



# Efficiency News

Formerly Partnering & Procurement News

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**Welcome** to the second issue of *Efficiency News* (formerly *Partnering & Procurement News*). Published by the ODPM Local Government Modernisation and Efficiency Division (MED) and The National Procurement Forum in partnership with PricewaterhouseCoopers, this market intelligence newsletter is available on a bi-monthly basis.

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The views expressed in this newsletter are not necessarily those of the Local Government Modernisation and Efficiency Division (MED), the Forum, the ODPM or Government ministers

February 2005

## Further Advice on Achieving and Measuring Efficiency Gains Now Available

*Improved efficiency is vital if councils are to achieve improved standards of public services while holding down the levels of council tax. In this article, the ODPM's Modernisation and Efficiency Division (MED) introduce further guidance on achieving and measuring efficiency gains.*

Last month, ODPM published a revised [Local Government Efficiency Technical Note \(ETN\)](#) alongside the further guidance Pack [Delivering Efficiency in Local Services](#). Neil Reeder, the Team Leader on Local Government Efficiency at ODPM explains the purpose and key messages of these important documents.

"The initial ETN set out two alternative approaches to measuring efficiency. During autumn 2004, these were the subject of a consultation exercise conducted by the Institute of Local Government at the University of Birmingham. The revised ETN takes its findings on board, setting out an approach of self-assessment underpinned by voluntary tool-kits to be produced by Departments in coming months. Reporting timescales are also covered, and Councils are required to report on their forward plans for 2005/6 by the middle of April, and provide a backward look on any 2004/5 gains that they wish to claim by the middle of June.

The further guidance for councils summarises the requirements of the ETN. It also provides details on the way that Departments and change agents such as the Regional Centres of Excellence (RCEs), IDeA and Employers Organisation are working together to support local authorities in delivering efficiency gains. Together, they will identify and help disseminate the good practice in procurement, workforce practices and other business processes that exist in councils of all types in each region.

Together, the ETN and Information Pack demonstrate that ODPM's approach to enhancing efficiency has been designed to be as flexible as possible. Under self-assessment, councils are free to report efficiency gains however they have been achieved; with a single target for efficiency councils are free to achieve those gains wherever they believe they can best achieve them.

The efficiency agenda is still in its early stages. But the expertise and willingness is there to obtain the improvements that we all want to see.

The RCEs are very much the first port of call for guidance on efficiency, and they have made great strides in recent months to promote development of efficiency projects. That said, we are keen to work with authorities to ensure they have the right policy support to meet their efficiency targets, and if you have any questions on measurement or any other aspects of the efficiency programme they can be e-mailed to MED at [med@odpm.gsi.gov.uk](mailto:med@odpm.gsi.gov.uk)."

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## Regional Centres of Excellence Update

*Nine new centres of excellence have been established in the UK with the aim of driving innovative change in procurement and acting as the lead agents in helping local authorities to find and make efficiency gains by providing expertise to other councils and by building on existing good practice. In this issue, the East Midlands, North East, South West and West Midlands Centres of Excellence provide an update on their work.*

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### East Midlands Centre of Excellence

#### Funding

Given the increased funding for the Centre and the expanded role into the delivery of the efficiency savings agenda, the East Midlands Management Board has agreed a grant aid regime to underpin projects within constituent councils to help realise savings in respect of:

- Transactional services
- Shared service provision
- Corporate services
- Construction services

The grant aid regime is based around the principle of match funding, with a maximum grant of £100K available for projects that involve collaborative working for groups of councils, either across the region or within a county area. There will also be a 'small pot' for one off grants to individual councils for training and development activity addressing either the National Procurement Strategy requirements or the efficiency savings agenda. The business case for each grant application must be clear about outcomes anticipated with benefits quantified over the next two/three years.

The process for grant aid applications allows for bids to be formulated and returned to the Centre of Excellence by the end of March 2005 and vetting/approval by the Management Board at the end of April. It is anticipated that demand will outstrip the resources available (approximately £2M), and the Centre of Excellence will need to consider whether additional funding streams will be required to support a comprehensive programme running over a two/three year duration.

#### Staffing

The Management Board has also approved a revised staff structure, following the publication of the ATOS Consultancy report. Recruitment for a team of 5 staff to support the Director will commence in March.

#### Development Group

We have established a Development Group, drawn from 45 authorities and have run a series of workshops to identify work streams and programmes, which will be sponsored by the Centre of Excellence. The following programme of workshops are being rolled out:



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<b>14 December 2004</b>	Launch event to develop a programme of projects and work streams and agree the terms of reference for the Group
<b>21 January 2005</b>	E-procurement and e-Government
<b>17 February 2005</b>	Collaborative working
<b>March 2005</b>	Training and development to support the work streams

### **Annual Conference**

The Annual Conference and AGM has been fixed for the 22<sup>nd</sup> June 2005 to be held at the PERA Innovation Park, Melton Mowbray, Leicestershire. This event will be open to Chief Executives and Elected Members from the constituent councils in the East Midlands.

Further details are available from Chris Allison, Director of East Midlands Centre of Excellence. Email [chris.allison@nottsc.gov.uk](mailto:chris.allison@nottsc.gov.uk) or telephone 0115 977 3597

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### **North East Efficiency Network**

The North East Centre Excellence (NECE) is now establishing an 'Efficiency' Network of those officers leading their authorities Efficiency programme. This Efficiency Network will provide the opportunity for NECE to provide timely and effective advice, guidance, support and facility to all local authorities in the north-east to enable them to identify good practice, common issues and collaborative opportunities to achieve targets and participate in the NE Local Government Improvement Partnership.

The first task of the Efficiency Network will be to develop the efficiency-related workstreams for incorporation into the NECE Business Plan and from which collaborative projects can be identified. NECE and ANEC have joined with 4p's to provide a workshop to identify and develop plans for improving capacity and skills within local authorities and the region to successfully address the Efficiency Programme.

In order to achieve effective and joined-up action and communication between change agents local authorities, NECE is now establishing links with each of the 'change agents' and the respective regional professional officer groups to assist in the coordination of change agents work in the region.

### **North East Procurement Forum**

The first meeting of the NE Procurement Forum was held on Friday 28 January, chaired by Alan Clark, Chief Executive, One North East and involved representatives from local authorities, other public sector organisations, Suppliers, CBI, NE Chamber, ONE, Government Office NE, Office of Government Commerce, Small Business Service, Business Link.

A range of presentations identified a significant amount of relevant effort to improving the relationships between Procurer, Suppliers, intermediaries and their common interest in achieving effectiveness and efficiency whilst complementing the local and regional social, economic and environmental wellbeing. The successful establishment of the NEPF will enhance the improvements being sought under a number of the NECE workstreams and will assure effective relationships between NECE and other agencies within the north-east.

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## North East Centre of Excellence Website

The North East Centre of Excellence website at [www.nece.gov.uk](http://www.nece.gov.uk) went live on 14 February 2005. The site will provide information on current developments, a diary of meetings and events, links to guidance and information, information regarding current projects, secure members area and a discussion facility. There will be no cost for this service.

Further details can be obtained from David Wright, Director of North East Centre of Excellence. Email [DavidWright@gateshead.gov.uk](mailto:DavidWright@gateshead.gov.uk) or telephone 0191 433 2230

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## South West Centre of Excellence

The South West Centre of Excellence (SWCoE) is hosted by Dorset County Council and based in Dorchester. In the short term, the Centre now has its full complement of staff including:

- Director – Julian Morley
- Office Administrator – Claire Morecroft
- Programme Managers – Gillian Brindle (e-procurement, accreditation) and Kelly Forrester (capacity building, training, spend analysis and utilities)

Key activities over the last two months have been to clarify priority programmes of work and make further staff appointments. The Centre has been working with the practitioner Steering Group to estimate potential benefits and direct the Centre's work effort. We are happy to say that in January the CE Management Board accepted the Steering Group's recommendation to launch an initial number of programmes:

- **e-procurement** (initially developing the SW regional approach to e-market, P2P, e-auctions and e-tendering and then focussing on supporting LAs). Project leaders for this project include John Cremins (Devon CC), Caroline Adams (Somerset CC), Andy Ray (Dorset CC), Wendy Meaden (Bournemouth BC)
- **Regional contract database**, project leader Allan Wathan (Gloucestershire CC)
- **Capacity development** (increased LA capacity and skills development), project leader Kim Gascoigne (Cornwall CC)
- **Utilities regional approach**, project leader Mike Swabey (Wiltshire CC)
- **Property construction**, project leader Tony Gales (Devon CC, CoProp)

Project leaders are drawn from the practitioner Steering Group. Each programme also has a cross-local authority project team, is project managed and facilitated by the SWCoE and has a Centre of Excellence champion from the Management Board.

Although the initial programme is largely orientated towards helping local authorities meet the milestones of the National Procurement Strategy, the Centre's next job will be to introduce programmes in Social Services, Highways and Corporate and Transaction Services. The Centre is also offering a "first port of call" service for efficiency savings.

Please contact the South West Centre of Excellence on (01305) 225458 if you have any questions.

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## Communications High on Agenda for West Midlands Centre of Excellence

The West Midlands Centre of Excellence (WMCOE) launched its new website on 26<sup>th</sup> January 05 during breakfast at The Botanical Gardens in Birmingham. The website address is [www.wmcoe.gov.uk](http://www.wmcoe.gov.uk)

Rob Sykes, Chief Executive of Worcestershire County Council opened the launch with a speech to highlight the importance of the website as a key tool in the strategy to encourage communication within the West Midlands region across local government, wider public service providers and businesses in the region.

The Centre is keen that businesses contribute to the website as much as local government and everyone was urged to help the Centre populate the website.

Acknowledgement was made to the West Midlands Local Government Association (WMLGA), who helped to develop part of the website through use of the SMARTregion Partnership's Knowledge Engine (KEN) tool.

Rob Sykes also welcomed Heather Jasper's 6 month secondment as the Centre's Acting Director. Heather is currently Head of Financial Appraisal at Worcestershire County Council and she will provide support to help member authorities deliver the efficiency agenda enabling Robin Edwards, the current acting director, to focus on driving forward procurement issues.

Robin Edwards, current acting director of WMCOE, gave a summary of the website. He explained: "The website will offer statutory guidance and information, but what will make it come alive are contributions from visitors. It will be users feedback that shapes the website." He added: "The Government is keen on e-opportunities, and the website will provide a forum to experiment in these. For example, it can be used to test and share experiences of reverse tendering with contributions from those who have managed such tendering processes."

The website is divided into two core sections. One section can be accessed by any visitor and contains information about the Centre and its partners/members, reports and publications, information for suppliers, and useful links.

The second section has restricted access for registered members and makes use of the SMARTregion Partnership's Knowledge Engine (KEN) tool. It will contain specific information for local government employees and a confidential area for members to share information. Special interest groups will be created for the main spend areas in local government enabling dialogue between those who have similar interests/issues. By publishing existing contracts on the website together with contract management data, the Centre will be able to produce cost comparisons and benchmarks for use by members.

Please refer to the website at [www.wmcoe.gov.uk](http://www.wmcoe.gov.uk) for further information.

## Well placed to meet the “Big Ask”

*Across the entire education, skills, and children & families system, tens of thousands of people in Education with responsibility for purchasing or commissioning goods and services have been set one of the biggest challenges to flow from the Gershon Efficiency Review. In this article, Paul Neill, Interim Head of the Centre for Procurement Performance at DfES writes on behalf of a dedicated DfES team, tasked with co-ordinating support for budget-holders hunting better VFM.*

The Department for Education and Skills is committed to delivering efficiency gains of £4.3bn by 2007-8; more than one third of this will come from savings in procurement. There is no denying the target is a demanding one. But it is one that between us, we can deliver; and by improving efficiency as we spend, we will be ensuring that a significantly larger proportion of funding actually gets through into frontline service delivery. This is what we all care most about, and where the number-crunching translates into making a real difference in people's lives.

DfES' task is to communicate persuasively what can be done, why, and above all *how*, to staff working in schools, local authorities, the further education sector, higher education institutions, and the children, young people and families sector.

We are emphatically not going to claw back savings that individual budget-holders achieve; they remain in complete control of their funds, and are free to recycle any savings they realise within their own budgets. We will not tell them what to do, nor impose solutions on them: our stakeholders' support and co-operation has to be earned. We are already engaging them, consulting them, and involving them in the plans. The challenge now is to keep the entire system informed, to demonstrate the benefits of adopting the new approach to procurement and commissioning, and to support budget-holders in their endeavours.

Ministers and senior officials at DfES felt strongly that, in order to encourage better joining up on purchasing, particularly of the common goods and services bought by all parts of the system, there was a need for a central team with a national focus. We've called this team the Centre for Procurement Performance (CPP), and right now we're in the process of establishing the new Unit and recruiting key personnel.

The CPP's role will be to promote and facilitate the delivery of better value for money. It will gather information on the best procurement deals -- including identifying new opportunities for delivering efficiency savings -- and then share that information across the education, skills, children and families system. It will seek to encourage budget-holders to switch to better deals where they judge appropriate; and it will promote greater collaboration on procurement in order to maximise purchasing power and make more efficient use of resources. The CPP will also measure and report on procurement savings achieved in the system (with the exception of the children and families sector, where several departments' responsibilities intersect: savings here are to be measured and reported by local authorities).

In part, the rationale behind the new approach is intended to give people in Education a stronger hand of cards in their dealings with suppliers; yet suppliers who remain responsive and competitive are likely to be able to grow their business with the education, skills, children and families system

significantly. The Centre for Procurement Performance will not have the resources to have a direct relationship with each and every budget-holder. Nor is that wanted. So instead it will work with, and *through*, other bodies where relationships with the budget-holder may already exist. For example, CPP messages will be communicated to schools through local authorities in the usual way.

Communicating with stakeholders through intermediaries can work effectively only when they themselves share the aims and objectives being articulated, and feel fully informed. The CPP is therefore working hard to develop close relationships with the key organisations who will be working with it. As well as Local Authorities, organisations playing a vital role include the new Regional Centres of Excellence (RCEs); the Local Government Association; in higher education, the Higher Education Funding Council for England and its specialist procurement body, Proc-HE; and in further education, the Learning and Skills Council, and the Association of Colleges. Representative bodies such as Head teachers' Unions and the Bursars' and Governors' Associations will also play a role. The list goes on! Different sectors bring different challenges. Protocols are also being established with key bodies such as ODPM, the Office of Government Commerce and the RCEs, to ensure a clear understanding of roles and responsibilities.

Baseline research is already underway in the schools sector to take a snapshot of current spend and help identify savings opportunities. The early signs are that substantial efficiencies are achievable in areas like school insurance, teacher recruitment and supply teacher provision, ICT, and curriculum materials. Increased competition among suppliers and aggregating demand among budget-holders has already led to significant price falls in some educational goods, like interactive whiteboards and laptop computers. This is only a beginning.

The CPP, working with its partners, will seek out opportunities like these, offering budget-holders an alternative to paying over the odds for goods or services. But we need more than one-way traffic, with the CPP disseminating information about the best deals; in practice, information must flow in the other direction too. Budget-holders are as likely as the CPP to discover ways of obtaining more for their money, and as protocols are agreed with partner organisations in the next few months, we will be able to provide details of how to offer these suggestions.

If the Department's new Centre for Procurement Performance is to achieve the potential benefits for schools and local authorities, the watchwords will be co-operation and collaboration. Together, we can find ways to make our money go further, and deliver maximum benefit to front line services.

Paul Neill is Interim Head of the Centre for Procurement Performance at DfES, email [Paul.CPP.NEILL@dfes.gsi.gov.uk](mailto:Paul.CPP.NEILL@dfes.gsi.gov.uk)

## Co-ordinating the Procurement Workstream

*Individual departments and bodies are responsible for delivering their own procurement efficiency targets. The Office of Government Commerce has been tasked with leading the procurement workstream of the efficiency programme by co-ordinating procurement activity across the public sector. This is a new departure for OGC, which historically has worked with central civil government to improve its procurement performance. Stephen Tokley, of the OGC's Procurement Efficiency division explains further.*

About £14 billion of procurement efficiency gains are expected in the three years from April 2005 – rising to about £7 billion in 2007/2008. We expect about 40% of the procurement efficiency gains to come from local government so it's an absolutely crucial element of the procurement workstream and the entire efficiency programme. We are already working closely with ODPM and others in the local government field. We sit on the Chief Executive Task Force for procurement and strongly support the 9 Regional Centres of Excellence and very much support these initiatives to strengthen local government procurement.

To provide leadership and co-ordination of the procurement workstream a small team has been established in OGC – the Procurement Efficiency Division. This team will support and encourage achievement of current procurement targets across the public sector and focus on securing sustainable gains over the longer term. It will:

- Focus effort on the high priorities identified in departmental efficiency plans (including ODPM's for local government)
- Provide support and challenge for departments and public sector bodies
- Develop the procurement infrastructure and encourage collaboration where this approach is efficient and effective
- Push forward progress on five key imperatives improving procurement professionalisation, set out by the Efficiency Review
- Ensure compatibility with the sustainable procurement and SME agendas

We are currently recruiting a small team of Procurement Development Directors. They will:

- Work closely with key departments and other sector-specific bodies to review their plans and activities for procurement, challenge where necessary, determine and offer OGC support,
- Agree measurement mechanisms and track progress
- Promote good practice and provide advice and guidance on what is allowable within procurement regulations
- Identify cross-cutting collaborative opportunities, promoting collaboration and cross-sector working, and making innovative connections
- Work to develop the procurement architecture over the long term to ensure sustainable change

Our initial priorities are to:

- Focus on departments/sectors with major procurement savings, including Local Government
- Identify the top 50 programmes that will deliver majority of savings in Year 1 and focus initial effort on these
- Focus on a few of the most significant programmes that will deliver major savings in subsequent years of the spending review 2004 period (e.g. Building Schools for Future in DfES) or where failure to act now could lead to increased costs post 2008(e.g. market creation for non-landfill waste disposal)
- Support significant developments in procurement infrastructure: Regional Centres of Excellence in local government and Police, sector lead bodies in Waste, Social care, Social Housing, Roads

For more information about the Procurement Efficiency division in OGC please contact Stephen Tokley. Email [Stephen.Tokley@ogc.gsi.gov.uk](mailto:Stephen.Tokley@ogc.gsi.gov.uk) or telephone 0207 271 2746

## What's New?

### **OGC and SBS Announce New National Web Portal**

A forthcoming new national web portal has been jointly announced by the Small Business Service and the Office of Government Commerce. It has been developed for the benefit of business who will eventually have direct access to local and central government business opportunities, becoming the central gateway to government sub-OJEU opportunities.

The Small Business Service initially launched the open competitive tendering process for the provision of the national web portal service and follows a recommendation of the 2003 Better Regulation Task Force/Small Business Council report on reducing barriers facing those wishing to become involved in public procurement.

Further details can be found on the [DTI website](#).

DTI 10/01/05

### **National Probation Directorate Announces Savings**

The National Probation Directorate (NPD) has announced that it has made savings of £233,000 as the result of using an eAuction scheme as part of its IT procurement process.

Electronic reverse auctions (eAuctions) are an innovative procurement technique that use secure Internet-based technology to allow suppliers to compete in real time by bidding lower as the auction unfolds.

Had the NPD used conventional processes to procure its IT equipment, suppliers would only have had the opportunity to make 8 bids. Using the eAuction process, suppliers were able to enter a total of 74 competitive bids, ensuring that the best price was obtained which on this occasion gave rise to significant cost reductions for the NPD. This has resulted in a 9% reduction in prices, translating to a total saving of £233,000. The NPD has said that these savings will enable them to cut costs without any decline in performance standards.

Home Office, 05/01/05

### **New Standard Contract Terms for IT Procurement**

The Office of Government Commerce has published new standardised contract terms to simplify the tendering process for IT suppliers. The new terms are in response to supplier requests to replace the existing myriad of separate public sector contract documentation with a choice of two, easy to administer 'standard' contract forms.

The production of the new contract terms follows extensive consultation between the OGC, government departments and the IT industry, to establish a new standardised form of words acceptable to all.

Further details can be obtained from the [OGC website](#).

OGC 09/12/04

### **Liverpool Signs £25 Million Deal**

A strategic partnership between Liverpool City Council and Mouchel Parkman has resulted in it being named preferred bidder to take over Knowsley MBC's professional architectural, landscape and engineering design services.

The contract, worth around £25 million over 10 years, will mean 40 Knowsley staff transferring to the new joint venture organisation – 2020 Liverpool. The council will, in due course, have an option to double the life of the contract.

*Reproduced with permission of Municipal Journal*

MJ 09/12/04

### **Extended Partnership**

A 10 year partnership between Colchester BC and ITNET has been further expanded with the



investment by the authority of an additional £1.65 million.

The deal, originally signed two years ago, is to establish a customer contact centre. The added investment will allow a customer relationship-management improvement to existing back-office functions, including housing, planning and environment. A spokesman for the council said the extra investment was part of its plan to maintain its 'excellent' CPA rating.

*Reproduced with permission of Municipal Journal*

MJ 16/12/04

### **RLBC Signs Up SITA UK**

SITA UK has signed a multimillion pound 16 year refuse collection and street-cleansing contract with Kensington and Chelsea RLBC.

The contract, which begins in April, includes an agreement for the firm to provide £50,000 a year to support a variety of service improvements, including chewing gum and graffiti removal and enhanced recycling. SITA will be extending an existing 24 hour, seven days a week street cleansing programme to a range of key streets, and will make permanent a street washing experiment which has been tried in the busy Portobello Market area.

*Reproduced with permission of Municipal Journal*

MJ 20/01/05

### **Time for Leisure**

Camden LBC has signed a 15 year partnership with not-for-profit social enterprise organisation Greenwich Leisure Limited to manage four sports centres from April. The agreement will see the re-branding and improvement of leisure facilities, as well as enhancing ICT infrastructure.

*Reproduced with permission of Municipal Journal*

MJ 20/01/05

### **Agilisys Deal 'Will save £1.5 Million a Year'**

Cumbria CC has finalised a £50 million partnership deal to hand over its information and communication technology services to private company, Agilisys.

The contract is for seven years and it's hoped Agilisys will take over the council's computer and telephone systems at the beginning of March. A council spokesman said the deal would lead to improvements in ICT systems in all council services. It is expected to lead to savings of around £1.5 million a year for the council. The contract was delayed because Jarvis, the engineering group experiencing severe financial difficulties, had a share in Agilisys. But the company's

financial structure has now changed, and the council has received the guarantees that it needed.

*Reproduced with permission of Municipal Journal*

MJ 03/02/05

### **Road Venture Shows Vision**

A new joint venture company will bring an extra £6 million of investment in Salford's highways each year.

Urban Vision is a partnership between the city council, Capita Symonds and construction company Morrison, which will enable the authority to expand road and footway maintenance and improvements work from its current £1.5 million level to £7.5 million annually until 2010.

Other services undertaken by the new company, to which 420 council employees have been seconded, include engineering and highways design, development and building control, architectural design, and property management. A pilot project has already resulted in highways and environmental improvements to two housing estates.

*Reproduced with permission of Municipal Journal*

MJ 03/01/05

## Best Practice

*This contribution details the capabilities of the Office of Government Commerce's Co-ordinated Procurement Division. John Stewart at the OGC explains further.*

Commodity goods and services include many items that are bought widely across the public sector, with a total spend of over £25 billion a year. Many of these items are bought by all parts of the public sector, yet the public sector often does not intelligently use its purchasing power to effect and is seen as a fragmented client by suppliers.

In conjunction with its stakeholder group (which includes representatives from all parts of the public sector) Co-ordinated Procurement Division (the procurement efficiency change agent for commodities) has started feasibility and scoping studies for eight spend categories: temporary labour, print, uniforms, telecoms equipment, travel, energy and freight/couriers/post.

These studies are researching what is currently happening in those areas and will recommend next steps, which could be a full, detailed, strategic sourcing project; work to root-out current successful contracts; or a "do nothing" option as appropriate. These studies will report back in March 2005. Work has also started in three other areas:

- Identifying "quick wins"; deals already in place, or current contracting activities (including e – auctions) that could be beneficially implemented across a wider user base
- A website to communicate and share useful information to be launched in February; and
- An investigation of how price benchmarking can best be used to assist in promoting good practice and good deals in the commodities area.

For more information on this work please contact John Stewart at OGC. Email [john.stewart@ogc.gsi.gov.uk](mailto:john.stewart@ogc.gsi.gov.uk) or telephone 0845 000 4999

## Constructionline - A New Form of Efficiency

*Good procurement practice is currently high on the Government's agenda to ensure local authorities and the wider public sector make best use of their £40 billion buying power, maintain transparency of all their processes and ensure compliance with all relevant national and EU legislation. This article, by Jon Parkes, provides an overview of Constructionline, a new form of efficiency.*

Recent reports and guidance, such as the Gershon Efficiency Review, National Procurement Strategy for Local Government, Best Value Circulars, etc., underline the necessity for the public sector to implement a corporate procurement strategy which analyses its procurement spend. Streamlining procurement processes will help to achieve the additional cashable and non-cashable savings

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demanded of local government and the wider public sector, as well as eliminate red tape for local suppliers.

The aim of Constructionline is to provide an easy solution to many of these demands, by providing a single, common, transparent source of pre-qualification information on suppliers in the construction industry. Constructionline strives to go further than this by working closely with government bodies or industry initiatives, such as the Commission for Racial Equality (CRE) and the Contractors Health & Safety Assessment Scheme (CHAS), to ensure clients meet new and changing legislation. The central ethos of Constructionline is to significantly reduce the administrative burden on suppliers of filling-in numerous, duplicate pre-qualification forms. In addition, it also helps to release valuable resources that will enable firms and procurers to focus their attention on other areas of their business.

Constructionline's service has been recommended by a number of influential bodies, including the Local Government Task Force. In addition, in 2004 the North Wales Constructionline Pathfinder Project evaluation report showed that Constructionline can achieve potential annual efficiency savings of £1.2m and £1.4m for the Welsh public sector and Welsh firms. The report led the Welsh Assembly Government to write to all public sector organisations and registered social landlords within Wales "strongly urging" the use of Constructionline. The letter from Edwina Hart AM, Minister for Social Justice and Regeneration, gives evidence to the benefits of Constructionline's register of local and national pre-qualified construction services, particularly the way it streamlines procurement procedures.

As touched upon at the start of this article, the public sector, in particular in local government, has been focusing on delivering further efficiencies and improvements in addition to those already implemented, both in terms of cashable and non-cashable efficiency gains. In response to these changes in public sector procurement, Constructionline has announced the launch of a new complementary service, the National Pre-Qualification Service (NPQS).

The new service is based on the existing proven Constructionline model and will cover all sectors outside of those areas already covered by Constructionline. It will provide standard information for the pre-qualification stage that has been assessed to a common, transparent standard. NPQS has been developed to assist public sector procurers to achieve their efficiency targets by significantly reducing the administrative burden of evaluating numerous, duplicate pre-qualification forms and maintaining their own in-house lists, whilst reducing the time and cost spent by suppliers in repeatedly filling in repetitive pre-qualification forms.

The new service, which was made available on Monday 17<sup>th</sup> January 2005, will be developed around clusters of clients in order to maximise the efficiencies available to small local firms from a single streamlined pre-qualification procedure in their local area.

For further information, or to register to Constructionline and NPQS, please call 0870 6071 602. Alternatively visit <http://www.npqs.co.uk> and [www.constructionline.co.uk](http://www.constructionline.co.uk) or e-mail [npqs@capita.co.uk](mailto:npqs@capita.co.uk) or [constructionline@capita.co.uk](mailto:constructionline@capita.co.uk).



## Knowledge Source

*Each publication of Efficiency News will feature organisations that are active in the area of partnerships and procurement. Our featured source for this edition is the website of the ODPM's Local Government Performance Site. This article details key data held on the site, along with hints and tips as to how best to use this knowledge tool.*

The Office of the Deputy Prime Minister's Local Government Performance site provides information on all policy aspects of Best Value in England. The website has the functionality to provide supporting data in response to the following options:

- Compare specific local authorities – conduct in depth analysis on local authority performance for a range of measurable criteria and compare against other authorities
- Assess how each local authority is performing – view key facts about specific local authorities and see how they are performing against regional and national averages
- Create charts – conduct in depth analysis of local authority performance for a range of measurable criteria and chart the results

The site contains two primary sections – Key Facts and In Depth Data. The preferred method of navigating to each section is via the menu tabs, located near the top of the page.

The Key Facts Section provides a summary of the latest Best Value Performance Indicators, Comprehensive Performance Assessment data and Freedoms & Flexibilities for each selected local authority. You must select your dataset from the Datasets section, located on the left hand menu options.

The In Depth Data section allows selected data variables for chosen authorities to be compared statistically or graphically. It is possible for users to create their own 'shopping basket' by using the Data and Authority Manager options on the left hand menu options. The saved groups of data variables and authorities may be reused each time you return to the website.

It is also possible to carry out the following functions via the Create Statistics section on the left hand of the website:

- Compare performance by authority
- Compare Best Value Performance Indicator Data over time
- Create charts by authority data

Finally, select Statistical Functions from the left hand menus to analyse, compare, download and chart your In Depth Data results. Results from this section can be downloaded and saved in excel format.

The website is available via the following [\*link\*](#).

## Conference Reports

On 1<sup>st</sup> October 2004, the Modernisation and Efficiency division of the ODPM invited 80 delegates to a brainstorming symposium related to various aspects of the Gershon Efficiency Review and Strategic Service Partnerships (SSPs).

The purpose of the symposium was to engage with various stakeholders on the way forward in respect of SSPs and the Gershon Efficiency Review. The format of the day began with a briefing on developments to date followed by a series of workshops to capture the thoughts of stakeholders in shaping the direction of the strategic partnering agenda. Each of the workshops were asked to consider 'how can the ODPM help in establishing strategic partnerships and/or assist the Efficiency Review workstreams in the following (workshop) areas?'

The workshops included in the day's events were as follows:

- **Corporate Support** – led by Rod Aldridge, Executive Chairman of Capita
- **Transactional Services (NDR, Council Tax collection and Benefits)** – led by John Layton, Director within the Government & Public Services Practice of PricewaterhouseCoopers
- **Efficiency Review Measurement** – led by Sue Reid, Divisional Manager of the Modernisation & Efficiency Division of the ODPM
- **Changing the Workforce and the use of Change Agents** – led by Rod Pinkham of the Employers' Organisation
- **Key legal structures and governance** – led by Alan Aisbett, Partner at Pinsents
- **Other services partnerships (Environmental, Transport, Social Care etc.)** – led by Derek Collins, Project Leader of Strategic Partnering within the Modernisation and Efficiency Division of the ODPM
- **Estates and Property Solutions** – led by Liz Carter, Partner at GVA Grimley

There were many useful comments and discussions that arose from the seven aforementioned workshops. They key issues discussed included:

- **Corporate Support** – opportunities for savings, barriers to joint working between local authorities and industry, other approaches such as 'Authority Push' and 'Industry Pull', and recommendations for achieving gains in this area
- **Transactional Services** – clarification of definitions and review groupings, identifying areas of commonality and the need to develop examples of best practice, recognising barriers that need to be addressed and linkage with the Centres of Excellence
- **Efficiency Review Measurement** – discussion regarding utilising current information and indicators for the purpose of measurement, role of Comprehensive Performance Assessment and the Audit Commission, using customer satisfaction as a measure, joined up working and measuring and contracting issues
- **Changing the Workforce and the use of Change Agents** – productive time, the cost and effect of making changes, engaging the workforce as Change Agents, utilising other external bodies as Change Agents, organisational change and absence management
- **Key legal structures and governance** – collaborative procurements, public private strategic partnerships, bidding and process costs and employee issues
- **Other services partnerships** – views from various Government departments such as Department of Health (Care Services), Department for Culture, Media and Sport, Department of

- Transport and Highways Agency, general use of Regional Centres of Excellence, regulation and government procedures, partnering with other public agencies, voluntary, community and private sector, rules and lessons of partnerships and issues and barriers of management and members.
- **Estates and Property Solutions** – cash efficiency gains, opportunities, obstacles and barriers, non cash efficiency gains and opportunities

Please contact the [Modernisation and Efficiency Division](#) for a full set of notes from the event.

## Waste Management in Two Tier Authorities – An Innovation Forum Project

Successful implementation of the Landfill Directive, improved efficiency and service delivery are seen by local authorities as needing to be underpinned by supported improvement in formal delivery partnerships between authorities, improved strategic planning, effective procurement and deliverability in terms of land-use planning

There is a short 'window of opportunity' between 2005 and 2007 during which time councils will need to be supported through these four areas, if the Directive and improvements are to be implemented successfully.

Following initial research undertaken to support the proposal to the Innovation Forum for the 'Waste Management in Two Tier Authorities' project, the Innovation Forum's Steering Group held a 'Launch Seminar' on 8 December 2004 with Elected Members and practitioners from local authorities keen to move forward in this area.

Delegates built on initial research which found that even amongst those authorities looking to push the boundaries there are common areas of concern and frustration in relation to implementing more formal joint-working arrangements.

The aims of the project include developing a number of viable and sustainable models for more formal joint-working arrangements, and delivering on-the-ground improvements

Extracts from the Executive Summary of the report are given shown below. A full copy of the report can be found at [IDeA Knowledge website](#).

### Extracts from the Executive Summary

Chair for the day, Cllr. Steve Waight (West Sussex County Council) opened the Seminar by identifying that Waste management is an agenda on which we in local government need to deliver. There is a clear message that the onus is on us to shape the future.

Environment Minister Elliot Morley emphasised the challenges facing waste management and the need to meet them collectively. He highlighted funding, better value for money and improved service delivery as key areas, alongside the need for realisation of nearly £300m of efficiency gains.

Phill Russell, Head of Waste Management, West Sussex County Council, set the scene; identifying the drivers behind this work he explained that there is a 'Window of Opportunity' for local government to have a real impact on the future of waste management.

Detailed findings reveal a range of suggestions for moving the process forward. Key themes were:

- Building more formalised arrangements, possibly comprising 'virtual waste authorities' or bodies for collection and disposal
- Such authorities would drive objectives and make joint decisions, but continue to respond locally to changes in resource and materials markets
- Ownership, consistency and accountability in strategic management from politicians to operational and tactical managers

Whilst economies of scale can be gained from wider-based, strategic and integrated waste management and planning, user-focused and locally-based services were favoured by most for improving operational waste collection and minimisation

### **What Happens Now?**

Using outputs from the workshops and the Draft Practice Guidance on Municipal Waste Management as a reference point a range of models will be developed.

These models will be built using current 'live' projects to identify and give a spectrum of opportunities to develop joint working that:-

- Improves generic skills and competencies, levels of understanding and experience for officers and Members
- Improves the capacity for service delivery and procurement which meets local needs but links to regional and national strategies
- Allows partnerships to develop their own agenda for rationalising waste minimisation, recycling, disposal and collection services – at their own pace

At the same time, where the status quo (such as current legal and financial arrangements) holds back improvement, those who are able to make changes will be challenged to do so.

Please contact the [Modernisation and Efficiency Division](#) for further details regarding this article.

## Publications

### Learning from the Experience of Recovery: Paths to Recovery: 2<sup>nd</sup> Annual Report

In November 2004, the ODPM published *Learning from the Experience of Recovery: Paths to Recovery: 2<sup>nd</sup> Annual Report*.

The report provides an analysis and evaluation of the first eighteen months of the ODPM policy of involvement with councils classified as poorly performing in the 2002 Comprehensive Performance Assessment. It is one output from a long-term evaluation, Learning from the Experience of Recovery, commissioned by the Office of the Deputy Prime Minister (ODPM). The evaluation is being undertaken by the Institute of Local Government Studies (INLOGOV) at the University of Birmingham in association with Cardiff University, the University of Gloucestershire and MORI. The study, which began in December 2002, will run until summer 2005 and sets out to answer the following questions:

1. Why do some councils become poor performers?
2. What approaches to recovery (or turnaround) work, in what situations, and why?
3. What impact do recovery strategies have on levels of performance in this group of councils?

The publication contains the following chapters:

- Chapter 1 – Introduction
- Chapter 2 – Government Policy Towards Poorly Performing Councils
- Chapter 3 – Local Contexts of Poor Performance
- Chapter 4 – Performance Levels in Recovering Councils
- Chapter 5 – Regulatory Mechanisms for Recovery
- Chapter 6 – Developmental Mechanisms for Recovery
- Chapter 7 – Lessons from the Recovery Process

A summary of the key points from the report include:

- Performance improvement in local authorities is a Government priority, but the local government community itself has also been at the forefront of developing approaches to deliver positive change for citizens and communities
- The 2002 CPA process has enabled the identification of councils whose performance was poor, but within this group there is considerable variation in the causes and in the extent to which they had already begun a recovery process
- Central government policy towards poorly performing councils has favoured non-statutory engagement, in which the authority takes responsibility for recovery with external supervision and support

A copy of the report is available via the [ODPM website](#).

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## 4ps' Essential Guide to LIFT

Following the announcement of the fourth wave of NHS LIFT projects, 4ps, an expert in local government procurement, has published essential guidance for all local authorities on the LIFT approach to procurement.

The free guide - "LIFT for Local Government – a map of the LIFT process" – provides an outline of the NHS LIFT process as it applies to local government, including details of key stages and benefits of the scheme.

Speaking about 4ps' new LIFT guidance, 4ps director of legal and joint services Rob Hann said: "As the first wave of LIFT projects start to reach completion we are seeing an increasing interest from local authorities in the initiative, and we have prepared this guidance to meet the growing demand for clarification of the issues involved. We look forward to providing support to all those authorities announced in the fourth wave of projects as well as those already in LIFT areas that may be seeking further funding for new projects from the latest round of joint funding."

The fourth wave of nine new NHS LIFT projects was announced by the Department of Health (DH) in November and the guidance adds to 4ps' already extensive support for the increasing number of local authorities undertaking NHS LIFT schemes. This includes the 4ps LIFT extranet which provides a forum for local authorities to share best practice and seek guidance and advice.

More recently, 4ps worked with government departments and relevant central bodies to ensure that the PFI credits available in the latest round of joint funding from the ODPM, DH and DCMS, announced in November, would also be available to local authorities in conjunction with NHS LIFT, and that those credits secured for LIFT projects would not be subject to the £20m threshold of PFI projects.

To get your copy please contact Jo Francis at 4ps on 020 7808 1470, or visit the 4ps website <http://www.4ps.gov.uk>.

For further information please contact: Sara Cruz/Lucy Thom, 4ps Press Office, Telephone 020 7282 1060 or email [press@4ps.gov.uk](mailto:press@4ps.gov.uk)



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### Improvement & Development Agency and IDEA Knowledge

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### Audit Commission

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### The Local Government Procurement Forum

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