

AGENDA ITEM 6



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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To	Improvement and Efficiency Commission
Purpose	To provide an update on progress and developments within the AGMA Strategic Procurement Hub.
Date	27th July 2010

1. Recent focus

Recent focus has centred on the development of a cost effective funding model which will help establish and sustain a small core team to provide professional procurement support to the Collaborative Efficiency Programme and deliver our objectives of improvement and efficiency through collaborative procurement projects.

2. Progress to date

Whilst we await the establishment of the core team we have appointed two interim Procurement Managers, Allan Openshaw and Francis Gale to advise and support the delivery of a number of existing procurement projects, including Vehicle Procurement Maintenance and Management (VPMM), Social Transport, Community Equipment, Design and Print and Office Solutions.

We are also preparing to deliver the SpendPro Enhancement Programme following confirmation of NWIEP funding from the capital programme. This involves roll out to the wider NW region and the funding has permitted the recruitment of two fixed term staff to provide capacity for successful delivery of the programme.

The AGMA Strategic Procurement Hub has recently received national recognition, for the Spend Pro tool, by reaching the finals of the Government Opportunities Excellence in Public Procurement Awards, Innovation and Initiative of the Year.

Good progress is being made on improving performance of AGMA procurement functions through support from Manchester City Council via its Regional Procurement role. Four authorities: Bolton, Stockport, Tameside and Rochdale have undertaken reviews which identify specific benefits and improvements according to individual authority requirements. A more detailed report from Ian Brown (Manchester Council) is attached at **Appendix B**.

3. Next steps

The focus of the team is to demonstrate the value that procurement expertise can bring to our projects and to deliver the maximum contribution possible. The SpendPro Enhancement Programme is also a key priority area.

A summary of the current status of the SPH's projects is enclosed at **Appendix A** although the status will change significantly in the coming weeks and months.

Appendix A

Project	Current status	Projected Efficiency	Participation	Start date
Community Equipment/ Aids and Adaptations	Following confirmation of NWIEP funding in early July a project team has now been established to refresh and deliver the project. The delivery plan is subject to regular assessment to ensure maximum delivery within the timescales.	£700,000 (realised between 2011 and 2014)	Information regarding existing supply arrangements is being gathered in order to identify participating authorities.	July 2010
Design and Print	Interim resource has been secured to plan and deliver this project. The requirement will be established and a procurement delivery plan completed by the end July 2010.	£3.3m estimated £600k expenditure can be influenced in short term.	Information regarding existing supply arrangements is being gathered in order to identify participating authorities.	July 2010
Executive Search	Feedback from the recent Collaborative Recruitment Board regarding the use of a framework agreement for this commodity has resulted in a slight delay to this project. The feedback has been considered and an options appraisal will be provided to the board in early August 2010.	To be confirmed	Information regarding existing supply arrangements is being gathered and this is expected at the end of July.	August/ September 2010
Mobile Telecomms	The first phase of the mobilisation is now almost complete with Bury, Oldham and Trafford Council's migration fully underway. The second phase (existing Orange customers) is now being planned.	£1.m+ estimated. First quarter efficiencies to be confirmed following receipt of first bill in late July 2010	Bury, Oldham, Trafford, Rochdale and discussions ongoing with Stockport and Tameside Council.	Ongoing
Office Supplies	Interim resource has been secured to take forward a review of the current framework agreement (North Yorkshire Council and Lyreco). The purpose of the review will be to ensure the existing arrangement offers value for money and will include benchmarking with the market and alternative agreements.	To be confirmed	All authorities currently use this framework agreement for all or part of their office supplies requirement. The review will therefore involve all authorities.	Ongoing
Pest Control Chemicals and Equipment	Migration to the framework agreement now fully complete and interest in using the agreement has been received from Lancashire sub region.	£50k per annum estimated. First quarter efficiencies to be confirmed following receipt of first bill in late July 2010	All authorities within the AGMA sub region are using this framework agreement.	Ongoing
Taxi Procurement	Procurement strategy has been agreed and planning for the procurement of a framework agreement is now underway.	£500k identified for 2010/11	All authorities across AGMA have confirmed that they will use this agreement when established.	Sept 2010
VPMM	Planning for procurement exercises to secure agreements to provide CPC training and Refuse Collection Vehicles.	£250,000	Stockport and Trafford Council will not be participating.	August 2010

Regional Procurement Update Report

Manchester City Council, through its Regional Procurement role and also as a member of the AGMA Procurement Hub, has been providing direct support on Procurement to individual Authorities within the AGMA Sub Region that have requested help in improving the performance of their own procurement functions.

This support is in line with the report submitted to CSG in September 2009 and the model is based on the work undertaken by Manchester with Bolton which started in June 2009 and has delivered significant benefits to both Authorities.

Progress to Date

In addition to the work in Bolton, which continues to develop, reviews have also been undertaken in Stockport, Tameside and Rochdale.

Each Authority has different requirements and the reviews have recognised the individual needs whilst also developing a consistent approach to the application of proven procurement principles and techniques to deliver value for money on all procurement activities. The work in each authority is summarised below:

Bolton MBC

Bolton staff are currently managed by Manchester's Senior Procurement staff and excellent progress made in the implementation of the Regional e-portal for all tenders processed through the Corporate Procurement team.

During 2009/10 Procurement worked closely with all departments to achieve savings of £1.4 million and a further £1.2 million have been targeted for 2010/11.

Procurement processes are now embedded and a range of new tenders are being developed with operational departments.

Stockport MBC

The review was undertaken jointly with the then Director of the AGMA Procurement Hub and Stockport are currently in the process of restructuring their Procurement function based on the results of the review.

The review highlighted target areas for savings totalling approximately £2.7 million, although some of these areas were already work in progress. To assist Stockport during the transition period, Manchester City Council has provided a Senior Buyer to Stockport from December 2009 to December 2010. Stockport has also commenced using the Regional e-portal for the tenders processed through the Corporate Procurement team.

Tameside

The review was undertaken in May 2010 and a report presented to the Deputy Treasurer in early June, this is now being progressed by Tameside with a view to developing a revised procurement model.

Rochdale

A review meeting was held in June 2010 and a report is currently being produced for consideration by Rochdale. Rochdale is well advanced in developing their centralised Procurement function and has been one of the lead Authorities on the implementation and use of the Regional e-portal.

Considerable efforts are being made to work closely with services and suppliers to assist in the delivery of the savings.