

Productivity Programme Update

Purpose of report

This report updates the Board on the progress being made in the Productivity Programme, and reports on the CAP Programme, the LGA Shared Services Map, the Housing Tenancy Fraud Pilot and the National Procurement Strategy.

Recommendations

1. To update the Board on the Capital and Assets Programme (CAP) programme.
2. Note the launch of the Commissioning Academy.
3. Note the launch of the LGA Shared Services Map annual refresh.
4. To confirm the councils selected for the LGA Housing Tenancy Fraud Pilot.
5. To update the Board on Procurement around the NPS and recent changes to EU procurement rules.
6. To note the position of the Productivity Programme in the Improvement and Innovation Board e-bulletin statistics.

Action

Officers to progress as appropriate.

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Productivity Programme Update

Background

1. The Board have previously approved the Productivity Programme to develop and operate a range of programmes to improve productivity and efficiency in councils. This report provides an update on selected areas of the programme.

Cabinet Office/Local Government - Capital & Asset Programme

2. The Cabinet Office will be launching a “capital & assets” programme in the Budget on March 20th; formally it is in response to Rec 58 of Lord Heseltine’s growth review: No Stone Unturned.
3. The LGA have been commissioned to run this project on behalf of the Cabinet Office, based upon our successful three previous waves of a similar capital and asset programme (CAP).
4. The intention is that councils will take the lead in the development and rationalisation of surplus public sector land and property in their area. It is intended that there will be some small scale benefits to participating councils: for example, a small % of capital receipts from Government property that can be retained locally, and some as yet unspecified flexibility around business rates.
5. A National Steering Committee has been formed to ensure sufficient profile within Whitehall Departments, and by implication, ensure compliance.
 - 5.1 In addition this group may need to take some difficult policy decisions. For example, whether to extract NHS property for this programme from NHS Property Services Ltd which will be established in April; or to formally declare MoD estate surplus; etc.
 - 5.2 The Steering Committee will meet quarterly; and below this there will be an officer/civil servant group that will meet monthly in order to progress chase.
6. A budget of around £700,000 from the Cabinet Office has been requested for 2013/14; of this, around half will cover the cost of ‘secondees’ in each of the anticipated 12 or so councils selected to participate.

Commissioning Academy

7. The Commissioning Academy was launched at an event chaired by Sir Merrick Cockell and including contributions from Francis Maude MP and Nick Hurd MP at Local Government House in January. The Academy is now open for applications from senior level commissioners and will begin formally in April 2013.

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8. The Commissioning Academy brings together senior commissioners from across the public sector to learn from the example of the most successful commissioning organisations, developing a cadre of professionals that are progressive in their outlook on how the public sector delivers outcomes to local communities.
9. It will focus on practical peer-led learning covering key commissioning issues, such as outcome based commissioning, working with the voluntary and community sector, market engagement and development, joint commissioning across organisational boundaries and new models of delivery such as mutual and joint venture companies.

Shared Services Map

10. The Board will recall that in 2011 the LGA launched the Shared Services Map and Compendium which showed that at least 220 councils were in 170 shared service arrangements, making £165 million efficiency savings.
11. The annual refresh of the Shared Services Map has been completed and the map was re-launched in January 2013 with increased figures showing that; at least 337 councils across the country are engaged in 325 shared service arrangements resulting in £278 million of efficiency savings.
12. The map reflects the number and detail of local authority shared service arrangements, and acts as a 'tool' for councils to learn from good practice examples and find arrangements in their region.
13. This figure shows that at least 95 per cent of all English councils are sharing services and gives examples of how councils are developing more innovative approaches to service delivery and making efficiency savings.
14. The presentation and design of the map has been improved to make it more 'user friendly.' The map also gives a regional breakdown of shared service arrangements and a search by 'shared service category' option is available.
15. Councils have responded positively to the map and there have been a large number of requests for additional shared service arrangements to be added to the map following the launch.

Housing Tenancy Fraud Pilot

16. From April 2011 issues relating to fraud report to the Finance Task Group, though some members of the Improvement Board have remained active in supporting LGA counter fraud activity.
17. The Board will recall from the January Board report that the bids for the LGA Housing Tenancy Fraud Pilot were being reviewed; these have now been selected:
 - 17.1 Stroud District Council & Gloucester City Council;
 - 17.2 Three Rivers District Council & Watford Borough Council; and

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17.3 Huntingdonshire District Council, Fenland District Council & Peterborough City Council.

18. Initial meetings have already been held with the successful applicants and the Board will be updated at future meetings.

Procurement

National Procurement Strategy

19. Members will recall that we have agreed to take forward a number of recommendations made by officers on the sector led National Advisory for LG Procurement (NAG4LGP), to help councils collaborate more in the purchase of goods and services in some of the big spend categories.

20. These recommendations stem from the Deloitte report commissioned by Andrew Smith at Hampshire CC on behalf of the LGA which looked at current procurement arrangements and put forward a 'case for change'.

21. The following councils and procurement organisations to carry out a 'deep dive' to better understand the potential for collaboration include:

- 21.1 Gloucestershire CC to look at Energy
- 21.2 Lincolnshire Procurement partnership for Construction
- 21.3 LB Camden for ICT

22. The objective is for each of these to engage other councils through the NAG4LGP representatives, SOPO, the existing procurement partnerships, and the buying organisations to establish details for planned future spend in each of these categories to then explore how to support/encourage greater collaboration.

23. We have also agreed to work with the sector to look at Contract Management as this is also an important area to help councils manage their spend and make financial savings.

24. We are working with the Audit Commission who had started a research project to look at councils contract management arrangements. They have now agreed to work with us to adapt their approach to help us identify and capture examples of good practice, and develop a 'model' to help other councils improve how they manage their contracts and renegotiate existing contracts to make savings.

EU reform of procurement rules

25. Following a year of discussions, the new procurement regime is scheduled to be agreed at EU level in September 2013 with up to 24 months for Government to transpose the Directive into UK law.

26. A positive development following LGA and Cabinet Office lobbying is an agreement between national governments to allow the restriction of competitions to mutuals only. This will assure former council employees that they will be awarded a services contract

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which can last up to three years. Without this provision a mutual could be formed but would have no service contract to deliver without competing on the open market.

27. Other developments include:

- 27.1 a new negotiated procedure giving councils a greater ability to negotiate with # suppliers
- 27.2 Councils will be able to accept self-declarations from suppliers as to their credentials, rather than having to check documents for every supplier tendering. Councils will only have to check the documents of the winning bidder; and
- 27.3. Removal of the EU proposal to create a new national oversight body to police the procurement rules.

28. Following a recent meeting between officers and Cabinet Office officials it was agreed to give joint consideration to implementing the Directive. In particular there will be a need to provide councils with the appropriate training and support to adapt to the new regime once it is agreed. A meeting between the LGA and the Cabinet Office to discuss implementation is scheduled for the summer 2013.

Improvement and Innovation Board e-bulletin statistics

- 29. The 'Improvement and Innovation Board e-bulletin Statistics' spreadsheet shows data on the number and percentage of views of the Improvement Board e-bulletin URLs.
- 30. The data shows that the 'Top URL' (most viewed link) for the past five Improvement Board e-bulletins have been to the Productivity Programme pages.

Financial Implications

- 31. The draft business plans for 2012/13 includes resources to develop the productivity programme to support councils improve productivity. Capacity to support the programme has also been built into the LGA budgets and business plan.
- 32. The proposed Productivity Programme for 2013/14 is subject to formal approval of resources.