRAMME DIRECTOR

REPORT TITLE: COLLABORATIVE EFFICIENCY PROGRAMME UPDATE

EXECUTIVE SUMMARY

- 1 This report provides a high level summary of achievements across the Collaborative Efficiency Programme to date and outlines progress made against the collaborative maturity model approach and individual work stream milestones.

RECOMMENDATIONS

- 2 The Improvement and Efficiency Commission are requested to:
 - comment on the report, and
 - note the progress made.

CONTACT DETAILS

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Progress Summary – July 2010

Stage 1+ (Scoping, data gathering, baselining)

- 6 out of 10 service areas will have completed Stage 1+ by end July 10
 - Social Transport
 - Customer Contact
 - Vehicle Procurement, Management & Maintenance
 - Collaborative Insurance
 - Transactional Finance
 - Workforce Development
- HR and ICT to complete Stage 1+ by Sept 10.
- Children's & Adults held scoping workshops. 3-4 collaborative opportunities identified in each area. Focus on progressing these over next 3 months.

Stage 2-3 (Collaborative Improvement/Partial Collaborative Delivery)

- 3 Service areas progressing Stage 2-3 projects
 - Social Transport
 - Customer Contact
 - Vehicle Procurement, Management & Maintenance
- Current collaborative projects (Estimated savings in brackets)
 - Taxi Procurement (Minimum £500k in 2010/11)
 - Shared Technology – routing & scheduling system (£22.5k per authority)
 - Shared Out of Hours Telephone Service (£150 - £200k savings per authority)
 - E-forms (Web forms)
 - Vehicle Procurement Management and Maintenance – single AGMA solution (Estimated savings of £700k in 2010/11; £2m by Year 3)
- Target set for 19 additional collaborative projects established (Business Case & Delivery Plan agreed) by end March 2011.

Anticipated Efficiency Savings

- £3m+ efficiency savings will be delivered via individual authority improvements and CEP projects in 2010/2011. Approx £6m if Procurement Hub activity is included.
- Target of £10m for 2011/2012 including Procurement – this may increase once procurement resource has been established.

Building Efficiency Capacity

- Working with over 250 managers across the 10 service areas

Procurement Hub Activity

- Estimated delivery of **£3m** savings (2009-10) via framework agreements for:
 - mobile telecommunications, voice and data
 - pest control chemicals and equipment - up to 10% on existing prices for the majority of our authorities
 - e-auction for laptops
 - office supplies
- Feasibility studies completed for Print & Design and Community Equipment (Aids & Adaptations). Potential savings of £4m +
- Successfully developed and delivered a spend analysis application – SpendPro
 - Rolled out across all AGMA - saving **£20k** per authority per year
 - Finalists at the Government Opportunities Excellence in Public Procurement Awards, Innovation and Initiative of the Year Award.
 - Successful NWRIEP Capital funding bid – for roll out across NW Region

Milestones Report July 2010:

Service Area	Stage of the Delivery plan	Start Dates	Completion Dates	Comment/Current Activity
Customer Contact Service Area Champion: John Tanner Assistant Director of Customer Services Salford	Stage 1 GREEN	January '09	March '09	Delivery Options Paper identified 20 individual & collaborative improvement opportunities with an estimated potential cashable efficiency saving of £5.8m – these figures were challenged. 84% of opportunities identified will be taken up by authorities (Jul'09) £1.3m individual opportunity savings identified in Sep 09 for delivery in 2010
	Stage 2a Design of Collaborative Improvement & Joint Working GREEN	July '09	Jan '10	Customer Contact Strategic Group has met Jan'10 to produce an AGMA Long Term Vision, Strategy & Customer Care Standards Policy. Final document produced March 10 and presented to CSG. CSG feedback agreed that the Strategy was a good start and that a work plan needs to be developed.
	Stage 2b Delivery of Collaborative Improvement & Joint Working RED	Feb '10	Ongoing	Work underway includes, profiling of authorities, Service Standards, Training Academy, Single Customer Account, Single Sign on, eforms and Out of Hours, Northgate and CRM focus groups looking at good practice and how to approach and support Profiling and Customer Insight <ul style="list-style-type: none"> • Lead officer on the Operational Group have been appointed to each work area. These are as follows: <ul style="list-style-type: none"> — Out of Hours – John Tanner — Training Academy / Alignment of job descriptions and person specifications – Kath Rowlands — Service Standards – Adrian Moores — Authority operating model and profiling – Ros (Bolton) — Customer Insight / Customer Profiling – Mandy Kinder — CRM – Maura Brooks / John Tanner / Adrian Moores A Tell Us Once approach to be established/explored for AGMA.

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				<p>Single Sign On, Single Customer Account and Eforms This work is being undertaken in collaboration with the IT Platform & Infrastructure Group, and will be three joint projects.</p> <p>Business case has been produced for Single Customer Account and Eforms, working group to meet again July / August to discuss next steps. Agreed to start with the Blue Badge process as this is under review in most authorities, this will be aligned with the work in Rochdale and national initiatives.</p> <p>Team Lancashire provided a demonstration on how they have achieved single sign on and a single customer account. Discussions are underway in each authority. This approach is being supported by NWRIEP and Govt. Office NW.</p> <p>Project 1: Out of Hours Project – See Stage two projects report</p>
<p>Social Transport Service Area Champions: Frances Topping, Brokerage and Procurement, Wigan and Paul Lucas, Operational Service Planning Departmental Manager,GMPTE</p>	<p>Stage 1 GREEN</p>	<p>January '09</p>	<p>March '09</p>	<p>Delivery Options Paper identified 20 individual & collaborative improvement opportunities with an estimated potential cashable efficiency saving of £7.6m – these figures were challenged by authorities.</p> <p>Agreed that 80% of opportunities identified will be taken up by authorities (Jul '09)</p> <p>£1.31m individual opportunity savings identified in Sep 09 for delivery in 2010</p>
	<p>Stage 2a Deliver Project AMBER</p>	<p>October '10</p>	<p>December '10</p>	<p>Shared technology – in partnership with GMPTE See Stage 2 project report for current status.</p> <p>Taxi Procurement - see Stage 2 project report for current status.</p>

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VPMM Service Area Champion Martin Vickers, Director of Change, Salford	Stage 1 RED	June '09	31 August '09 – moved from 31st July'09	Proposal agreed by CSG – Dec 2009 Authority Chief Executives asked to confirm their position on the Delivery Options report (Dec 09), which recommends a single AGMA wide solution.
	Stage 2a – Design of Collaborative Improvement & Joint Working AMBER	January 2010	February 2010	9 authorities confirmed commitment to proceed. RIEP bid for additional funding was unsuccessful Finance and Service lead posts have been recruited. Governance arrangements and high level plan established. Risk assessment with authorities underway to capture current understanding of the implications of the project and identifying issues. These will be brought together into themes and feed into the project planning. Launch event held 16 March. Group discussions included: <ul style="list-style-type: none"> ▪ Prioritising the 16 opportunities identified in the Stage 1 report ▪ Roles, key skills and behaviour required for successful implementation See Stage 2 project report for an update on delivery activity.
Transactional Finance Service Area Champion: Andrew Baldwin, Head of Financial Management, Bury	Scope defined GREEN	April '09	May '09	4 Services covered - Cashiers/Accounts Payable/Accounts Received/Payroll & Pensions
	Stage 0 - pilot GREEN	June '09	July '09	Stage 0 stalled due to closure of accounts activity. CIPFA data to be used at later stages in the programme to supplement existing data, when specific opportunities have been identified.
	Stage 1 RED	October '09	January '10 Deadline extended to May '10	Prioritisation workshop with Transactional Finance group undertaken to discuss the outcome of the work from the individual benchmarking groups. The group agreed the principles for a way forward. Indicative opportunities presented to CSG 7 th July. Improvement opportunities report drafted for presentation to Treasurers 10th September 2010.

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Transactional HR	Scope defined GREEN	June '09	July '09	Systems thinking approach to be taken to all transactional HR areas including joint work with Finance on Payroll & Pensions. Scope signed off by CSG
Service Area Champion: Phil Badley Director - Organisation Development Stockport	Stage 0-1 RED	September '09	December '09 Extended to March 2010 Extended to June 2010	<p>Position statement agreed at CSG. CSG agreed to £50,000 funding to support Stage 0 & 1.</p> <p>DLA HR Benchmarking data to be collated and used. Manchester and Bolton are to be approached and asked to complete template produced by the group to support the process</p> <p>HR Directors have been re engaged urging them to ensure that the data collection process is completed and returned to the PO.</p> <p>Deadline changed from February 2010 to July 2010 the benchmarking group has agreed to meet this deadline for the PO. Currently chasing outstanding returns from Bolton, Manchester, Oldham, Rochdale and Tameside, CSG assistance is requested.</p> <p>Received completed templates from Bury, Salford, Stockport, Trafford and Wigan.</p> <p>All authorities apart from Warrington have had their initial meeting. Bury, Stockport, Salford, Tameside, Trafford and Wigan have completed their scoping. Some authorities have chosen to extend the scoping exercise in to areas such as admin, recruitment, payroll, new starter, mileage and overtime.</p> <p>Workshop on overall learning is scheduled to take place July 15th. Delivery Options Paper planned August 2010.</p>
IT	Scope defined GREEN	May '09	July '09	Scope Signed off by CSG
IT Service Area Champion	Stage 0 RED	September '09	October '09	SOCITM data gathering supporting Stage 0 has been completed.

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David Hunter Assistant Director - Corporate ICT Salford				<p>All data collection has been completed March 2010 – this timetable was extended twice because of work pressures within authorities from December 09 to the end of Feb 2010. This data includes SOCITM data, all LA application data and all LA ICT Infrastructure data.</p> <p>All ICT FTE, Organisational Structure and grading information has been collected June2010 and is now being analysed.</p> <p>Financial information data collection exercise is underway, due end July 2010.</p>
	Stage 1 RED	December '09	March '10 Extended to May 2010 Extended to September 2010	<p>Data analysis and best practice research has commenced April 2010.</p> <p>A sequel data base has been produced to analyse the data to support the five areas of work identified by the group. Data analysis is currently underway. This will be supported further by the recruitment of two Systems Analysts.</p> <p>Following five areas have been identified by the group, each of which will contain a number of projects which will be defined following more workshops with the group and as enablers with the other nine priority areas.</p> <ul style="list-style-type: none"> • Shared Development for enablement – (Dave Muggeridge –Trafford) <ul style="list-style-type: none"> ○ Single Customer Account ○ Eforms project underway ○ Single Sign On • Develop the application Infrastructure Management and Cluster Model – (Andrew Potter – Stockport) • Clustered Support Teams – (Julie Hayes - Tameside) <ul style="list-style-type: none"> ○ SAP Support Teams • Standardising the Total Cost of Ownership across the region – (Dave Muggeridge – Trafford) • Operational Enablement – (Mario Devargas – Bolton) <p>Leads have been assigned to each of the five areas, with briefs and scoping</p>

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				<p>documents produced.</p> <p>1-2-1 with leads week commencing 26th July 2010 with SAC to finalise scope, agree approach and required working group. Workshops to agree approach and define the opportunity in greater detail will be arranged for August / September 2010. This will include all the data analysis results.</p> <p>The five areas will be presented to CSG / CSG Management Group in September for Stage 1 sign off and Stage 2a commencement. By this time four projects will be underway, Single Customer Account, Eforms, Single Sign on and SAP Support & Development Cluster Team.</p> <p>For progress on Single Customer Account, Eforms and Single Sign on please see the Customer Contact section as these are collaborative projects between the two areas.</p>
Collaborative Insurance	Scope defined GREEN	May '09	July '09	Scope signed off by CSG
Service Area Champion Stephen Kenyon, Head of Strategic Finance, Bury	Stage 0 GREEN	October '09	November '09	<p>CIPFA data collection exercise completed and high level view of service understood</p> <p>Dragon's Den exercise undertaken with insurers and brokers.</p>
	Stage 1 RED	November '09	January '10 Deadline extended to May 2010	<p>The detailed data collection on Highways undertaken, responses from 9 authorities received. This data collection looked at risk management, claims handling and legal services.</p> <p>Analysis of data presented to the Strategic Insurance Group suggested a number of potential areas of good practice. Further information on these areas has been gathered and an Improvement Opportunities Report drafted. This contains recommendations for the next stage. Indicative opportunities presented to CSG on 7th July 2010. Improvement opportunity report to be reported to Treasurers September 10th 2010.</p>

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				<p>The development of a single procurement opportunity is one option within the report. The feedback from the insurers at the Dragon's Den indicated this has the potential to save 5% on premium costs. If all ten authorities bought in, at current costs this has the potential to save £600k.</p> <p>A potential buying solutions framework is in development for insurance. Links have been made with the project team</p>
<p>Workforce Development</p> <p>Service Area Champion:</p>	<p>Scope defined GREEN</p>	<p>May '09</p>	<p>July '09</p>	<p>Includes Children's and Adult Social Care training and development provision Scope signed off by CSG.</p> <p>An assessment will be made to understand if this will satisfy our requirements.</p>
<p>Marie Basting Head of Improvement Rochdale</p>	<p>Stage 0 GREEN</p>	<p>November '09</p>	<p>December '09</p>	<p>Data Collection completed December 09. Programme Brief produced and signed off by the group.</p> <p>Workshop held on 21.01.10 to identify the opportunities. 6 priority areas identified, including making the move to e-learning to reduce costs. Further analysis of data and best practice commenced January '10.</p> <p>Links with AGMA Strategic HR have been made to discuss workforce planning.</p>
	<p>Stage 1 GREEN</p>	<p>February '10</p>	<p>April '10 Completed July 2010</p>	<p>Workshop held on 18th February 2010 definitions agreed for six opportunities, opportunities prioritised with next steps and owners identified.</p> <p>Service Area Champion presented update at CSG 10th March 2010. CSG Steer was to focus on high areas of spend, the procurement framework and undertake some productivity benchmarking.</p> <p>Workshop held 24th March 2010 following steer from CSG. Focus is now on three opportunities, Adults, Children's & Procurement with e-learning. The group have commenced planning the delivery of the prioritised opportunities.</p>

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				Financial data collection is complete. Focused service data collection completed June 2010 Analysis now underway.. Three sub groups formed to progress three opportunities to provide the relevant knowledge and expertise and provide a brief back to the workforce development group. Leads were assigned and the groups have met. The briefs have been circulated for comment and an opportunities report will be presented to CSG on 7 th July 2010.
	Stage 2a GREEN	July 2010	September / October 2010	
Children's Services	Scope defined RED	Jul '09	October '09	Successful workshop held on 12 th April 2010. Work started on prioritising and scoping areas for collaboration. Small task group to be set up to take this work forward with SAC. Now planned for Sept 2010.
Service Area Champion:	Stage 0 RED	December '09	March '10	Original anticipated milestones will not be met.
Andrew Webb Director CS, Stockport	Stage1 GREEN	May '10	September' 10	
Adult Social Care	Scope defined RED		October '09 for reporting to CSG 18 November '09	Facilitated event with Directors of Adult Social Care held on 15 th January '10. Report summarising regional improvement activity and potential opportunity areas presented to ASC Group on 16 th April. Draft scoping document prepared and circulated to Directors of ASC for comment on 5 th May. Task group to be set up to take this work forward. PO made contact with SRO to progress this.
Service Area Champion:	Stage 0 GREEN			Original anticipated milestones will not be met.
John Rutherford Director Adult SC Bolton				

Service Area	Stage of the Delivery plan	Start Dates	Completion Dates	Comment/Current Activity
	Stage1 GREEN			Original anticipated milestones will not be met.

Key to Stages

- Stage 0 Preparation (agree scope, governance and collect initial data)
- Stage 1 Identify improvement opportunities
- Stage 2a Prepare Improvement Programme (Set up Project Board, establish resources, produce project plan, stakeholder engagement etc.)
- Stage 2b Deliver Improvement Programme

Stage 2 Collaborative Projects Report - July 2010

Service Area/Authorities Involved	Stage of the Delivery plan	Start Dates	Completion Dates	Summary of project and benefits
Customer Contact Out of Hours Project Manchester Oldham Rochdale Salford Stockport Tameside Trafford Wigan	Stage 2 plus			<p>Working with Aperia, taking a phased approach to delivering the project with review at each stage to check decision to proceed:</p> <ol style="list-style-type: none"> 1. PID produced 2. Benefits Workshop held – Greater involvement from authorities 8 out of 10 3. Vision produced 4. Draft Benefits Realisation Plan Produced 5. Draft Benefits Dependency Map Produced 6. Service Interviews underway in participating councils Data due 24th June 2010 7. Business Case due July 2010 <p>The project objectives have been defined as follows:</p> <ol style="list-style-type: none"> 1. To develop a partnership approach to Out of Hours Services 2. To reduce the cost of Out of Hours services for each participating LA 3. To deliver the Out of Hours through a single point of contact 4. To utilise customer insight to inform future service provision 5. To increase customer satisfaction levels <p>The majority of the benefits will be realised objectives 1,2 and 3.</p> <p>Benefits identified in Apr 09 indicated potential savings of £167K per authority based on:</p> <ul style="list-style-type: none"> • Cost of office operational costs • Reduced expenditure on call out payments • Reduced number of OOH staff • Streamlined processes. • Improved technological base
	Phase1/2	May 10	Jul 10	
	AMBER	Jul 10	Sep 10	
	Phase3			
	GREEN			
	Stage 3 (Implementation)	Nov 10	TBC	

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				<p>London Boroughs collaborative approach via outsourced provider delivers:</p> <ul style="list-style-type: none"> • Annual cashable efficiency savings of £150k - £200k • Abandonment rate down from 8% to 3%. • Average wait time down from 1min 32secs to 10 secs. • 15% increase in call volume – previously customer received engaged tone. • Identified hidden demand and the impact on reputation in the event of service failure • Robust processes with audit trails. • Better management of demand. • High service standards and performance • A lower cost of call
<p>Social Transport</p> <p>Shared Technology</p> <p>Stockport Tameside, Wigan, GMPTE, plus 4 authorities waiting to see results: Bolton Bury Oldham Trafford</p>	<p>Stage 2b Delivery of Collaborative Improvement & Joint Working</p>	<p>January '10</p>	<p>January '11</p>	<p>Shared Technology – in partnership with GMPTE</p> <ul style="list-style-type: none"> • Innovative project aimed at improving the delivery of social transport through the collaborative use of an IT based booking and scheduling system • Provide practical support to authorities by optimising routing and scheduling of journeys • Benefits include the potential for £22.5k savings per authority per annum, a shared platform for technical support and negotiating with suppliers, potential to sell vehicle down time creating an income stream, shared training and best practice • Tameside almost ready to go live • Project planning for Stockport complete and being implemented • Wigan Adult Services are now coming on board with the project with Children's to follow once the single transport unit is in place at Wigan • £56k identified to date as benefits across Tameside, Stockport and Wigan • Assessments for each authority have highlighted some authorities where costs outweigh initial benefits • Initial links with the ambulance service and PCT's have been established which have the potential to share resources for home to hospital transport at a significantly reduced cost whilst maintaining service delivery
<p>Taxi Procurement</p>	<p>Stage 2b Delivery of</p>	<p>January'10</p>	<p>January'11</p>	<p>Taxi Procurement</p> <ul style="list-style-type: none"> • Joint procurement of taxi transport for children and vulnerable adults creating a

Service Area/Authorities Involved	Stage of the Delivery plan	Start Dates	Completion Dates	Summary of project and benefits
<p>Manchester Rochdale Salford Stockport Trafford Wigan</p> <p>Bury Oldham Tameside waiting to see results</p>	<p>Collaborative Improvement & Joint Working</p>			<p>consistent framework and reduced costs (currently in the region of £12m across AGMA) targeted savings of 3% equates to £360k</p> <ul style="list-style-type: none"> • The benefits of this project include the delivery of significant efficiency savings , consistency of approach for providers, clarity of expectations for service users and a collective reduction in replicated procurement activity across participating authorities • Development of a consistent home to school policy for AGMA authorities, setting the basis upon which transport is procured. The policy sets out the responsibilities of Local Authorities and parents and promotes various travel options for individuals including walking buses, independent travel training as well as taxi transport • Draft home to school policy has been assessed by Legal Officers from Wigan Council and relevant amendments made • Current discussions with authorities to compare the draft policy with existing authority policies and identify benefits. • £500k potential savings identified at Wigan Council through adoption of the policy. This is currently awaiting sign off • Data collection on taxi information completed, identifying details of current volumes within authorities • Procurement strategy being developed by the Procurement Hub, this will frame the approach to be taken by the group. • Risk workshop being held to clearly identify the project risks and mitigating actions • Stage 2 of the project will establish an AGMA wide framework for schools coach transport, creating consistency and predictability in charging as well as driving down overall costs. • Draft service specification has been developed for coaches framework and circulated to the project group • The project group agreed to undertake some base lining on the JD and PS's of drivers and Passenger Assistants with the potential for developing a consistent competency based approach at a later stage of the project. • Cross authority discussion on the implications of personalisation has been held. The output has been documented for input into the Adults Services collaborative work.
<p>VPMM</p>	<p>Stage 2b –</p>	<p>April 2010</p>	<p>March 2012</p>	<ul style="list-style-type: none"> • VPMM project identified Stage 2 benefits of £533 - £783k in the first year and an estimated minimum £2m per annum cost savings by year 3, if a single AGMA wide

Service Area/Authorities Involved	Stage of the Delivery plan	Start Dates	Completion Dates	Summary of project and benefits
<p>Bolton Bury Manchester Oldham Rochdale Salford Tameside Wigan</p> <p>Stockport will participate where they are able.</p> <p>Trafford have outsourced arrangement</p>	<p>Deliver of Collaborative Improvement & Joint Working</p>			<p>solution is adopted. Transport revenue expenditure across AGMA in 2008/9 was £48m.</p> <ul style="list-style-type: none"> • Tender for fleet management software completed. Tranman will be rolled out gradually initially to Bury, Rochdale and Stockport. Training will be undertaken in June with a target go live date of July / August. • Quick wins activity in procurement areas of fuels, tyres and greases & lubricants have identified potential areas of cost saving including medium term pricing/benchmarking, ordering protocol and use of existing competing frameworks. • Procurement strategy presented by AGMA Procurement Hub on 8 July as way forward to deliver quick wins. The focus on procurement activities has highlighted a requirement for contract/supplier management and a better understanding of the use of existing frameworks • The light vehicles framework from Stage 1 is being compared to the OCG framework. • Capacity (for both the project team and local authorities) and relationship building has been the main focus with a 100 day plan presented to AGMA CSG on 12 May with 10 enabler tasks identified. Delays meeting all CSG members will mean some dates will have to be adjusted, but support for the 10 enablers has been encouraging • Finance Lead left to return to his substantive post at Wigan at the end of May. Progress is being made to replace with a finance & data analyst role to support the priorities and needs of the project • Suggested areas of joint working have been captured to collaboratively share and progress developments as the next major challenge • Project dependency to Social Transport has formally started