

RIEP Developments Update

Background

Implications of the budget

1. The Budget put forward a programme for reducing public sector spend by a further £30 billion by 2014/5 on top of the £44 billion pledge by the previous Government, of which £17 billion is to come from departmental budgets and the rest from reductions in the welfare bill and other areas. This amounts to a real terms cut of around 25% over the next four financial years in Government spending in areas other than the NHS and overseas aid.
2. The Coalition Government announced £6.2 billion of cuts this financial year and outlined a further £10.5 billion worth of projects that will be scrapped or suspended. In local government we are contributing to the £6.2 billion of in year cuts in with a reduction of £1.2 billion in individual grants to local authorities.
3. Further information on where reductions in spending will be made will be announced in the results of the Spending Review on 20th October. However there is no doubt the sector will need to look radically at where further efficiencies can be made and the RIEPs are prioritising efficiency generating programmes in order to support this.
4. The RIEPs are represented, alongside the LG Group on a number of working groups to inform the spending review, including proposals to develop a national productivity programme which the LG Group are leading.

Confirmation of year three funding for the RIEP programme

5. The Coalition Government had announced a review of all funding decisions since the end of the calendar year which included a review by CLG and HMT Ministers of the decision to devolve year three funding to the RIEPs.
6. We are pleased to confirm that on 24th June, CLG officials confirmed in writing to RIEP Directors that CLG and HMT Ministers have cleared the RIEPs' core year three funding of £67.5million which means no attempt will be made by government to reclaim this funding. The letter (from a CLG official) suggested that RIEPs consider whether Year 3 activities could be adapted to reflect the new Government's priorities. A number of RIEPs have already reviewed their programmes in light of the Coalition Agreement and our view is that RIEPs can tell a strong story supporting many of the new government's priorities, not least, efficiency.

7. A decision on the £9m climate change skills fund, also devolved to the RIEPs, is still outstanding and we will alert members to the outcome as soon as it is known.

'RIEPs: A Summary of Key Achievements – Two Years On'

8. The RIEP Programme Office has published a summary of the RIEPs' key achievements to date. We have received a positive response so far and promoted the publication at the LGA Conference. Members were sent the weblink to the document in a recent policy update:
<http://www.idea.gov.uk/idk/aio/20161446>. Please contact craig.egglesstone@idea.gov.uk for a hard copy.

Quarterly updates

9. June's quarterly progress updates were circulated to Improvement Board Members in a recent policy update. The programme is now reporting approximately £400m of efficiency savings supported to date. Successful schemes include:
 - National collaboration on construction, asset management and highways incorporating the SE construction framework model which has saved £28m for the region to date, the WM asset management model which identified £640m savings over ten years and the Midlands Highways Alliance sponsored by the EM IEP which projects savings of £30m over 5 years
 - The NE recruitment portal projects £16m savings nationally
 - A range of successful approaches in collaborative procurement including procurement hubs which in the WM for instance save £3m annually.

Other activity of note included:

- The South East Efficiency Challenge where Improvement and Efficiency South East are working closely with IDeA to share the national potential from this work
- YoHr Space is developing a database to give partners and the public access to information and learning from all its projects including reported efficiencies
- The Institute for Governance is going from strength to strength in the North East with 6 pathfinder research projects underway to address regional improvement priorities, each led by one of the region's universities and involving stakeholders from across public services
- Following a range of peer support from the South West IEP's successful and targeted programme of support on equalities, 17 authorities have reached the 'achieving' level of the equality standard
- Improvement East is reviewing its programme to focus support on those authorities at most risk and ensure that efficiency and increased productivity underpins the whole programme. Regional benchmarking information will help identify authorities with poor performance and financial instability as well as those who may have opportunities to reduce their costs. Improvement East will proactively engage with them to make best use of this intelligence,

building on key elements of the existing programme such as 'Leadership of Place'

- In addition to the extensive procurement support East Midlands IEP provides at a regional level through the Midlands Highways and Property Alliances, the RIEP has agreed funding for a regional procurement network in year 3. Sub-regional procurement networks have already delivered £10m and the regional network will build on this supporting national initiatives, e-auctions, benchmarking and sharing good practice
- In London Capital Ambition has made good progress in recent months on rolling out the Care Funding Calculator. 31 boroughs have engaged with the work and 6 authorities have been actively using the tool for over 6 months. Savings from the first phase of the project have been £2.03m and a further £11.2m are projected from the second phase of the project which will aim to further roll out the tool and develop capacity within authorities to use it
- **Improvement and Efficiency West Midlands (IEWM)** has a major Transformation programme which has already achieved savings in excess of £2.5m over the past 12 months and is on target to achieve over £30m. The programme is also delivering substantial cross-agency service improvements for customers, for example, Stratford-on-Avon DC has reduced processing times for planning applications and Stoke-on-Trent has reduced the time taken to repair defects in highways
- The Improving Procurement Delivery project led by North West IEP and Manchester City Council is improving procurement skills within 3 neighbouring authorities. Procurement expertise is being shared to identify further procurement savings and increasing skills and experience within the sector. To date around £7.8m of additional procurement savings have been identified from the sharing of contracts and good practice within these authorities. They plan to expand this project to other authorities next year.

RIEP Member Forum

10. An autumn date for the next meeting of the RIEP Member Forum is currently being sought. An invitation will be extended to a CLG minister to attend. LGA Improvement Board members and members involved in the RIEPs had an opportunity to network at a reception, held jointly with South West Councils on 7th July during the LGA Conference.

Future of RIEP's

11. This is last of the three years for which funding has been set aside for the RIEP's by CLG. Now is a good time to reflect on how each of the nine RIEPs are looking to operate in the future and then to use this information to establish how the LG Group can provide support and co-ordination, including through the work of the programme office.

12. Therefore, a piece of work has just be initiated with the aims of:
- getting a single clear picture of the current working arrangements of the RIEPs, including how they relate to the rest of the regional architecture, plus their plans for the future
 - how Local Government Group can support improved and more efficient joint working with RIEPs, including the work of the programme office
13. The work will include getting input from members and the Board will be kept informed of progress.

Financial Implications

14. There are no direct financial implications arising from this report but the report addresses improvement and efficiency policy issues that are central to authorities' current programmes to deliver efficiency savings and improved services.

Implications for Wales

15. The report applies to England only.

Contact Officer: Keith Beaumont
Phone No: 0207 296 6828
Email: keith.beaumont@idea.gov.uk