

Regional Improvement and Efficiency Partnerships (RIEPs) - Future Plans

Purpose of report

For discussion and direction.

Summary

This report gives a summary of the discussions taking place in each region regarding the future of any regional improvement and efficiency support.

Recommendations

Members are asked to consider how the LG Group can best support the outcome of these discussions.

Members are asked to consider the best means of engagement with Leadership Boards, RIEP Boards and councils in areas to ensure any proposed way forward reflects councils' preferences.

Action

As directed by the Board.

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Regional Improvement and Efficiency Partnerships Future Plans

Background

1. It is now almost three years since the first National Improvement and Efficiency Strategy signalled the formation of Regional Improvement and Efficiency Partnerships (RIEPs). The core funding of the RIEP's over the three year period has amounted to some £185m. This paper sets out the findings of a short project carried out to get a picture of the current working arrangements of the RIEPs and their plans for the future.
2. It is based on interviews undertaken with RIEP Lead Members, Task Force Chief Executives and RIEP directors.

RIEPs Current Context

3. **Appendix A** gives a summary of the current context of each RIEP and their emerging plans for the future as at October 2010.
4. This year, most RIEPs have reconfigured their work to focus on issues considered most vital in the current financial climate and this has resulted in a renewed emphasis to secure efficiencies and value for money.
5. This reconsideration of what is 'mission critical' has enabled RIEPs to reprioritise expenditure and this in turn has enabled a review of what funding may remain available or unspent that could be used for locally agreed priorities post April 2011.
6. However, it should be noted that CLG have indicated that they expect RIEPs to move quickly to commit resources they have available in order to provide the support that local authorities need in the current economic circumstances.

Future Plans

7. Discussions are already underway regarding any programme activity and form of collaboration that may be needed locally after the end of the current financial year, along with any supporting organisational structures that might be needed to assist this. Proposals are being developed and considered during the next few months.
8. There are aspirations to continue some of the most valued programmes especially around efficiency or procurement. Most RIEPs are predicting that programme spend will continue beyond April 2011. However, there are some complexities to this e.g. the potential timescales for using capital and revenue

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funding and where funds have been devolved on a sub-regional level. In addition to using remaining funding, a range of additional funding models are being considered. **Appendix A** provides a summary of the status of plans in each region.

9. From the interviews there was a general view expressed by both Members and the Chief Executives that the focus for debate should now move beyond the RIEPs as their funding was coming to an end. Members focused on local collaboration and how this should be best supported. This included the wider discussion on boundary lines i.e. what is considered the natural boundary of a sub-region or region. A number of members commented on scope to use LEPs boundaries in future collaborations.
10. Whilst it was recognised that efficiencies and cost reduction will continue to be a priority for collaboration, there were a wide range of views on what issues were most important, shaped by the differing nature of their localities and member priorities. Some members said there should be more separation between improvement and efficiency and that it hadn't been helpful to put the two things together under the RIEP branding.
11. A number of members emphasised the need for the LG Group to work more closely with what is being developed locally to support the national role and the sector as a whole.
12. All members interviewed felt that there needed to be local and national collaboration to identify and support councils heading towards failure or where things were starting to go wrong. It was felt that work is needed at both local and national levels to identify agreed early warning signals and to ensure that there is an acknowledged mechanism for gathering such intelligence and to support improvement. However key issues for members were:
 - 12.1 having a realistic understanding of potential future actions from central government regarding future regulation;
 - 12.2 the importance of not creating sector led 'systems' that replicate the old models and burden of inspection;
 - 12.3 understanding that some councils may be in denial about where they need to improve and developing a sector owned solution to this problem;
 - 12.4 the scarcity of resources in the current financial climate. Any new arrangements would really need to demonstrate value for money.

Conclusion and Next Steps

13. There was recognition that there had been successes in getting funding for the RIEPs but that this approach was now coming to an end. Each region remains accountable for how individual budgets are spent and accountable bodies will need to ensure that they continue to satisfy the grant conditions.

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14. The governance and structures put in place to support RIEPs will be scaled down before ceasing to exist by the end of the financial year. The Chief Executives Task Force have agreed that they will no longer need to meet to provide overall co-ordination. Chief Executives were clear that there is a need to anticipate and begin to prepare for new requirements. Most recently, the collective commitment is to the Place Based Productivity Programme. The RIEP Programme office is being reconfigured according to the revised needs and will cease to exist by the end of the financial year.
15. The consultation on sector self regulation and improvement has also identified a need to ensure that there is effective collaboration between the national architecture for improvement and any local collaboration arising from groupings of councils coming together. There has been an offer made to the Chief Executive's Task Group to share costs and effort and as we get a clearer picture of the potential footprints of the way that councils are looking to collaborate at a local level we will need to ensure that there is some coherence around a sector offer on a system of self improvement. It will be important to ensure that we obtain value for money from such an approach and avoid any potential duplication in activity.

Financial Implications

16. Given the material resources so far committed to procurement and efficiency by RIEPs, LG Group will wish to see its limited resources deployed smartly if areas are interested in sharing costs: first to see how RIEP/NIEP learning and good practice can be carried forward on as cost effective means as possible; for example where e-auctions etc could be carried out nationally; and secondly LG Group will wish to see capacity in place for self regulation and improvement which has sometimes not been as developed by all RIEPs as their work on procurement/efficiency.
17. The Chief Executive's Task Group have been invited to consider their preferred way forward and whether sharing some capacity with LG ID would offer a value for money solution and to discuss this with their leading members.

REGIONAL IMPROVEMENT AND EFFICIENCY PARTNERSHIPS SUMMARY OF CURRENT CONTEXT AND PLANS FOR POST APRIL 2011

Outlined below is a summary for each RIEP of the current context and their emerging future plans. This information has been provided by RIEP directors and is accurate as at October 2010

EAST

Current Context

The Improvement East Member Panel is now part of the new East of England LGA (EELGA). It is anticipated to retain an Executive Advisory Group consisting only of Chief Executives. It has ceased all non-core activity and funding for any programme which is not deemed mission critical or likely to meet political priorities in the future. Some programme funding is likely to continue post March 2011. There are currently 9 full time staff.

Future Plans

A decision will be taken in November regarding the shape of the support going forward, looking at what functions will be necessary based on:

- efficiency
- 'big society'
- new models of service delivery
- preparation for self regulation

Improvement East is currently considering a number of options for the future including commercialising some of its work streams and/or forming a publically owned enterprise.

EAST MIDLANDS

Current Context

The East Midlands Improvement and Efficiency Partnership (EMIEP) sits within the governance structure of the East Midlands Councils (EMC). 70% of funds are devolved to five sub-regional partnerships, with individual member and or officer governance taking responsibility for delivering the EMIEP targets and improvements on a sub-regional basis. All funds for this year have been committed within the devolved and regional funding arrangements although some of the funding will run beyond 31 March.

Future Plans

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Options are currently being considered for post 31 March 2011. This issue was raised at the Member Board on 3 September and an options report has been prepared for the EMIEP Board meeting on 26 November, following consultation with LAs. The following options appear in the paper:

1. Running the programme down over a period up to October 2011 and then closing the RIEP programme.
2. Providing limited services and programmes using remaining budget and some new resources on an invest to save basis over two years.

Funding is critical and the proposal for maintaining a limited invest to save programme is predicated around a legacy funding pot being created via the following;

- Underspends on the current programme say c£1.5m
- Subscriptions from LAs (possibly £125k p.a.)
- Pump priming resources returned from EM IEP projects over the next two years equivalent to £450k thus providing a stream of recycled funding
- Financial support from the LGA top slice or LG ID resources
- Other sources yet to be tapped in partnership with other government departments.

LONDON

Current Context

In the London region, the regional improvement and efficiency partnership (RIEP) is part of London Councils and is ultimately accountable to London Councils Leaders' Committee. The member-led London Improvement Board provides the strategic lead for the RIEP. The Capital Ambition Programme Board supports the London Improvement Board in governance of the RIEP. This year there was a claw back on activities that don't fit what's currently needed, so funds will be available for future activity.

Future Plans

The broad direction of travel for activity post 2011 has been discussed with Chief Executives and Members draft proposals have been discussed with the Executive Portfolio leaders and are presently subject to consultation as part of a broader London Councils restructuring and will be formally ratified by the Leaders Committee in November.

Capital Ambition is not proposed to continue as a discrete organisation for the future, but it is proposed that there will remain a London-wide improvement and efficiency thrust. London Boroughs will continue to subscribe to elements of improvement and efficiency including continued work on collaborative procurement, the London performance office, member development, and IT security. There will continue to be

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legacy projects from the CLG funds which will be overseen by a dedicated Programme Office.

NORTH EAST

Current Context

The North East Improvement and Efficiency Partnership (NE IEP) operates under the formal endorsement of the Association of North East Councils (ANEC). Supporting the member governance arrangement is the Improvement and Efficiency Steering Group (IESG) for the NE IEP. Gateshead council is the accountable body. There are approximately 20 staff although this includes a mix of project staff, secondees and some full time.

The delay in this years funding announcement was used to look again at what was being committed in this years funding and recoup funds for legacy arrangements.

Future Plans

They are currently thinking through what happens post this financial year and also emerging discussions with national architecture and with local authorities in the region. The proposal is to have finalised thinking by December.

There are plans to use residual funds to pump prime key activity as part of legacy e.g. sustain and extend North East Purchasing Organisation and the partnership with University for Institute for Local Governance

NORTH WEST

Current Context

To date the North West Improvement and Efficiency Partnership (NWIEP) has reported into the Leaders Board. There are three governance groups: the Members Steering Group who set the priorities and direction of travel, the Partnership Programme Board with representative Chief Executives and partners who oversee the work of NWIEP and a Strategic Forum which is a combination of both of the above. Wigan Council is the accountable body.

In January the Strategic Forum held a Strategic 'Think in' session to agree spend across the sub regions and commissions. The priority was to focus on efficiency savings primarily and agreement to move from nine previous commissions to focus on three. The financial year for the final year programme was agreed as June 2010 to June 2011. The Forum has not held back funding for any legacy arrangements post June 2011.

Future Plans

Work to develop future options has begun in the North West, but due to CSR it is unlikely that the sub regions will be able to gain agreement on any future

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arrangements before mid December 2010. This pushes back the timeframe for agreeing any complimentary arrangements at a regional level.

A sub group has been set up to develop future proposals and a survey of sub regional leads and north west wide commission leads has taken place to gain information on early thinking. A review of procurement hubs is also taking place and the recommendations from the review will feed into any future options. Future funding models will be worked up when it becomes clear what functions may be required for improvement and efficiency going forward, if any. The Strategic Forum on 17th November 2010 will be exploring the question 'What should sector led regulation and improvement look like in the North West?'. This work will also feed in to the options discussion.

SOUTH EAST

Current Context

The South East RIEP is governed by members and managed by the South East Chief Executives' Board. There are 25 members of staff. It recently reduced programmes from 184 to 20/30 based on best efficiency return and along four key themes:

- transformation
- market leverage
- information services
- shared services

New programmes were put in place between July and September. First milestones have been hit for all products and services. A separate programme has been established to wind down the legacy projects that remain.

Future Plans

The South East RIEP has been considering 3 different options for funding future activity:

1. Government funded
2. Self funded (e.g. subscription, industry sponsorship and collaboration)
3. Hybrid of 1 and 2. (Most likely route)

The member Board has confirmed that it wishes IESE to continue and to migrate to either Option 2 or 3. Option 3 where it determines the scale of its program Option 3 if government wants this program extended. The market sensitivity to pricing and charging is being tested and the business plan built for post year 3.

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Current Context

The South West Improvement and Efficiency Partnership (SWIEP) is part of a very integrated structure. The South West Secretariat provides integrated support to all the local authority led structures in the region: South West Leaders, South West Employers, South West Councils and the SWIEP.

There has been a substantial reduction in staff from 75 staff in June to 31 FTEs this autumn reflecting changes to grant funding and increased efficiencies in working methods. Considering using uncommitted funding to reprioritise efficiency work

They are also looking at future options including a small focussed organisation based around the SW Employers or full close down. Costs of options are being explored including pension liability issues. Members are discussing in November with a view to reaching a consensus on the way forward.

Future Plans

Whilst discussions are progressing with the 41 authorities on future options proposals are being developed for the C/E's Management Group on the legacy programme to maintain certain programmes e.g. procurement portal, recruitment portal and construction programme. Options include:

- Subscription model
- Passing to individual authorities to run and collect financial support
- Seeking some contribution from national core funding

WEST MIDLANDS

Current Context

The West Midlands RIEP team is 12 core staff with a senior person linked to each sub-region. Staff are currently employed by West Midlands Councils although employment is likely to shortly move to the Accountable Body. In terms of governance, there is a Strategic Management Board, a Member Steering Group under the political auspices of West Midlands Councils collectively.

While there isn't a sub-regional funding structure, the majority of funding has been allocated to supporting councils collectively and individually to support major change projects. The majority of 2010 funding (£5m) was allocated out in July through the Locality Investment Fund for efficiency work across the West Midlands.

Future Plans

The core programme is scheduled to run until September 2011 and funding is available to support this. Looking post Sept 2011 a range of options are under discussion and consideration. In terms of the West Midlands, the 'RIEP' brand per se will no longer be appropriate and any future model will be very different. In summary:

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- There is still a very substantial programme of work going through and is budgeted to run this (albeit on a reducing scale) until September next year
- They are looking at potential ways of keep the most successful programmes in place - adults; children; procurement; transformation. This includes a range of approaches e.g. Directors of Adult Social Services have already agreed some ongoing funding for the adults programme
- They are exploring the possible maintenance of a small core improvement/efficiency capacity to help localities manage and collaborate around the new agenda. Exploring some joint/complementary approach with LGID is planned as the need for national and sub-national collaboration will increase in a world of hugely reduced resources.

The approach is still in development as the emerging challenges from the CSR become clearer.

YORKSHIRE AND HUMBER

Current Context

The Yorkshire and Humber IEP (YoHr Space) is hosted by Local Government Yorkshire and Humber. There is a Member-led Regional Improvement and Efficiency Board with representatives from all Councils (Deputy Leaders/Portfolio holders), Fire, Police and Health, LGID, GO, Audit Commission. There is also the Partnership Delivery Group (PDG) which comprises Chief Executive representatives, Fire, Police and Health, LGID, GO, Audit Commission. YoHr Space has 7 full time staff (which includes an apprentice).

Funding has consistently been allocated across four key theme areas: health and well being (adult social care and children's services), economic growth, climate change and corporate improvement and value for money. In addition, funding has been made available for an Innovation and Supporting Performance work stream.

Future Plans

Leaders will be deciding on how they wish LGYH to look from next April on 25 November, this will impact on how the region deals with improvement after the RIEP.

Whilst the governance for the RIEP will end (in its current form) in March, members are looking at the possibility of a member champion who would be responsible for improvement and would be accountable to the Leaders, they are indicating that they are committed to still meet.

There is strong commitment for collaboration. Members are looking at work around improvement and innovation being linked to the Local Government Improvement and Development and discussions although this is still being explored, especially around budgets. .

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All the residual balances for the RIEP will all be committed by the middle of January. This will support current priorities and others such as community based budgets etc. Because of the late receipt of this years funding some projects will run into summer next year. From June hosting authorities will be responsible for this.