



efficiency **matters...**

how the LGA **performance partnership** can help



Local Government Association

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how the Performance Partnership can help

This prospectus describes the support available from the LGA Performance Partnership¹ to councils engaged in the delivery of efficiency action plans including collaborative projects. It covers the services provided by IDeA, the Employers Organisation and 4ps.

This portfolio of services has been assembled in order to meet the specific needs of councils arising from the efficiency agenda².

At the regional level, senior IDeA managers (known as Regional Associates) work with the Regional Centres of Excellence and other regional partners to develop packages of funding and support for councils, including support provided through the LGA Performance Partnership bodies.

1 The LGA performance partnership was formed in 2002. It includes IDeA, the Employers' Organisation, 4ps and LACORS.

2 See box on 'why efficiency matters...'

The Employers' Organisation's on site support team delivers advice and support both centrally and to individual councils through its Regional Skills and Capacity Advisors and consultants. 4ps directors and senior executives each have lead responsibility for a specific region.

Although proposals have been made that will result in the re-allocation of EO functions across the Performance Partnership, this proposal has been produced on the basis of current arrangements.

Nationally, the Performance Partnership is supporting the delivery of the efficiency agenda in a variety of ways including through the creation of a "hub" for the RCEs. This includes support to -

- the national RCE website (www.rcoe.gov.uk)
- the ESD Toolkit as a tool for benchmarking and process improvement (www.esd-toolkit.org)
- the management of information and know-how within the various efficiency workstreams and projects in the programme.

The pages that follow describe programmes delivered by the Performance Partnership in four areas that are critical to the successful delivery of the efficiency agenda:

- member engagement
- peer review
- programme and project support
- know-how and skills.

I urge you to take full advantage of these programmes.

Main contact details for the Performance Partnership bodies are shown at the end along with information on regionally-based IDeA and EO staff and 4ps staff with regional responsibilities.



Sir Brian Briscoe
Chief Executive,
Local Government Association

why efficiency matters...³

An efficiency target of £6.45bn in **efficiency gains** has been set for the local government sector (including schools and the police). This has to be achieved over the three years to 2007/08. That translates into **7.5%** off the **2004/05 baseline – 2.5%** year on year.

This target came out of the **'Gershon Review'** (Releasing Resources for the Frontline) published in July 2004. Gershon's recommendations were incorporated into the government's spending plans to 2007/08. As the title suggests the aim is to identify resources that can be reinvested in the frontline or used to hold down Council Tax.

The Gershon Review covered the **entire public sector**. It identified scope for significant efficiencies in the following areas ('workstreams'):

- procurement
- back office (i.e. corporate support services)⁴
- transactional services (like revenues and benefits)
- productive time (actions that increase productivity)
- policy, funding and regulation (streamlining for both the public and private sectors including Local Area Agreements).

At least **half** the 2.5% annual efficiency gains must be **cashable**. Otherwise, councils are free to decide how to meet the target. You can pursue efficiency gains in any of your **services** and in **'cross-cutting' functions** like corporate support services and procurement (including construction and commodities).

Achievement of the targets will become progressively more challenging in years two and three, when the targets step up, calling for greater degrees of **collaboration** between councils and other public bodies in order to achieve them.

³ For further information see the IDeA/Regional Centres of Excellence pocket guide *'Efficiency Matters...The Annual Efficiency Statement and the Bigger Picture'* (March 2005).

⁴ This category includes finance, human resources, payroll, ICT, legal, procurement, property, security and communications functions.

Action plans must be set out each April (with the first round completed successfully in April 2005) in the **Annual Efficiency Statement** (AES). These describe efficiency **projects** to be undertaken in the year and the expected efficiency gains. The AES also enables achievements against plan to be **reported** at the end of the year.

Efficiency issues are brought into **CPA 2005** through the annual **use of resources** judgement. Single-tier and county councils cannot remain in the **excellent** category or move into it, unless you score highly on use of resources.

From 2006, the scoring system will give heavy weighting to **value for money** (VFM), which includes cost management, **procurement** practices and the **efficiency gains** achieved. Efficiency is also considered in the new **corporate assessment** criteria.

Leadership will be critical to success. Members and the council's top management will need to look beyond the technical requirements of the efficiency agenda to the positive **opportunity** it presents to **reshape public services** and improve outcomes for citizens. Overview and scrutiny can play a key role in identifying opportunities for efficiency gains.

Councils are the **community leaders** for their localities. Who better to foster collaboration among public sector bodies? **Local Area Agreements** and **Public Service Boards** are already getting under way. The alignment of strategies and funding streams is being complemented by collaboration on projects: shared customer services, accommodation and support services.

member engagement

The engagement of members is a critical success factor in the efficiency agenda, particularly when it comes to projects that involve collaboration among councils. The Performance Partnership support programmes engage members on efficiency in the context of both resource management (with the link to CPA) and specific projects and the emphasis is on promoting joint working. This encompasses both executive and scrutiny roles.

IDeA

- deployment through the Peer Clearing House of experienced member peers to participate in the delivery of leadership development on value for money/efficiency (see below) and to act as mentors for other members engaged in efficiency projects. Particular focus on collaborative projects (see programme and project support below).
- development of the Leadership Academy curriculum to include value for money and efficiency as part of new resource management module for council leaders and mayors. Delivered in partnership. Specific objective of networking leaders to enhance collaboration. Available from Autumn 2005.
- development of a Local Leadership Academy module on value for money and efficiency in resource management. Delivered on site for executive and scrutiny members. Partnership. Available from Autumn 2005.
- inclusion of value for money and efficiency topics in Leadership Academy Summer Schools.
- joint initiatives with the Centre for Public Scrutiny on the role of overview and scrutiny in the identification of opportunities for efficiency gains and oversight of programme and project delivery.

4ps

- Member and Senior Manager training on procurement (National Procurement Strategy, NPS) delivered through two half-day facilitated workshop sessions. Specific objective of building political and managerial consensus.
- development of the NPS Member and Senior Manager procurement training to include a half-day workshop on roles in the direction and governance of the efficiency agenda.
- development of the Member and Senior Manager programme to include two half-day workshops on roles in the delivery of effective collaboration.

peer review

Peer review has proved to be a powerful technique to promote performance improvement and successful project delivery within local government. The Performance Partnership has adjusted its approach to reflect the priorities within the efficiency agenda.

IDeA	<p>Originator of the peer review model and manager of the sector's Peer Clearing House (PCH).</p> <ul style="list-style-type: none">• delivery of a family of peer review products (Local Government Improvement Programme, LGIP) reflecting key topics in CPA 2005. A specific focus on efficiency topics (value for money, procurement, customer services, back office etc) can be requested as part of an LGIP review or as a stand-alone 'health check' or as a challenge to the council's self-assessment. Identifies 'gaps' and focuses programme and project delivery.• delivery of peer-based models for improvements to efficiency and effectiveness of priority frontline services⁵. Includes adult social care, education and children's services, sustainable communities (housing, waste and planning) and cultural services (libraries and sport) and Local Strategic Partnerships. Delivered through partnerships including professional bodies.
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5 Efficiency is considered as an integral component of service transformation programmes in these priority areas where government policy and legislation are major drivers.

EO	<ul style="list-style-type: none">• delivery of peer review of the human resources function.• developing peer support on absence management aimed initially at social care services (Summer 2005).
4ps	<ul style="list-style-type: none">• delivery of independent gateway reviews. The process developed by OGC for central government has been modified to apply to major procurement projects within the local government sector. Independent and confidential project reviews to assist project owners in the delivery of successful projects. The process provides development opportunities for council officers involved in the delivery of major projects and aids the development of networks among councils. See also programme and project support below.

programme and project support

The timely achievement of efficiency gains will depend on the successful delivery of programmes and projects. These may involve more than one council and perhaps other public bodies. High performing councils may lead the way on 'demonstration projects' that exemplify efficiency gains and the task here will be to speed the sharing of know how (models) and lessons learnt across the sector. Others may struggle with the new agenda and require a package of support to enhance their capacity to manage change. The Partnership's programmes have been designed to address both needs.

IDeA	<ul style="list-style-type: none">• mobilisation and delivery of packages of funding and support for change programmes and project delivery in 'poor' and 'weak' councils and those struggling with the service transformation agenda (e-government plus) and e-procurement⁶.• mobilisation and delivery of support to change programmes and project delivery for exemplar collaborative projects, including showcasing and sharing of know-how (replicable models). Integrated with EO and 4ps support, including the gateway review process.• deployment of member peers through the Peer Clearing House to mentor other members engaging in efficiency projects, particularly collaborative ones (see member engagement above).• delivery of support packages to efficiency demonstration projects including the capturing of learning, showcasing and sharing of know-how (replicable models). Integrated with 4ps gateway review process (see know how and skills and project below).• delivery of a package of support for the roll-out of Local Area Agreements, including non-chargeable pre-negotiation consultancy support.
EO	<ul style="list-style-type: none">• advice and delivery of support to efficiency projects relating to the human resources function.• consultancy support on people issues in efficiency.• advice and guidance on the people issues in efficiency projects (see also know-how and skills below).

⁶ includes customer, transactional and corporate support services

4ps

- delivery of hands on support and project management services to PFI, PPP and other strategic partnering projects in education (BSF), housing, waste management, transport and streetscene, cultural and leisure services, social care (including LIFT), joint service centres and corporate services sectors (see also know-how and skills above).
- advocacy role in relation to PFI funding for the sector including BSF and LIFT.
- mentoring support to a wider range of projects including through the management of network groups in each key sector.
- support to an extranet for councils involved in LIFT (health/social care) PPP projects
- delivery of independent gateway reviews at key stages in the lifecycle of major projects including procurement projects (see also peer review above).
- reviewing operational projects to ensure lessons learned can be used in the development of new projects.

know-how and skills

While the emphasis must be on programmes and projects that realise efficiency gains in the immediate future, sustainability of the efficiency agenda in the longer term will depend on development of the necessary capability and skills across the whole sector. In the field of know how and skills, the Performance Partnership has distinctive specialisms on which to draw in its programmes of support.

IDeA

Specialists in performance improvement and service transformation ('e-government plus').

- leadership guides and implementation guidance for practitioners (including e-government) on the efficiency agenda.
- support to learning networks for practitioners in service transformation (e-government plus) and professionals in priority frontline services (see peer review).
- advice, guidance, case studies, tools and coaching/mentoring support for process modelling, benchmarking, programme management, change management and related topics with a specific focus on service transformation programmes and projects.
- procurement support focused on e-procurement and supplier engagement (small firms, voluntary and community sector and sustainable procurement), including guidance on procurement performance measurement.
- resources for practitioners to support improvements in the efficiency and effectiveness of priority frontline services.
- support to the sharing of best practice through the beacon council scheme including the Round 7 theme: 'delivering quality services through procurement'.

EO

HR specialists (including HR aspects of change management) and the change agent for the productive time workstream.

- resources for workforce remodelling and job redesign.
- guidance and case studies on absence management, mobile technology/flexible working and flexible reward systems, value management, investment in skills pathway, workforce planning and the measurement of people-related efficiencies (AES).
- developing guidance on productivity improvement (available Spring 2005).
- guidance on measurement of people-related efficiencies (AES)
- know-how to support achievement of efficiency gains through e-recruitment, better procurement of agency staff and collaborative approaches to recruitment
- advice and guidance on workforce and diversity issues in procurement, including staff transfers and pensions.
- guidance on dispute resolution procedure for implementation of the code of practice on workforce matters ('two-tier workforce') and wider employee relations matters at local level.
- advice on making efficiencies work, focusing on managing the people issues and minimising costs and difficulties (Summer 2005).

4ps

Procurement specialists for large, high-risk, complex projects (see also programme and project support).

- know-how includes procurement packs (guidance manuals and model contracts) for PFI and PPP projects in a wide range of sectors and services: street lighting, leisure, schools, housing, waste management, social care, joint service centres.
- project information briefings on local government projects to disseminate best practice.
- developing case studies and project information briefings on efficiency topics.
- guidance on procurement of large projects, including standardisation of contracts, the PFI/PPP process, EU legislation and workforce matters.
- developing a corporate services procurement pack (covering transactional, corporate and ICT functions). Available from Summer 2005.
- delivery of project team training, comprising five events, to help project teams manage the procurement process.
- provision of training for individuals needing to improve particular can access six modules skills (from negotiation to EU procurement) delivered by specialist providers.
- developing procurement/efficiency training for service managers (middle tier).

how is this paid for?

The LGA Performance Partnership is funded through a combination of public subsidy and fees and charges.

Services supported by public subsidy are provided free of charge or at a discounted rate (depending on the amount and nature of the subsidy). This is usually the case where the services benefit the whole local government sector or are targeted on 'poor' or 'weak' councils or those struggling with particular challenges (e-government, for example).

For further details on the charges that apply (if any) see the main contact details for the relevant organisation.

how to contact us

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further information

If you would like to find out more about **efficiency matters**, please get in touch:

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