

NORTH WEST IMPROVEMENT AND EFFICIENCY STRATEGY

EXECUTIVE SUMMARY

1.1 This documents sets out, for 2008/11, a strategy and support programme for the north west authorities to build on the foundations created by NWCE and:

- Save money and live within the more difficult financial climate of 2008/11.
- Deliver improved outcomes and, in some cases, transformed services.
- Boost the local economy through:
 - increasing the proportion of expenditure with north west businesses
 - creating 'service centres' to bring employment to the north west.
- Engage more effectively with the third sector to improve the targeting of services, boost the local economy (as such expenditure tends to be local), increase the investment in this sector to achieve better outcomes and save money for local government.
- Support the implementation of the Local Government Sustainability Strategy.
- Provide support to weaker performing councils.
- Support cost effectiveness of LAAs and MAAs.
- Boost capacity and capability in the management of third party spend (45% of local authorities' costs).

The document also highlights issues that need to be borne in mind in setting up the RIEP and some of the transitional issues.

1.2 The paper covers:

- Strategic management of procurement
- Procurement of commodities goods and services
- Construction
- Adult social care
- Children's services
- Environment and waste management
- Local passenger transport (our national lead)
- Working with the Voluntary sector
- The creation of service centres (to increase employment in the north west)

1.3 It is envisaged that full engagement of local authorities with this strategy should enable by 2010/11:

- Potential efficiencies of £300m – from implementing existing opportunities and creating and implementing new opportunities. This equates to an efficiency/savings target of just over 4% of third party (procurement) spend. (This figure potentially has a wide

margin of error but assumptions have been, overall, cautious). This excludes shared services for which estimates will be available once the sub-regional programmes have been developed.

- Increased business with north west firms by 5% age points of purchasing spend. This equates to an investment of £350m pa in the north west economy – comparable to the total investment of NWDA. With the multiplier effect this could be worth nearly £1000m
- Increased business with the third (voluntary) sector of 3% age points of purchase spend, which would mean an injection of funds into the voluntary sector of £225m pa.
- Creating 1000 new jobs in the north west through the creation of service centres.
- Supporting the transformation of adult care services, with some consequent efficiencies.
- Meeting the government's sustainability requirements.

1.4 Potential benefits from our Local Passenger Transport national lead are anticipated.

- Savings of £200m pa (5 year target).
- Improved usage.
- Better service through the use of new technology.
- Safer journeys for children.
- Greater use of the third (voluntary) sector.
- Boosting the rural economy.
- Greater access to health care for those without their own transport.

The DfT has become very supportive of this initiative. They have seconded a fast-stream civil servant to it.

1.5 The cost is estimated to amount to £9m pa and a further £400k pa for the national lead on Local Passenger Transport.

1.6 Improvements will come through:

- Better management of the £6,900m pa third party spend by north west authorities (i.e. spend with the private sector (procurement in the broadest definition of the term)). The spend is 45% of north west authorities' costs and amounts to almost £900 per adult and child living in the region.
- Major business process improvements/re-engineering, particularly through the creation of shared service centres for procurement, construction and adult health and social care.
- Shared services.
- Better asset management.

- Continuing with our strong engagement and communications policy. Engagement is key to implementation.

1.7 A balance has been maintained between regional themes and the sub-regions. Shared services (excluding third party spend) lend naturally to a sub-regional approach. For third party spend, consideration has to be given to the market in which one is operating. There needs to be an over-arching strategic group within which would sit the individual themes and a strong relationship with the sub-regional service centres (eg procurement hubs).

1.8 Consultation has been extensive:

- Through our programme boards which consist of 'professionals' from around the region.
- With other north west bodies eg NWDA, Centre for Construction Innovation, Joint Improvement Partnership (on adult social care), NHS, GONW, Greater Manchester Council for Voluntary Organisations and the Universities of Manchester, Cumbria and Salford.
- Audit Commission.
- Government departments, in particular OGC, OGC.buying.solutions, DfT, CLG, DCSF, DeFRA, DWP.
- More generally throughout the north west through seminars, workshops, one to one meetings, facilitating working groups etc.
- Global companies eg Diageo, Philips, L'Oreal
- Companies with major north west presence e.g. BT and Liberata
- Other regions, e.g. other RCEs.

1.9 This strategy meets the LGA criteria for Regional Improvement and Efficiency Strategies of:

- Evidence based and outcome focussed priorities
- Inclusive and collaborative
- Cohesive
- Strong governance and monitoring systems
- Robust partnership arrangements
- Strategic approach to delivery and commissioning of support

Reference has been made to many documents, but in particular the National Efficiency Delivery Plan and the National Improvement and Efficiency Strategy.

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