

Annual Report 2008/09

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Welcome to IESE's First Annual Report

Since Improvement and Efficiency South East (IESE) was formed in April 2008, there have been a number of challenges to face, for us as an organisation and for local government in the South East as a whole. However, we believe this report shows that we have risen to those challenges, and have already made good progress towards the targets set out in our Regional Improvement & Efficiency Strategy.

The Annual Report incorporates refreshed visions for each of our themes and updated overarching and theme objectives. This reflects the ownership that our lead elected Members and Chief Executives have taken of their themes. This is exciting evidence that the strategy is truly member led and the implementation of the strategy is being driven forward by Chief Executives. The leads for each theme have established steering groups that bring input from across local government in the region, from advisers in the local government family and from central government.

Excellent progress has been made during our first year. Significant cashable efficiency gains have been made, delivering greater value for money for our residents. Significant service improvements have been made and we've provided support for LSPs throughout the region. We take a robust approach to programme management and benefits monitoring and reporting. Where we report benefits in this report they have been compiled against a clear set of criteria, based upon input from the authorities involved in the project and independently quality assured. The processes, procedures and criteria are published and the reports of progress compiled regularly and signed off by our lead Chief Executives. The statistics are not the only measure of the progress IESE has made and throughout the report are examples of progress made and quotes from those involved. Each of these examples is backed up by a case study and these case studies are published and can be read in the case study booklet which accompanies this report.

As part of combating the impacts of the economic downturn, we have supported exciting local initiatives aimed at increasing leadership in economic and neighbourhood renewal, including the North Kent MAA and the Partnership for Urban South Hampshire (PUSH). We have also helped authorities support local businesses. The external spend of local authorities in the region has been analysed for the second time and trends considered; this is unique in the public sector within England. We have further developed our business portal and have worked with Business Link to bring transparency to local government opportunities and reduce the cost of doing business with councils. We have worked jointly with Business Link to run a series of workshops for businesses around the south east region on how to work with local government and how to use the business portal.

Running throughout each of our strategic themes is an approach that values innovation, from the work in Corporate Transformation on the merger of Adur and Worthing Councils to the approach to mentoring online developed by the waste partnership. We haven't limited our activities to local government and we have supported integration across the public sector in many areas including corporate transformation, procurement and social care. We have already made a start on enhancing the way we give access to our services and supporting the way we engage with our residents, from the Surrey project on enhanced neighbourhood engagement to the joined up community engagement approach of the Bucks two tier pathfinder. We believe that our programme is focussed around the future needs of our residents and local businesses. In order to meet the challenge of the current economic climate, transformation is no longer an option it is the only solution.

Cllr Paul Bettison

Leader Bracknell Forest Borough Council
Chairman Member Board
Improvement and Efficiency South East

Peter Gilroy

Chief Executive, Kent County Council
Chairman, Chief Executives Management
Group
Improvement and Efficiency South East

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Executive Summary

Establishing IESE

Since the development of the Regional Improvement & Efficiency Strategy, in early 2008, IESE has made huge strides both in starting to deliver the vision and targets within the strategy and in establishing itself as a focal point for sector-led support for South East authorities. Led by the IESE Member Board, and its newly elected chairman, Cllr. Paul Bettison, the governance structures have been continually developed with member involvement a key priority.

A Chief Executives Management Group (CEMG) has been established to support the Member Board and to take ownership for programme delivery. Like the Member Board, CEMG has a vital mixture of representatives from the different subregions of the South East and different types of Authority, with 7 Chief Executives acting as lead for one or more of IESE's 10 strategic themes. Lead Chief Executives, in conjunction with their theme lead Members, have established steering groups for their themes involving leading senior officers from across the region plus key stakeholders for each theme from organisations such as IDEa, GOSE, Audit Commission, SEEDA, OGC and South East Employers. Each steering group has reviewed the theme objectives and year one progress, resulting in a fresh business plan and vision for 2009/10.

Effective IESE governance has been enabled by a robust approach to project and programme management and monitoring and reporting which ensures that all stakeholders have a clear up to date picture of IESE activity, its spend and benefits (both actual and forecast) and the involvement of authorities across the region.

To launch IESE and place us at the centre of sector-led improvement in the South East, there has been a strong programme of communications activity. An initial launch event was held in June, followed by a relaunched website in September, first editions of chief executive, member and officer newsletters, and articles in First and Municipal Journal, all leading up to the inaugural IESE conference on March 12th. A baselining survey early in 2008 showed there is still much work to do to raise awareness and increase engagement, so the focus on communications will continue next year in order to achieve the expected improved survey results.

IESE Strategic Objectives

IESE's overriding aim is to make a step change in the performance of local government within the region, as defined by the South East Regional Improvement & Efficiency Strategy. Taking sector-led support to a new level will enable us to close the gap between the poorer performers and those setting the highest standards.

Our three key priorities are:

Ensuring improved performance

Ensuring improved performance by advancing support through intelligence sharing, the development of preventative plans and coordinating specialist programmes that target areas of particular concern

Achieving successful Local Area Agreements

Creating the conditions for achieving successful Local Area Agreements (LAAs) by supporting their development and by fostering innovation to meet common targets for LAAs in the region

Meeting efficiency targets

Deliver 3% per annum efficiency savings through innovation in cost effective service delivery and support for the rollout of high impact, cash releasing solutions across the region

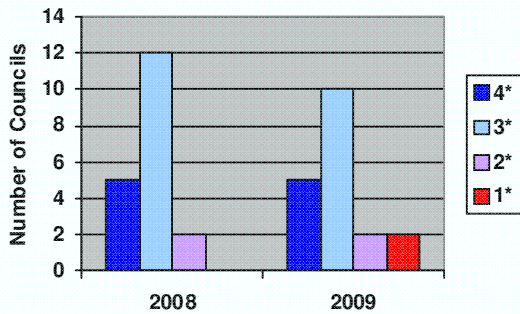
Year 1 Progress Highlights

- IESE has contributed to councils' achievements in exceeding the 3% cashable efficiency savings targets with projects generating £18.5m worth of savings
- Most councils have maintained or improved their strong overall performance ratings. 2 of the 4 district councils previously categorised as weak improving to fair and good, leaving just 1 weak council in the region with 1 more awaiting re-categorisation. 3 upper tier councils have improved from 3* to 4* but 3 have lost their 4* rating and 2 have dropped from 3* to 1* primarily as a result of poor APA results for their Children's Services
- IESE has helped councils respond to disappointing Children's Service Annual Performance Assessment scores with a package of support aimed at enabling struggling authorities to benefit from the expertise of stronger South East authorities
- IESE has developed a programme of 100 projects across 10 separate themes, with an expected return during SR07 of £156m cashable savings in addition to improvements to service delivery and increased skills and capacity within local government in the region
- IESE has continued the successes of the South East Centre of Excellence with regional programmes of support for procurement, adults' services, construction and waste management enabling councils to realise cashable savings worth at least £2m in each service area (see table below for details of savings made by each IESE theme).
- 63 out of 74 authorities in the region are either engaged with or have already benefited from member and officer skills development programmes coordinated and funded by IESE's 6 subregional partnerships
- Supported by DEFRA, IESE has established itself as the lead RIEP on waste management, delivering several nationally significant projects aimed at knowledge sharing, service improvement and efficiency in waste collection and disposal
- IESE has successfully stimulated and supported innovative corporate transformation throughout the region from major transformation projects, including merged officer structures, to small cluster Business Process Improvement, yielding over £1.4m of savings
- IESE has continued to provide highly valued support to the region's Local Strategic Partnerships (LSPs) through the Progress through Partnership programme. The contract for this service has been successfully re-procured and will continue to be managed by a partnership between South East Employers and Shared Intelligence.
- Through the South East Fire Improvement Partnership, IESE has provided a nationally unique programme of support to Fire and Rescue Authorities, enabling progress towards achieve level 3 of the Equality standard, and equipping officers and Members to undertake peer reviews, including those for Operational Assurance

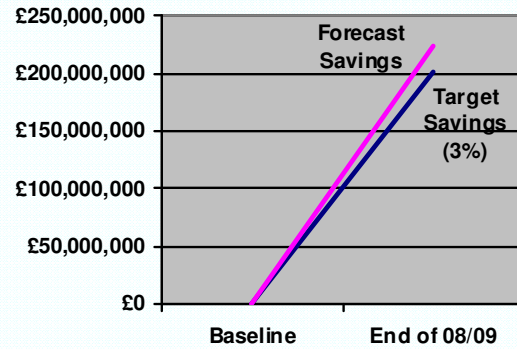
IESE Strategy Theme	Cashable Savings 08/09
Construction & Asset Management	£8,363,370
Adult Care and Children's Services	£4,444,513
Commodity Procurement	£2,396,540
Waste Resource Management	£1,544,366
Corporate Transformation	£1,409,962
Capacity Building	£300,000
Performance Improvement	n/a
LAAs & LSPs	n/a
Community Engagement	n/a
Sustainable Communities	n/a
Total	£18,458,751

Regional Performance

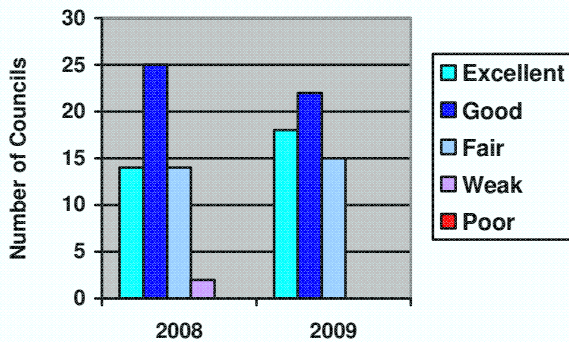
County & Unitary CPA Ratings



Cashable Efficiency Savings



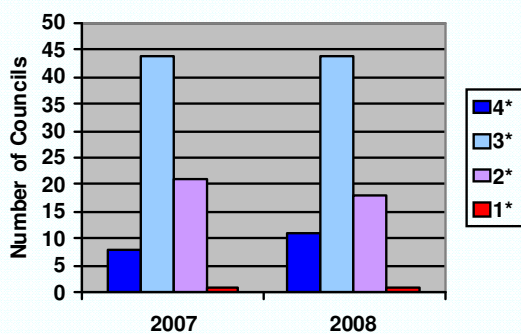
Lower Tier CPA Ratings



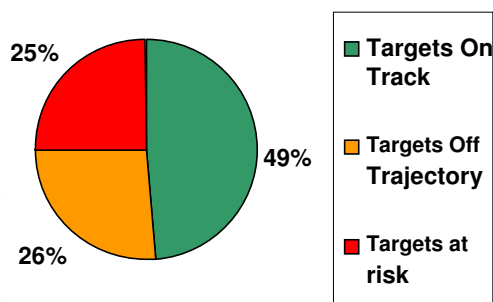
IESE Performance vs. Core Targets

No CPA scores below Fair or 2*	X 2 upper authorities have dropped to 1*
95% of authorities to have a use of resources score of 3 or higher	? Has increased from 70% to 74% but 95% may be too high a target
No central government interventions required for poor performance	✓ None to date
Improved year on year customer satisfaction scores	Place survey results to provide baseline
All LAAs to be reaching projected milestones and targets	X Only 49% on track
Region achieving efficiency target of 3% pa savings	✓ 08/09 forecast = 3.4%
Delivery of a portfolio of projects with a return over 3 years of at least £5 of efficiency gains for every £1 invested by CLG	✓ Forecast is for £5.33 return per £1 invested
£250m cashable savings to be made by authorities over 5 years as a result of IESE supported projects	? Forecast is £204m of which £34m is low confidence

CPA Use of Resources Scores



South East LAA Targets for which Data Exists



Upon its establishment, the Chief Executives Management Group (CEMG) reviewed the overarching objectives of the South East Improvement & Efficiency Strategy. CEMG recommended that the number of objectives were reduced to bring a focus to the activities of IESE. In bringing this focus, it was felt that some objectives were not overarching and should be devolved to the theme and some were not the fundamental priorities for the region. As a result of this review it became clear that the objectives of the themes also needed to be reviewed.

Over the year, the theme lead Chief Executive and Lead Elected Member have taken charge of their portfolio. As a result of this ownership, the scope, purpose and objectives of the theme have been reviewed. This clearer vision for the theme and revised objectives are set out in each of the theme sections in this report.

This annual report bases its findings on the review of activities against the updated objectives.

The results for the south east region against the overarching objectives of IESE are mixed with three on green, two on amber and two on red. Whilst there is significant progress in supporting the delivery of these targets, IESE is not complacent.

The southeast has traditionally been a high performing region, however there significant performance issues have emerged with some authorities in the region. This has led to the red flag on CPA status and, whilst there is a green flag currently on interventions IESE is taking the possibility seriously.

The response to performance issues in the region has been Member led. The primary cause of some of the performance problems has been Children's Services. Cllr Keith Glazier, lead Member for Children's Services has worked with Mark Hammond, Lead Chief Executive for Social Care, to accelerate those projects that will help those most in need of support to improve their performance. The Chairman and Vice Chairman of the Member Board reviewed the approach to Performance Improvement and established a Member steering group, including one member for each type of authority (County, District and Unitary). The Performance Improvement theme has used its resources to supplement those of the Children's Services theme.

IESE has also worked with IDeA on those authorities that have performance issues more widely than children's services. A regular meeting now occurs between the lead Chief Executive for Performance Improvement, the IESE Director and the IDeA regional Associate. This is followed by a meeting with the Audit Commission and the Government Office.

The use of resources scores need improvement to reach the challenging objective set by the IESE Board. However, the board is convinced that the take up of the lessons learned from the IESE program to date can deliver that change. IESE recognises that the economic downturn will bring additional financial pressure to authorities. CEMG had a special 2 day session in March 2009 reviewing the performance of projects, identifying those that could most help authorities and considering how to roll out those lessons across the region. The results of this review will lead to a greater focus on transformational projects and a sifting out of those that are not performing sufficiently for the needs of the region.

The red flag on LAA targets is being considered by the lead Member for LAAs, Cllr Neville Whitely, and his lead Chief Executive, Neil Davies. A good start has been made with the establishment of Progress through Partnership (PtP) which supports all LSPs within the region. The contract for this service has been renewed and the second stage will ensure that resource is targeted at those LSPs needing most support. This will be supplemented by resources for exemplar projects and by leveraging the experience of other themes in the areas relevant to key LAA targets. A series of workshops exploring the linkages between themes was held on March 12th and a number of potential supporting actions identified. In addition, the research commissioned by Y&H RIEP on the effects of the economic downturn on LAA targets together with feedback from PtP on areas where LSPs are struggling, plus current statistics made available by the Government Office, will be used to identify the key areas of focus.

The cashable efficiency savings for the region and the 3 year return forecast for the current IESE portfolio are on track. Whilst the 5 year forecast for IESE projects is amber, the board believe that this is good progress for year one and greater focus on those projects showing return by scaling up or repeating in other areas will close the gap. However, IESE is not complacent. There is a big difference between the performance of efficiency based projects and the lead Chief Executives are meeting to consider how to maximise return on investment across the whole portfolio.

Challenges Ahead

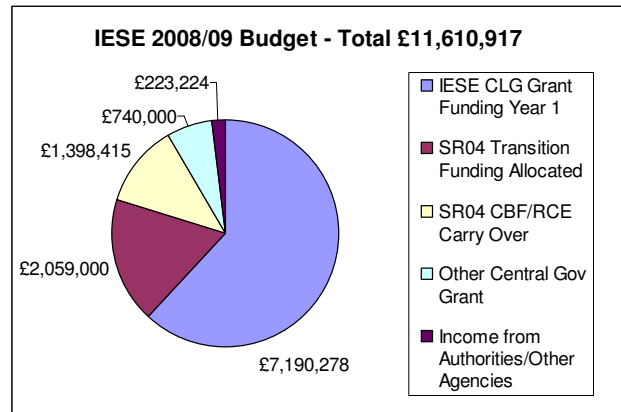
The economic downturn poses the major challenge to authorities in 2009/10 and IESE will have to be flexible and fleet of foot in responding to their needs. IESE plans to allocate funds and resources from its Performance Improvement Theme to help identify councils with the greatest risks to finances and service provision and provide them with the necessary advice and support. There are also successful projects that will need to respond to greater interest and demand such as the South East Business Portal which helps small businesses tender for council contracts, the asset management programme, supporting councils looking to reduce their facility overheads and save money and reduce carbon emissions plus other projects on economic development and housing. Above all, IESE will need to respond to genuine authority needs and work with partners such as SEEDA to ensure support is provided where it is most needed.

The size and complexity of the South East region will always be a major challenge. IESE believes that its mix of regional, subregional and more local projects is a good blend but this does create challenges in terms of governance and stakeholder management. A lot of effort has been made to engage authorities and respond to priorities but there is still work to be done to effectively communicate that IESE is a partnership of members and officers working collectively to improve local government, and not a funding organisation to which councils can bid for cash. We must in 2009/10 successfully position IESE as a true partnership of South East authorities enabling them all to improve services by focussing support on common priorities and fostering innovation. Tough decisions will need to be made to close projects that do not meet these criteria and reallocate funds elsewhere.

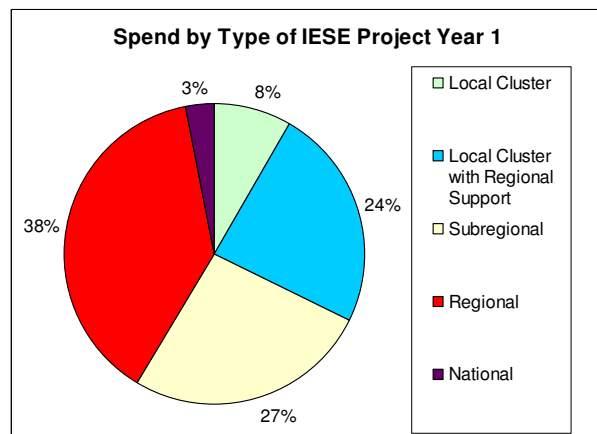
There are specific service areas where IESE will be seeking to improve its offer of support to councils in 2009/10. The region did not perform well in the most recent round of Children's Services reviews and, building on a strong record in adult services, IESE will be launching a new programme of support in this area with specific packages for struggling authorities. The strain of population growth means that there are looming issues for councils in terms of the costs of waste disposal and highways maintenance – 2 more areas where IESE will launch programmes of support in 2009/10. In the main though, IESE plans to build on the platform of success established this year and continue those projects and programmes that are demonstrably helping councils achieve improvements and efficiencies.

In response to the data on the region's progress against LAA targets, the LAAs/LSPs theme will be focussing resources on struggling LSPs through the Progress through Partnership, as well as focussing on LAA targets that need support through exemplar funding.

Financial Summary



Theme	Budget	Spend
Adult Care and Children's Services	£995,200	£347,957
Capacity Building	£943,146	£630,568
Commodity Procurement	£510,848	£421,079
Community Engagement	£189,890	£122,147
Construction and Asset Management	£954,479	£936,108
Corporate Transformation	£1,857,057	£1,381,322
LAAs and LSPs	£1,679,598	£1,328,483
Performance Improvement	£1,170,472	£730,434
Sustainable Communities	£636,540	£429,045
Waste Resource Management	£930,431	£590,041
Programme Management	£1,344,389	£1,219,146
Secretariat	£399,685	£425,563
TOTAL	£11,611,735	£8,561,893



IESE Governance

Member Board

Cllr Paul Bettison

Leader Bracknell Forest Borough Council
and Chairman, IESE Member Board

Cllr Neville Whiteley (Lead Member for Performance
Improvement, LAAs & LSPs and Community
Engagement)

Chair of the Southern Planning Committee, Test Valley
District Council and Vice-Chair, IESE Member Board

Cllr Mike Colston (Lead Member for Adult Services)
Buckinghamshire County Council

Cllr Keith Glazier (Lead Member for Children's
Services)
East Sussex County Council

Cllr Frank Downes (Lead Member for Corporate
Transformation)
Buckinghamshire County Council

Cllr Colin Davidovitz (Lead Member for Construction
and Asset Management)
Hampshire County Council

Cllr Paul Barrington-King (Lead Member for
Commodity Procurement)
Tunbridge Wells Borough Council

Cllr David Burbage (Berkshire Improvement &
Efficiency Partnership)
Leader, Royal Borough of Windsor & Maidenhead

Cllr Peter Moyle (Hampshire & IOW Improvement
Partnership)
Leader, Rushmoor District Council

Cllr Robert Bliss (Kent & Medway Improvement
Partnership)
Leader Shepway District Council

Cllr Bob Price (Milton Keynes, Oxfordshire &
Buckinghamshire Partnership)
Leader, Oxford City Council

Cllr David Munro (Surrey Improvement
Partnership)
Surrey County Council

Cllr Carl Maynard (Sussex Improvement
Partnership)
Leader, Rother District Council

Cllr Bryan Cope (Fire Improvement Partnership)
Chairman Kent and Medway Fire and Rescue Authority

Chief Executives Management Group

Peter Gilroy

Chief Executive, Kent County Council
CEMG Chairman and accountable for Secretariat

Neil Davies

Chief Executive, Medway Council
*Lead for LAAs and LSPs, Sustainable Communities &
Community Engagement*

Mark Hammond

Chief Executive, West Sussex County Council
Lead for Adult Care & Children's Services

Cheryl Miller

Chief Executive, East Sussex County Council
Lead for Waste Resource Management

Andrew Grant

Chief Executive, Aylesbury Vale District Council
Lead for Corporate Transformation

Andrew Smith

Chief Executive, Hampshire County Council
Lead for Construction and Asset Management

Rob Moran

Chief Executive, Elmbridge Borough Council
Lead for Commodity Procurement

Tim Wheadon

Chief Executive, Bracknell Forest Borough Council
*Lead for Capacity Building and Performance
Improvement*

Will Godfrey

Chief Executive, East Hampshire District Council

Colin Carmichael

Chief Executive, Canterbury District Council

Karen Satterford

Chief Executive, Wycombe District Council

David Buckle

Chief Executive, South Oxfordshire & Vale of White
Horse Councils

Chris Williams

Chief Executive, Buckinghamshire County Council

Roberto Tambini

Chief Executive, Spelthorne District Council

Ian Lowrie

Chief Executive, Adur & Worthing District Councils

Anthony Zacharzewski

Head of Policy, Brighton & Hove City Council

Bill Feeley

Chief Fire Officer, Kent and Medway Fire and Rescue
Authority

The next sections show how funding has been spent within the 10 IESE themes and the resulting achievements by authorities. There are also short examples of successful projects, for which the full case studies can be found in the case study booklet which accompanies this report.

LAAs & LSPs and Community Engagement Themes

These themes are considered together due to their overlap and interdependence. They already have a merged governance structure and the themes will merge completely in 2009/10. Both programmes have a strong community empowerment focus and the merger will enable IESE to enhance support provided under that key National Improvement & Efficiency Strategy theme.

Vision

The development of a seamless provision of services to citizens, focussed on local people and local needs, engendering an environment where the voice of the community can be heard, where organisations work together across sectors to re-orientate services and build for the future to improve life chances in our communities.

3 Year Objectives

The emphasis of the strategic direction will continue to be on supporting the development of cross partner working, enhancing the skills and capability of organisations (public/private and voluntary sectors) and communities to work together and identifying opportunities to deliver services in different and more innovative and sustainable ways.

It is projected that we will deliver the following strategic outcomes:

- LAA and MAA targets are more easily achieved and move forward the sub regional economic agenda within the context of the economic downturn
- LSPs operate more effectively and start to move the strategic agenda along (measured through exiting reporting mechanisms and LSP assessments)
- Focus on Top 10 and 'difficult to deliver' LAA targets through a programme of exemplar projects and knowledge sharing
- Best practice is identified and shared to improve life chances in our communities
- Enhanced contribution to the economy, with our communities becoming more sustainable
- Better collaboration involving all sectors
- Greater engagement and accessibility by residents and service users
- Evaluation and transfer of learning leads to widespread improvements across the region

Targets for LAAs/LSPs

- Successful LAA/MAA delivery with all LAAs to be reaching projected milestones and targets and implemented changed practice to reflect local people's priorities and tackle the region's longer term challenges and opportunities, within the context of the impacts of the economic downturn
- Build strong and effective LSPs who evidence their impact and added value by delivering support to narrow the gap between the best performing LSPs and the rest to ensure measurable progress across the whole region
- Increase the political and partner leadership of LSPs resulting in strengthened partnership working capacity and delivery
- Develop exemplar projects which pilot innovative approaches to LAA theme and target delivery to generate measurable improved outcomes for citizens and create transferable learning which can be rolled out across the region and nationally

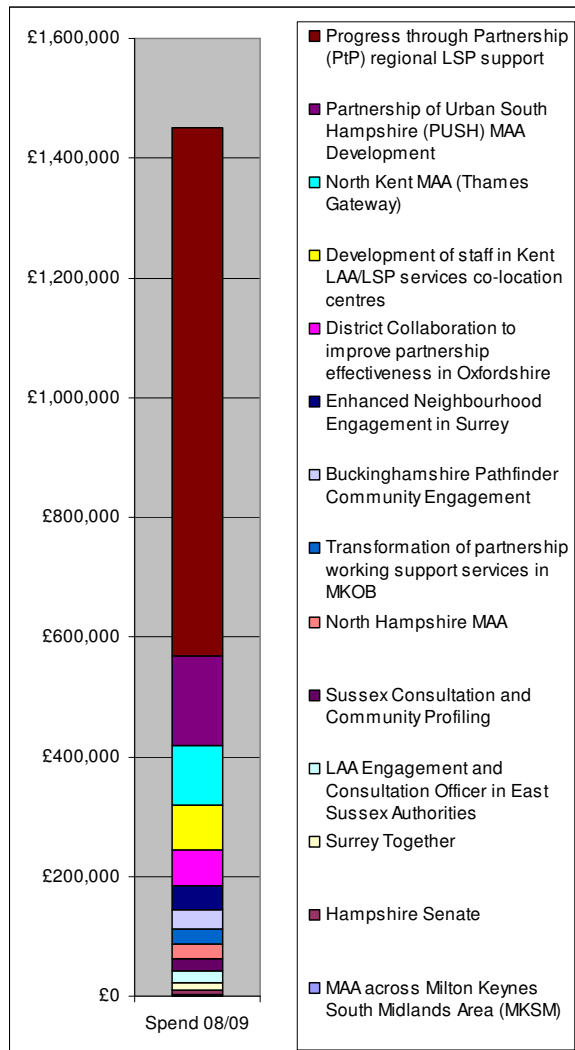
Targets for Community Engagement

- Develop the region's capacity to respond to the duty to involve and to promote democracy
- Develop and evaluate innovative approaches to community involvement, engagement and empowerment that can be shared across the region and nationally
- Develop the region's capacity to meet government expectations on NIs 1 and 4 on community engagement and cohesion
- Test models for effective implementation of community asset ownership and management

An unprecedented level of collaboration and exemplary partnership working between district, borough and county local strategic partnerships has resulted in the first integrated Sustainable Community Strategy being produced for East Sussex. Pride of Place is a strategy to which all partners have agreed, and which lays the foundations for working more closely together in the future. Before the integrated strategy was developed, the county, district and borough councils each had their own sustainable community strategy, each of which ran for a different period of time and was on a different cycle of implementation, review and update. There were a number of conditions which made an integrated strategy feasible including recognition by all the LSPs of the potential benefits of linking county, district and borough strategies more closely. It is widely viewed as a significant step in further developing partnership working and a more coordinated approach to community planning across East Sussex.

Spend 2008/09

Total Spend = £1,450,630



Whilst progress has been slow in some areas of activity, we have begun to see results coming through including:

- Recognition from LSPs that the Progress Through Partnership (PtP) support is valued and has made a difference in the capacity and capability of LSPs
- MAAs in North Kent and PUSH progressing well with strategies having been signed off
- North Hampshire and Milton Keynes South Midlands have explored potential for MAAs
- Hampshire Senate is beginning to show progress on building more effective relationships between partners
- Surrey Together is building stronger relationships in the sub region and a joint work programme is in development
- PtP has delivered a successful programme of training and development solutions
- Resources have been put in place to support East Sussex authorities in LAA development
- IESE has facilitated the development of LSP Networks have been developed to share learning and expertise

Community Engagement

Progress in year 1 has been directed towards scoping of projects and establishing governance arrangements.

- The Surrey enhancing neighbourhood engagement project has delivered its business case for sign off by the partnership board and begun county-wide consultation to gain buy in to the project. Partners are being asked to commit resources to the project
- The MKOB pathfinder community engagement project is expected to produce a headline business case in March 2009, to further develop the focus of the project

Benefits Achieved

LAAs/LSPs

- Delivering a programme of support, LAAs and LSPs to strengthen partnerships and support the development of leadership, infrastructures and governance; skills and capacity and peer support for members. Has included 16 separate workshops and events plus direct grants to over 50 partnerships
- Tailored support on key learning issues for LSPs where they are working cross boundary
- Facilitating greater cross boundary collaboration and support for the development of MAAs
- Working with all partner organisations to deliver greater capacity and expertise
- Developing tools and IT solutions which enable LAAs and LSPs to 'self develop' alongside more specific tailored support

In the year leading up to the sign-off of its new style Local Area Agreement (LAA), Medway's local strategic partnership (LSP) began a journey of transformation in its structure and leadership enabling it to negotiate a more strategic, cross-cutting LAA with an unprecedented level of buy-in from partners, which is hoped to translate into successful delivery. Through a process which included rigorous self examination, independent guidance and facilitation and wide consultation, the LSP has reconfigured itself to become a more streamlined partnership, with less thematic groupings and greater engagement of partners. It is too soon to say whether the changes in the leadership and structure of the LSP will ultimately result in the delivery of an 'excellent' LAA. However, the early signs are good - with partners apparently more willing to be held accountable and, significantly, being well engaged in meetings and discussions.

Sustainable Communities Theme

Vision

Authorities and partners meeting key sub regional economic challenges by: supporting development of solutions in key services; helping authorities to tackle the growing impact of climate change; developing positive community initiatives through targeted support, innovation and sharing capacity/knowledge.

3 Year Objectives

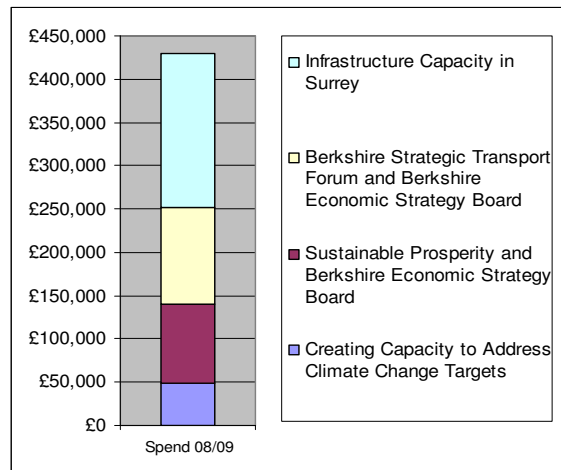
- Develop a better understanding of the major economic, employment and environmental challenges faced in the longer term and enable enhanced joint working between public, private and community sectors by undertaking research and support exemplar projects which deliver against these challenges.
- Undertake research at local level into understanding employment sectors; the future challenges for sustaining prosperity; matching skills to demand to identify gaps in workforce capacity/capability; and support the development of solutions across the region
- Pilot comprehensive measurement of LA carbon footprints and develop strategies to reduce each council's overall impact
- Develop the region's capacity to meet expectations on NI185 and 186 on carbon emissions and mitigation of the effects of climate change

The Berkshire subregion produced a single coherent strategy to secure long term prosperity for the area within an increasingly uncertain global economic climate. The work included securing support across the 6 unitary authorities whilst also ensuring effective support from other stakeholders across the public, private and voluntary and community sectors. The project was underpinned by a range of analysis and consultations including profiling the area, in terms of its economic, social and environmental conditions and undertaking scenario planning to help future proof the final strategy. The State of the Sub-Region Report was published in January 2008 and the Strategy was published in January 2009

Project lead Ruth Bagley, Chief Executive for Slough BC said, 'The Berkshire Economic Strategy Board has been able to make great strides in developing its Strategy, thanks to the quality of data supplied by Local Futures for the State of the Sub Region report, and thanks to their inclusive and consultative approach to devising the Strategy.'

Spend 2008/09

Total spend = **£429,045**



Benefits Achieved

- The establishment of the Berkshire Economic Strategy Board, bringing together all 6 Berkshire unitary authorities to produce the Strategy for Sustainable Economic Prosperity in Berkshire. This will be used to develop a programme of work to address the key economic challenges facing Berkshire from which other parts of the region can learn
- Governance arrangements have been established to support the Infrastructure Capacity in Surrey project and a programme of work will be developed once the capacity study has been completed
- IESE has led coordination of councils' efforts to combat climate change. The Surrey Improvement Partnership has been funded to deliver part of the support package and they will be building a climate change strategy with links to transportation and fuel poverty, which can be developed as a template for other parts of the region.

Looking Ahead

Foundations have been at sub regional level and cross authority working has improved. Next year, we will deliver outcomes which improve services and help meet LAA targets.

The focus for 2009/10 in this theme will be:

- Employment, economy and growth, particularly housing and supporting infrastructure
- Climate change and environmental impact
- Developing workforce skills to enable economic development and regeneration

Adult Care and Children’s Services Theme

Vision

Communities defining, creating, sourcing and receiving services that improve personal health and wellbeing.

Local authorities and their partners meeting efficiency targets in an increasingly stringent financial environment, and managing the transformation of delivery of social care, health and wellbeing to empower people to determine and receive the best care to meet their needs.

3 Year Objectives

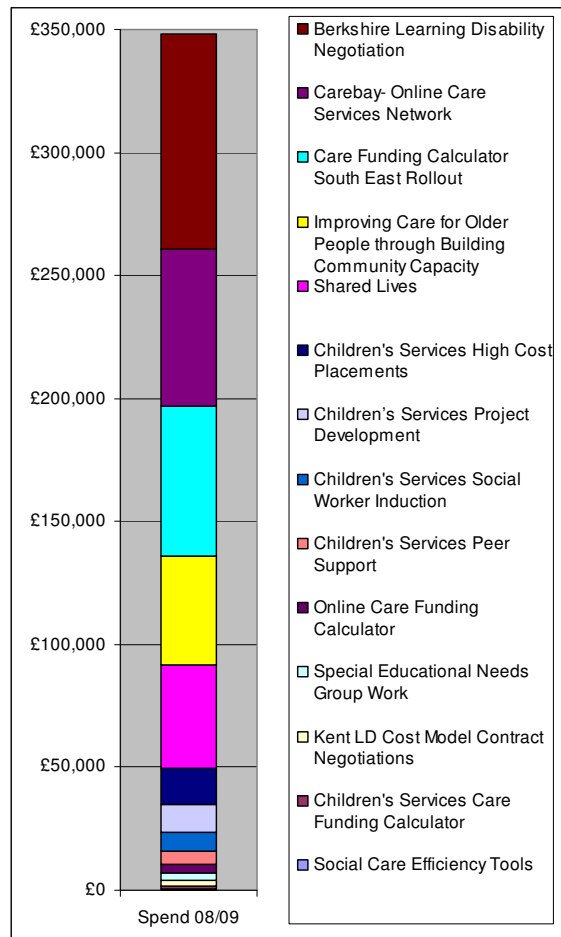
The Social Care theme has developed its strategic objectives to allow more flexibility in meeting priority needs of the region, the efficiency agenda and policy initiatives, including Putting People First, The Children’s Plan, and World Class Commissioning.

1. Supporting the development of new platforms and infrastructures – such as Resource Allocation Systems and Common Assessment Frameworks:
 - Up to 4 South East local authorities participating in developing and/or piloting technology solutions to meet the transforming social care agenda.
2. Generating efficiencies and savings
 - 5-year savings from 2008-9 to 2013-14 of over £30m
 - 4% or greater savings for Local Authorities on projects supported by IESE.
 - Preventative measures to tackle the cost of an ageing population.
3. Enabling authorities to deliver against required outcomes through workforce improvement and development
 - Improvement in safeguarding of children across South East region.
 - Social worker turnover in children’s services pilot sites reduced from 17% to 12%.

“Children’s Services in the South East face a significant challenge and I’m pleased to say that IESE, in partnership with DCSF have developed a number of targeted solutions in areas of high risk”
– Cllr Keith Glazier, IESE Lead Member for Children’s Services

Spend 2008/09

Total spend = **£347,957**



Local authorities and primary care trusts (PCTs) in Berkshire and Oxfordshire are co-ordinating the procurement of their dementia care provision in response to a shortfall in capacity and an increasing demand for places. Establishing the Dementia Framework Project Group, they invited competitive tenders from dementia residential and nursing care home providers for both spot (one-off) and block booking of placements. This will increase the capacity available to local authorities and PCTs in line with demographic increases as well as delivering a regular income stream to the homes themselves.

Rob Atkins, Procurement Manager, Berkshire Procurement and Shared Services Unit (BPSSU) said, “This is a challenging project which should deliver real procurement and service benefits for both the Group partners and the providers. By securing block placements, local authorities will be able to better match local need with local availability and monitor the nature of that care at a central level to ensure it’s of the required standard. It’s an important step forwards in meeting the dementia care demands arising from longer life expectancy generally.”

Benefits Achieved

Total cashable savings = **£4,444,513**

- Training delivered to 20 providers, 3 Primary Care Trusts and 12 Local Authorities on use of Care Funding Calculator (CFC)
- Efficiencies of £3.7m from use of South East region cost model (precursor to CFC)
- Efficiencies of £96,000 in the South East from use of CFC
- Children's projects scoped and pilot sites on board
- Consultancy support in place for authorities participating in Carebay piloting of technology solutions
- Report delivered on cost and quality benchmarks for 'shared lives' support
- Needs vs. provision analysis completed, and 1st community workshops & information sessions delivered in 2 x Bucks districts
- Dementia framework for Berkshire sub-regional use completed
- Improved member engagement
- Effective governance structure established linked to South East JIP

The Care Funding Calculator continues to deliver cashable benefits and cost avoidance to local authorities, and there has been an increase in collaborative negotiations with groups of local authorities who share the same providers, notably through the Berkshire regional partnership work using the tool, and through Hampshire & surrounding authorities.

Children's Services projects are well under way with funding approved for projects where pilot sites are already working on developing the approach and scoping the needs.

Carebay is working with IT partners to develop technology solutions to meet the needs of communities under Transforming Social Care, and is in discussions with potential pilot sites.

Looking Ahead

Social Care is the one area where Local Authorities in the South East are struggling – this is particularly true of Children's services, where we anticipate significant focus in 2009/10. The children's services Annual Performance Assessment results for 2008 indicated serious concerns for South East authorities. Children's services has understandably come under more scrutiny due to national events and with changes in the Public Law Outline, which resulted in greater cost and bureaucratic burdens on services.

Significant pressures also exist in Adult services, specifically the challenges posed by Transforming Social Care, and the efficiency agenda.

By the end of year 2, the Social Care theme will have a number of projects aimed at supporting Children's services targeting key areas of concern. As a result of this, IESE expects to see better results for children's services in safeguarding, improved retention of social workers, and a reduction in unit costs on high-cost placements.

In adult services, the Care Funding Calculator will continue to reap benefits through delivering cashable efficiencies. In addition, the tool will be developed for use on the internet to broaden access to it, and a version developed for use by people with their own budgets - either self-funders, or those in receipt of individual budgets.

Carebay will have made significant progress towards the development of technology solutions to assist local authorities in meeting the transforming social care agenda, by working with a number of pilot sites and translating the outcome of those pilots into learning for partners developing technology solutions. Local authorities will have a clear understanding of the costs involved, and process changes needed in order to benefit from the application of such solutions

The Care Funding Calculator (CFC) supports local authorities and primary care trusts in managing the costs of residential care and supported living for adults with learning disabilities. It also helps providers to understand the process of negotiation. Although initially developed specifically for learning disabilities, the tool is flexible and is now being used successfully in other adult care services such as mental health, physical disabilities and sensory impairment. The CFC is available online and can be used by commissioners and providers. The key to success has been to include councils, primary care trusts and providers at all stages of development and to ensure that the process is transparent and open to all.

Waste Resource Management Theme

Vision

Government has asked local authorities to achieve 4.5% cashable savings over the CSR07 period; the strategic vision for the theme is to **“Help Councils do more with Less”**. Through IESE and partners, councils in the region will work together to benefit from economies of scale through the procurement of shared collection services, joint marketing of recyclables & residual materials, optimisation of existing treatment facilities and through best use of spare disposal capacity. These activities will be supported by an expertly informed officer and member structure. In achieving this vision, the South East will become a sustainable and self-sufficient region for waste resource management and exceed landfill diversion targets and other environmental targets set in Local & Multi Area Agreements.

3 Year Objectives

The theme will provide a strategic support function that enables councils to improve the delivery of services and increase value for money to the public whilst improving the environment. This will be achieved through targeting, facilitating and directing resources to authorities, with the following objectives:

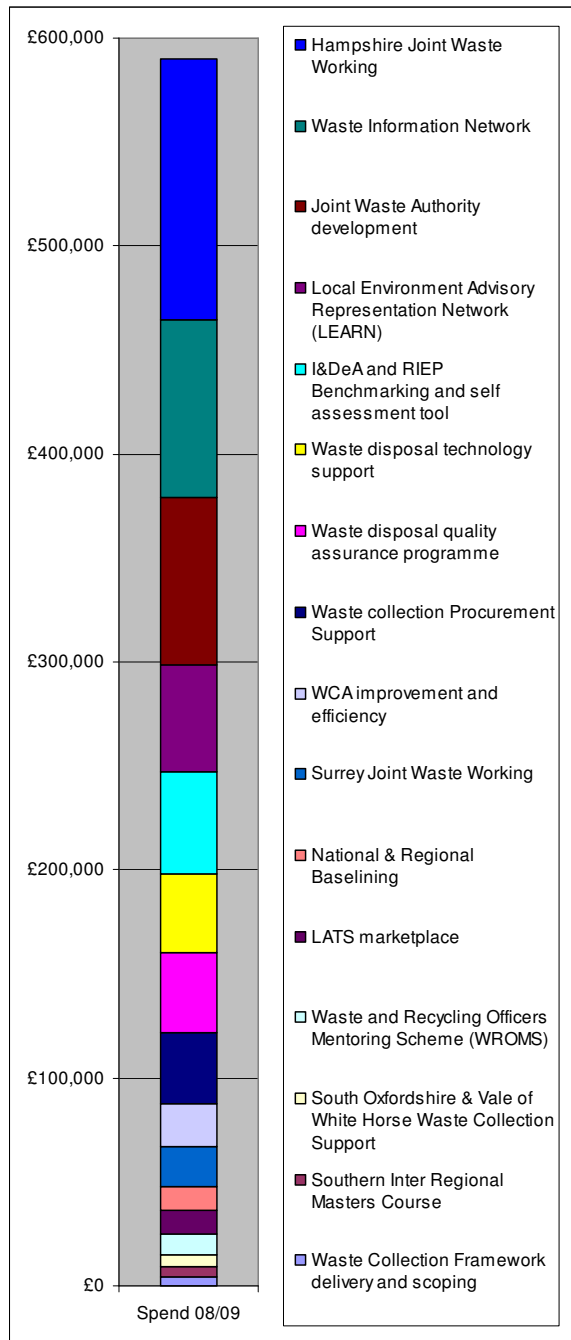
1. The formation, in conjunction with DEFRA and the LGA, of 4 multi authority partnerships that sign single collection contracts or form Joint Waste Authorities within the CSR07 period delivering £11m efficiency savings and allowing subsequent clusters to each make operational and back office savings of 5-15%
2. The delivery of a regional/national programme that jointly markets recyclates and refuse derived fuel, to deliver economies of scale in recycling and waste disposal
3. The development of a LATS Market Place that enables the most cost effective way of meeting the WET act. To achieve this every English WDA will be using the marketplace by 2011
4. To deliver a Regional structure that enables councils in the SE to ensure best use of existing and future disposal facilities for both Household and commercial waste

5. Through the use of standardised template documentation, e-tendering, competitive dialogue and the use of existing and new frameworks delivery in procurement savings of 10% by WCA's when procuring new contracts
6. £4m savings by implementing more efficient waste collection methods Improvement through optimisation of collection routes, moving to sustainable vehicle fleets and improved driving skills
7. Measurable improvements in skills and knowledge of officers and members (target of 50% of councils in England reporting benefits and 75% in South East);
8. Cashable savings through avoiding costs by accessing reports and documents which otherwise would have had to be purchased (target of £2 million cashable savings in 2009/10).

The Waste Information Network (WIN) is a national free service for the local government waste and environment sector which aims to deliver sector-led support. It was established in 2007 to realise efficiencies through providing the information necessary to reduce the need for councils to engage with consultants and save officer resource through reduced time searching for information. An example of how WIN has been used to share good practice was an innovation in Southampton driver training, which saved the council £46,000 a year by reducing accidents and fuel usage. Our case study and online seminar have helped all councils in England to benefit from Southampton's experience.

Spend 2008/09

Total spend = **£590,041**



- Much improved awareness of performance relative to other councils, how other councils have made an impact on NIs plus other information available to them to help their council improve
- 15 on-line seminars organised by IESE, giving councils access to the best information and opportunity to ask question and make contacts, from their desk in their council, avoiding travel and time out of the office.
- Authorities can now benchmark their current waste service to determine areas for improvement. The same toolkit, developed and launched by IESE with IDeA, then provides an action plan to implement improvements giving examples of how others have improved and links to support and guidance
- Established Waste Networks Chairs group, with quarterly meetings, coordination of 'adviser activity' avoiding each network working in isolation, coordinated identification of key issues and delivered results in each of the issues. Also established support for more formal joint working and the evidence base for efficiencies.
- 5 councils in Surrey are implementing kitchen waste collections have agreed to use the same specification of kitchen caddy and kitchen waste bin and have a joined up policy on caddy liners. This helps to give clear messages to householders about how to use the service reducing contamination and maximising recycling rates.
- Councils involved in pilot waste collection efficiency projects have reported benefits such as improved recycling rates, less side waste, fewer missed bins, improved customer service, better participation, improved health and safety.
- Planned joint waste contract in Hampshire, which has been planned and developed during this year, expected to generate £1m per year efficiency savings from 2010
- The South East has led nationally on procurement of a nationwide LATS trading scheme to minimise risk of LATS fines. This year has seen the preparation work done for the procurement to commence next year.
- Report produced on the benefits and issues with gasification and pyrolysis technology which has the potential to provide a "waste to energy" solution for local government

Benefits Achieved

Total cashable savings = **£1,544,366**

- Good quality waste collection contract (high environmental performance, good customer satisfaction) delivered in South Oxon, and Vale of White Horse through competitive dialogue and use of standard procurement documents. Improved procurement audit trail and visibility to all stakeholders through using e-tendering software

Corporate Transformation Theme

Vision

To redesign 'organisations' within 3-5 years to deliver improved services in response to customers, with demonstrable better value and lower costs.

- To do this through a portfolio of projects which grows the scale of change and develops skills within Local Authorities to self-improve
- To support a blend of projects, balancing the rollout of known success with innovation and testing new and high risk ideas.
- To identify new opportunities and, where appropriate, commission activity to deliver these.

To deliver this through:

- Enabling partnerships (public/private/3rd sector) and individual authorities to improve services through application of best practice business transformation techniques
- Increasing capacity in Authorities to transform and improve services, enabling sustainable improvement and resulting in greater service resilience.
- The development of models of collaboration between tiers of authority, between authorities of the same tier and with public; private and voluntary sector organisations to reduce costs of service delivery and provide a more seamless service to customers

Maidstone, Tunbridge Wells and Ashford Borough Councils are mid-way through a 2 year joint business transformation project that aims to improve the delivery of services to their communities, and reduce their cost. The initiative is targeted initially at improvements in four key service areas – legal, finance, contract monitoring and print. Focusing on detailed analysis of the unit costs of each service's delivery, best case examples and informed input from staff, the project is already on track to save £500,000 in its first year, as well as serving as a catalyst for further shared service initiatives.

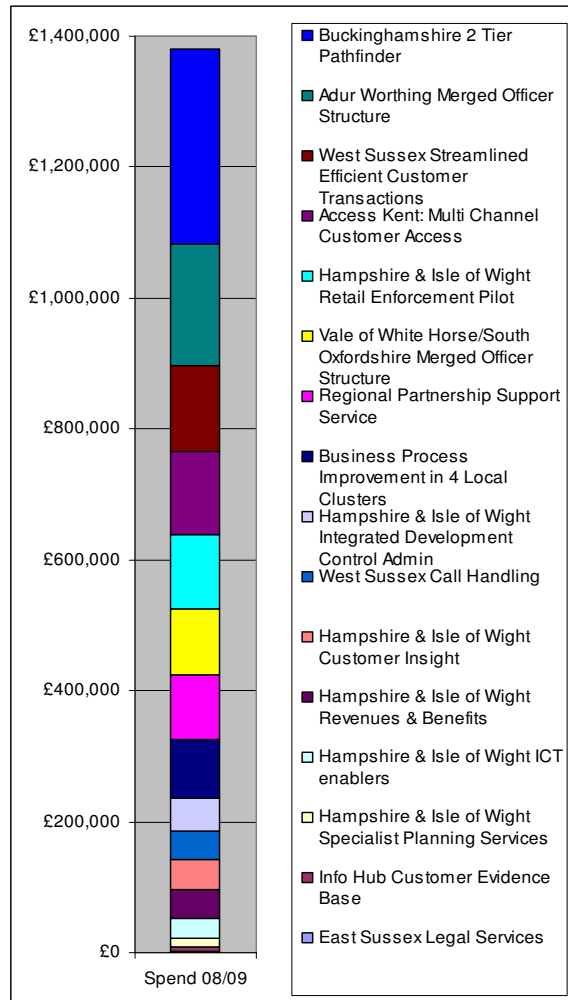
William Benson, Director of Change and Business Support, Tunbridge Wells Borough Council said, "A great many authorities are now involved in business process re-engineering to improve customer service and to reduce cost, duplication and turnaround times. The programme we have embarked on with Ashford and Maidstone Borough Councils provides the added benefit of identifying joint-working opportunities. This has allowed us to reduce management overheads and increase resilience. In short, the programme allows us to take a structured approach to improving our services and taking advantage of technology and, in the process, to learn valuable lessons from one another in terms of best practice."

3 Year Objectives

1. Service levels improved in at least 10 different services across 3 different county areas in the South east through innovative 2 tier and single tier collaborations
2. Efficiency savings (cash releasing) of at least £20m realised by supporting authorities to develop new service models in partnerships
3. Increased resilience in key services with capacity issues through the implementation of new service models
4. 50% of south east authorities enabled to have demonstrated service improvements and efficiencies of £1m per active partner (authority) through business improvement and to have developed the capacity to make further future improvements
5. 3 new public service models implemented across the region with measurable improvement in customer value

Spend 2008/09

Total spend = **£1,381,322**



Benefits Achieved

Total cashable savings = **£1,409,962**

This is reflective of the slow burn nature of transformational projects (the total forecast savings over 5 years for all projects is £13.2m) but demonstrates the potential and rationale for further investment in these projects.

Other achievements include:

- Retail Enforcement project won accolade with a star award from Local Better Regulation Executive.
- Over 75 LA officers have been trained on Business Case methodology, improving the likelihood of success of future LA investments
- Customer Insight project has delivered £180k savings through a collaborative procurement approach, with further efficiencies to be realised with subsequent use of data across many services.

The innovative projects of Adur & Worthing Partnership and the Bucks 2-tier Pathfinder, both new LA models of operation, have been progressing well and have benefited from IESE funding of project management, specialist advice and quality assurance. Adur & Worthing are seen as taking a lead on innovation in a way which has national importance and other Councils have benefited from their lessons learnt to date. Efficiency savings of £517k achieved this year, with the target of £2.08m of further efficiencies and service improvements to be delivered in 2009-11.

Bucks Pathfinder has already begun to realise efficiencies despite being in its infancy, with £122k delivered this year, and as a two tier collaboration is making strides to building upon current political joint working, improving customer's experiences through a series of projects and community engagement events. The partnership has reached a major milestone with the delivery of the detailed business case for shared support services, and high level business appraisals for customer services and waste integration, all identifying potential for significant benefits to be derived for partner councils.

Hampshire and Isle of Wight, Kent and Sussex subregional partnerships are working on the customer services stream and are transforming the total end-to-end customer experience with the ambition of developing seamless access to services and joined up back-office provision:

- Customer Insight (H&IOW)– analysing customer requirements;

- Access Kent – tell us once and local government user accounts ; and
- Streamlined Customer Transactions (Sussex) – seamless integration from request to service delivery.

These projects involve 44 local authorities and together these authorities serve a population of 4.6 million. Through collaboration and sharing knowledge the aim is to better understand the needs of their customers in time of rising expectations and reduced resources.

The Customer Services Stream projects started in September 2008; plans have been developed for the next two year period and beyond. By taking the projects as a whole, the full range of customer service activity is covered with wider opportunities for joint working

Developing Shared Services was a further stream supported in year one, each project targeted at transformation in a particular service area with some potentially more innovative (e.g. Integrated Development Control, Retail Enforcement Pilot) than others (e.g. Revenues and Benefits and Legal Services). In addition the ICT enablers project focuses on supporting a wide range of partnership projects. The participants in these projects are in the main, the Hampshire and Isle of Wight authorities, though the legal services project covers East Sussex.

The Regional Business Process Improvement (BPI) project has generated savings of over £427k in the first year, and involvement and success is growing through the addition of more authorities taking a collaborative approach to BPI, sharing resources and best practise and creating a sustainable model of continuous improvement. Improved resilience in a number of service areas including legal, and planning have resulted from this project. In addition the project has built capacity in Councils to undertake the work themselves, over 40 staff to date have been trained on BPI , in addition to a Business Transformation Practitioner Forum being created to ensure learnings, experience and expertise is shared across the South East.

Construction & Asset Management Theme

Vision

The theme aims to assist authorities to achieve procurement savings, project delivery efficiencies, and access to best practice through:

- Ensuring best value procurement methods and approaches are available to any authority in the South East
- Introducing arrangements to deliver cashable savings and benefits in excess of £100m
- Delivering further identifiable efficiencies capable of wide application across public authorities
- Seeking out opportunities for aggregation and the deployment of best practice supply chain management and development
- Encouraging collaborative working, risk reduction, and improved predictability for the construction sector to derive direct benefit for authorities
- Instigating appropriate shared service provision so that authorities may pool scarce professional resources and expertise and avoid duplication of effort
- Delivering best practice property and asset management solutions with wide application to generate efficiencies in line with targets
- Ensuring sustainable benefits are achieved and energy efficient building assets are created in line with published targets for carbon emissions and other emerging legislative targets

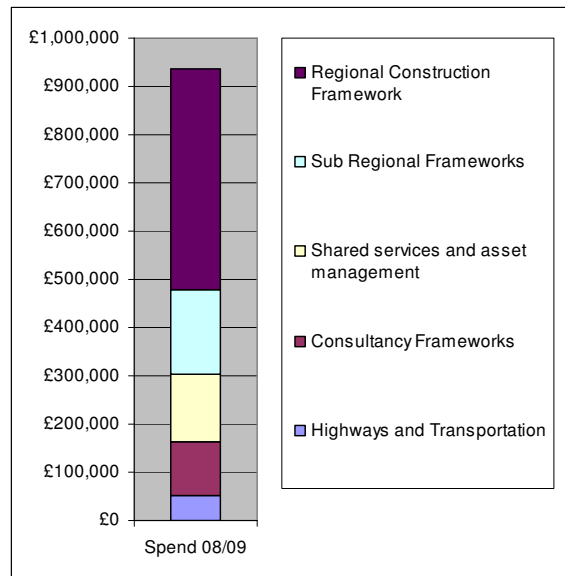
3 Year Objectives

1. Reduction in buildings expenditure by reducing cost overruns from 10% to less than 1%, reducing the costs of procurement by £75K for spot purchased large buildings, and saving £83m through targeted support
2. Up to £18m savings through reduced procurement costs and better value for money from specialist consultants
3. An overall reduction on the total spend on buildings and maintenance and the smarter use of premises to accommodate new ways of working
4. £10m savings from prioritisation of resources relating to asset management and shared buildings and asset management services between authorities in the same geographic area
5. Common highways asset management strategies and highways professional development

6. Regional and sub regional frameworks for highways consultancy and construction incorporating a consistent approach to highways supply chain engagement to eliminate lengthy and expensive pre-contract negotiations leading to savings of 10%

Spend 2008/09

Total spend = **£936,108**



Reading Borough Council (RBC) has established a ground-breaking shared service arrangement with Hampshire County Council (HCC). Key to the success of the shared service arrangement is the open way in which the two authorities work together. The shared service arrangement is currently delivering a significant proportion of RBC's capital programme. RBC has benefited from improvement and efficiencies in the order of £100,000s through shared management arrangements and savings on procurement costs.

In addition, the arrangement reflects a desire to re-use the skills and learning of personnel involved to develop a learning environment for similar schemes.

Dave Peasley (acting Chief Executive at the time) said "the project has gone exceptionally well. Quality advice is given to a level that we have not seen before. There is an overall level of confidence, and problems can be raised and dealt with."

Benefits Achieved

Total cashable savings = **£8,363,370**

There has been major progress in the delivery of efficiency savings over and above what was planned. This has been achieved through a combination of procurement savings, aggregated purchasing savings, and savings through the collaborative process.

Over and above the cost efficiency savings, the data from the projects is showing that the frameworks are more predictable in both cost and time when compared to recognised industry benchmarks, and compare well in terms of overall cost as well. This means that authorities are getting a better quality, more predictable building project for the same cost or less.

Furthermore, performance data is showing that the framework projects are performing up to 28% better than traditionally tendered projects. This is from performance review data gathered on completed IESE projects compared to Hampshire County Council's own tendered projects. Considering that the IESE performance is based on a number of authorities and is compared to a single, experienced authority, this is a remarkable outcome and clearly shows benefits of adopting this approach.

The same performance data has enabled us to identify authorities who need more help and support to implement the modern collaborative approach to fully realise the framework aims and objectives.

IESE and OGC Buying Solutions are launching a new consultancy framework to serve all public authority construction projects in the south east. This new framework is expected to benefit public authorities significantly by reducing consultancy procurement time and cost as well as improving project delivery and value.

Surrey County Council hopes to take advantage of the new contract at the earliest opportunity. Surrey's Professional Services Consultant Nick Layton says: "Surrey County Council has for many years used external consultants to deliver its major capital works building projects using bespoke conditions of contract. Procuring such contracts is time consuming and expensive. It makes sense to use a framework of consultants, using industry standard terms of engagement. It precludes the council having its own bespoke arrangements, means consultants do not need to undertake multiple costly tender exercises for similar clients, and should dovetail nicely into the IESE contractor framework arrangements."

The asset management project has resulted in the increased capacity in client teams and knowledge sharing between authorities through IESE-led civic office projects for Wealden District Council and Hampshire Constabulary and the shared service arrangement with Reading Borough Council.

The consultancy services framework, a joint venture with OGC Buying Solutions, will be awarded and start delivering benefits in the next financial year.

Research and project scoping for a programme of highways services support projects has now been completed with implementation due to begin in 2009/10.

"I don't suspect 2009 will be any less challenging than previous years, but I very much hope that as many councils as possible, particularly in difficult economic times, will make use of the resources, capacity and skills that are now part of this workstream." - Andrew Smith, Theme Chief Executive

Looking Ahead

The stated cashable efficiency savings for 2009/10 are £36,700,000 across the framework arrangements and the shared services project. However, much will depend upon the capital expenditure of local authorities in the current economic climate. Having captured data on performance, we will target our efforts to assist those authorities who are not performing as well as others. We will also look to replicate the success of the building arrangements in the Highways and transportation area, and research work and consultation is well under way.

We will spread further the success of shared services arrangements such as that between Hampshire and Reading Councils, and look for major programmes of work such as civic offices, primary schools, or secondary schools (Building Schools for the Future) to do this. The Civic Office programme in particular is proving very successful in helping authorities to maximise use of their assets, and demand for the IESE services is growing.

We will extend our support for other regions from the South West, where we have supported the establishment of their regional framework, to other regions, including the West Midlands.

Commodity Procurement Theme

Vision

The Commodity Procurement Theme aims to work with local authorities in South East to ensure they have the capability, capacity and knowledge necessary to make intelligent procurement decisions. Furthermore, the Commodity Procurement Theme, through its projects will continuously provide challenge to local authorities in the South East to guarantee all savings opportunities are capitalised on and that, where necessary, relevant operational changes are made within councils. IESE's commitment is to best practice procurement through:

- encouraging the use of existing contractual arrangements (through the Best Deals Programme);
- implementing our suite of e-procurement tools (including the South East Business Portal and ProContract);
- providing accurate local authority spend analysis for councils to use to inform their work plans and recognise potential savings and;
- professional development in strategic procurement and supply.

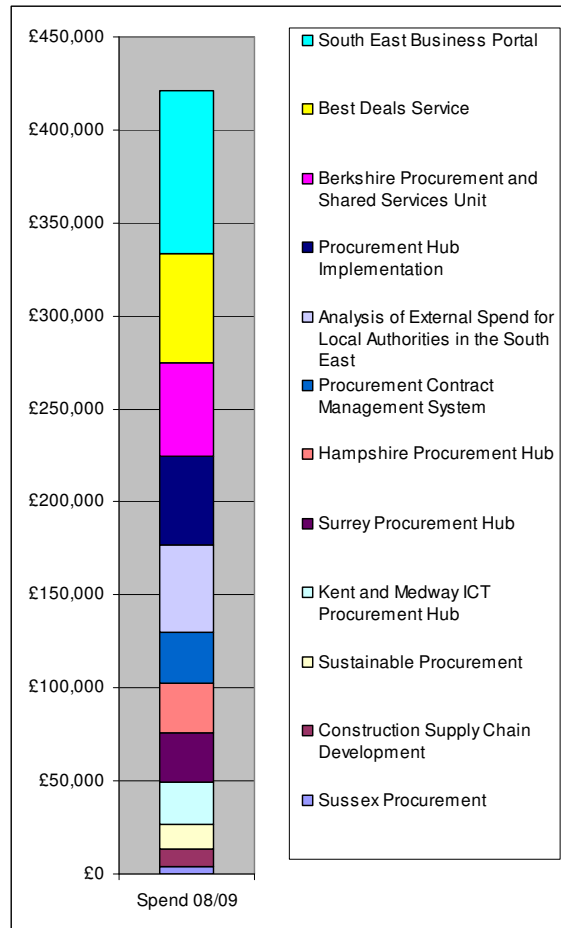
The collective programme will aim to create an innovative procurement environment for local authorities to become increasingly efficient and to make strategic procurement the core of all local authority business.

3 Year Objectives

1. Increased capacity for strategic procurement and £2m annual efficiency savings by stimulating procurement hubs
2. £65m savings through sharing knowledge of and stimulating use of best available contracts for all spend areas and enhanced ability of local authority procurement to self improve. This will include £5m efficiencies in legal services and £10m in insurance
3. Comprehensive region wide contracts and opportunities database resulting in £20m savings via reuse of existing contracts and reduced procurement costs
4. Comprehensive regional database of external spend within local authorities
5. Eight exemplar councils for sustainable procurement to share experience and expertise
6. £6m of commonly occurring construction commodities and materials yielding up to 30% saving.

Spend 2008/09

Total spend = **£421,079**



The South East Business Portal (SEBP) is a web based tool which allows local authorities to upload their current contracts, contract documentation and business opportunities across all service areas in the south east. Authorities can register for free and by sharing the documentation and best practice are able to make savings in officer time and third party costs. The portal has helped authorities implement more favourable contract arrangements and achieve savings through a more efficient procurement process. Furthermore, 35 authorities have said that they have saved in advertising costs by using the portal on a regular basis.

Amy Richards, Senior Procurement Officer at Basingstoke & Deane BC said, "When we were about to start the tender process for our general banking services, attachments uploaded by Spelthorne BC on to the South East Business Portal provided some really useful information, saving officer time."

Benefits Achieved

Total cashable savings = **£2,396,540**

- The South East Business Portal has delivered cashable savings in excess of £700,000. 66 out of 74 South East authorities had signed up by the end of 2008/09. At the sub regional level, procurement groups are incorporating it into collaborative workplans as the obvious vehicle for both transparency and information sharing. Large numbers of suppliers, particularly small businesses, have signed up to the portal as their preferred route (it is free of charge) to information on opportunities to do business with councils in the region
- The Best Deals Project, which provides information to councils on the best value contracts and buying guides on key commodities and services, has demonstrated over £850,000 of cashable savings realised thus far
- Over 25 local authorities have utilised the spend analysis framework and IESE's offer of £1000 subsidy towards spend analysis with cashable savings of £162,000
- A Procurement Development Manager has been appointed to work closely with each of the 5 sub regions with pilot or implemented procurement hubs.
- Each of the procurement hubs has made some progress in identifying collaborative opportunities which could show cashable and non cashable savings. They have also set up governance structures to support the work of the programme team. Berkshire Procurement & Shared Services Unit (BPSSU) has delivered over £1.1m cashable savings for this financial year, some of which contribute to the Adult care & Children's Services theme.
- The production of a suite of products to help authorities with sustainable procurement. These can be used by all authorities in the region to reach the SPTF Level 1.

A collaborative joint procurement exercise on insurance services was undertaken by Arun District Council, Hastings Borough Council and Crawley Borough Council in early 2008 with the objective of attracting a wider interest from the insurance market and obtaining competitive pricing. The process, kicked off through a workshop hosted by IESE, has achieved savings calculated at £2million for the three councils for the term of the contract.

"The joint procurement exercise achieved the objective of attracting a wider range of bids and whilst it is not possible to assess the likely outcome had the Councils approached the market individually, it is considered that the element of additional competition has driven down prices and a favourable outcome was obtained when judged against a pre-tender offer from the existing insurer of renewal on existing terms for one Council with a one-off £40,000 cash discount" Rob Kitt, Procurement Officer.

"Our Procurement Theme is strongly delivering Value for Money, efficiencies and savings. We are increasingly helping the South East Local Authorities to achieve the targets they have been set in this spending review" – Cllr Paul Barrington-King, IESE Lead Member for Procurement

Looking Ahead

The Commodity Procurement Theme in Year 2 will release additional cashable and non cashable savings through continuation of the 2008/09 programme of regional and sub regional projects. Estimated cashable savings should exceed £4.4m, Furthermore there will be non cashable benefits through savings in officer time; performance improvement and capacity building. With the new Theme governance structure now solidly in place, Year 2 will see sub regions proactively engaging with the theme to develop collaborative opportunities.

Capacity Building Theme

Vision

Members and officers equipped with the skills to meet the challenges being posed by the pace of change in local government and partnership working, with an emphasis on finding ways to innovate, joining up demand, sharing knowledge on effective capacity building options and sourcing training and development services at lower costs.

The strategic direction will continue to be guided by the workforce strategy and the needs of the region and will focus on:

- Leadership development
- Organisational development and succession planning
- Skills development

3 Year Objectives

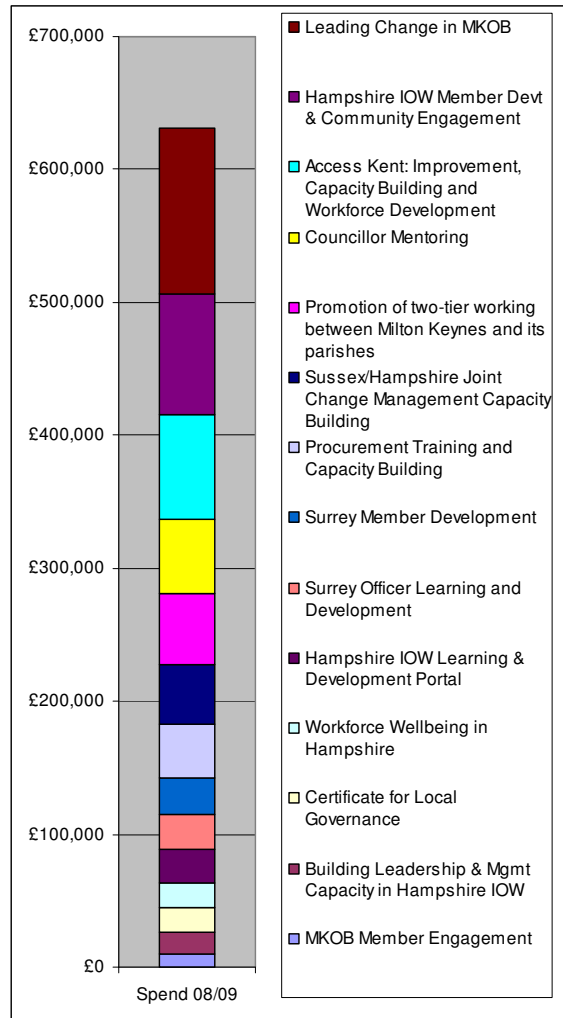
- Develop improved skills in leadership, change management and innovation amongst officers
- Support collaborative solutions for identified skills shortages
- Support collaborative solutions to identified organisational development needs
- Reduce the learning curve for new members through better member induction programmes
- Support member development for partnership working and organisational change

The Hampshire and Isle of Wight (HIOW) Wellbeing project provides a comprehensive approach to managing wellbeing at work. The aim of the project was to identify the best way to increase employee wellbeing and thus reducing absence levels in the workplace. The project identifies that both employers and employees have a joint responsibility in ensuring employees live more healthily, both at work and in their private lives. To date over 500 officers have attended workshops to improve wellbeing.

Manjit Sandhu, Head of HR New Forest DC said, 'High levels of Employee Wellbeing will have a direct impact on the performance of the organisation – whether that is reduced sickness absence rates or the employees going the extra mile to ensure that their performance is at its best. Employees do and will vote with their feet and go off sick in teams/organisations where they feel undervalued.'

Spend 2008/09

Total spend = £630,568



Benefits Achieved

In year 1, the programme of activity has been focussed on strengthening the training and development solutions required to meet the needs of the regional strategy and building upon the work in SR04. The majority of projects are now moving into implementation stage and there are signs of greater collaboration between sub regions in developing courses and sharing knowledge and expertise.

- The joint change management and capacity building programme between Sussex and Hampshire Isle of Wight (HIOW) has seen the development of a leadership academy concept which is expected to deliver courses to 120 officers in the two sub regions, sourced jointly, and leading to efficiencies.
- The HIOW recruitment portal is now up and running and is creating greater interest in jobs in the area, improving the quantity and quality of applicants and improving the experience for candidates and has delivered £300,000 in efficiency savings.
- HIOW have established a learning forum, which is collaborating on the development of learning portal which is expected to be delivered in 09/10 and are working towards a mentoring scheme in association with South East Employers.
- The commodity procurement theme has put 2 cohorts of students through the Strategic Procurement and Supply Chain MBA accredited module led by Bath University Management Centre.
- MKOB have developed and delivered a range of events including the Leadership Challenge event, which will be repeated in 2009, the creation of a mentoring network and scoping of member development needs.
- Surrey authorities are jointly developing a range of officer and member development tools, and have established a cross Surrey governance structure to manage the programme and reduce the costs of delivery through collaboration. Surrey has a range of events planned and in train to promote opportunities to members and officers.
- IDeA has delivered mentoring support to 11 charter councils, the whole of South East Fire Improvement Partnership Regional management board and 3 weak or fair councils, with 15 projects now up and running.

Looking Ahead

South East Employers are undertaking a workforce review which will inform IESE direction and activities through 2009-11.

The strategic focus for year 2 will be to build upon the work undertaken in year 1 within subregional partnerships, and to encourage greater collaboration to deliver efficiencies and improvements in the sourcing of training and development needs and the IT solutions being developed.

It is also expected that the measurement of the progress of projects will put greater emphasis on aligning the development of skills to the improvement in authorities' corporate and service level performance

The development of the Regional workforce strategy will provide better evidence of where support should be targeted and how we can support authorities to undertake succession planning across organisations, rather than in isolations and therefore build capacity.

We will use emerging networks and work with partner organisations to engage on projects and build greater cohesion and idea exchange on the solutions being developed.

The South East Councillor Mentoring Programme has been very successful in providing councils with access to an invaluable development tool. This additional resource has been used in a variety of different scenarios, thus helping a number of councillors to achieve the aspirations of the South East Elected Members Charter. The programme is the result of a partnership between South East Employers, the Improvement and Development Agency and Improvement and Efficiency South East, who are providing the funding. The funding was used to provide up to eight days of free councillor mentoring support, which has taken the form of either group or one to one sessions in each of the eligible organisations. There are now IESE funded mentoring projects in place at thirteen out of the twenty three councils committed to the Charter.

Councillor Alan Kendall, Executive Member for Education & Leisure at Bracknell Forest was mentored under the scheme following his appointment to the Executive.

"I found my sessions very useful, not so much because I had specific advice about how to do my job on the Executive, but how to work with my colleagues on the Executive. I also very much appreciated the opportunity to speak frankly and openly, and in return received good and frank observations as to how I might be more effective, organise my time better, and establish priorities in a better way."

Performance Improvement Theme

Vision

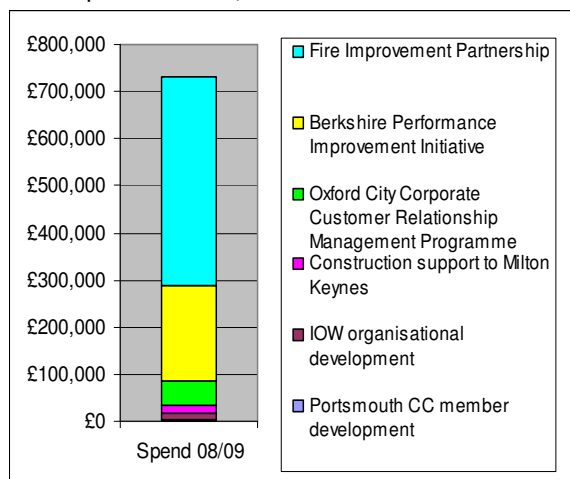
- Authorities in the South East being among the top performing in the country with no authorities in the lowest categories of CPA or CAA overall assessments.
- Access for all authorities to coordinated, sector-led support to help them address specific service or general corporate performance issues.
- Councils sharing responsibility for individual and collective performance by monitoring, benchmarking and taking ownership of providing peer support to improve.
- Government intervention in South East authorities avoided through sector-led support being provided to authorities who need it based on either early warning intelligence shared among partners or in reaction to unforeseen problems.

3 Year Objectives

- Councils sharing responsibility for individual and collective performance by taking ownership of providing peer support to improve
- Identifying, gathering and sharing the intelligence necessary for timely action to support performance improvement
- Responsive practical and coordinated support provided to authorities who need help to improve performance or face particular challenge
- No authorities with use of resources score = 1

Spend 2008/09

Total Spend = £730,434



The South East Fire Improvement Partnership (SEFIP), which provides improvement and efficiency support to Fire and Rescue Services as directed by their Regional Management Board, draws its funding from this theme.

Benefits Achieved

Although there is substantial room for improvement in terms of anticipating performance issues and planning responses in advance, IESE has responded very effectively when confronted with unforeseen problems. This was demonstrated by the reaction to disappointing Children’s Services APA results which led to the Minister for DCFS writing to 4 authorities in the region. IESE coordinated a sector led response, involving key officer and member stakeholders that enabled those authorities to satisfy DCSF that they had a plan of mitigation in place and would not require direct government intervention. IESE also facilitated the provision of support by Hampshire to Milton Keynes to address some major problems that arose on their construction activities.

Strong links have been developed with the Social Care theme to respond to the emerging challenges and support the improvement in Children’s services, with the focus on peer support and officer mentoring.

This has been strengthened by the Lead Member and Officer directing the development of the programme, working with regional member and officer forums to gain buy in and ownership of the problem.

The unitary authorities of Berkshire have made major strides towards collective ownership of performance problems. Building on the evidence from their membership of the benchmarking club, subsidised by IESE, these authorities are now ready to take joint action to address some of the performance issues in that subregion.

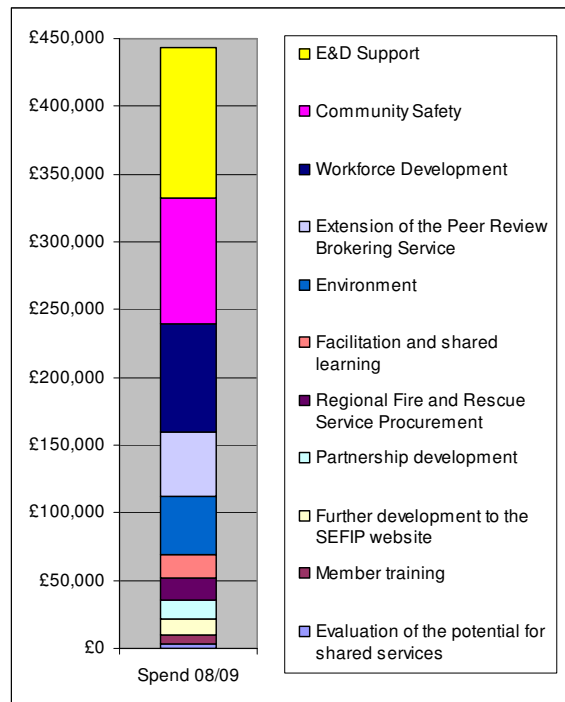
IESE has also made a contribution of funding and advice towards the excellent efforts of Oxford City Council make significant changes to their corporate structure and models of service delivery, which they hope will result in an improvement on their low CPA rating.

The Berkshire Improvement and Efficiency Partnership (BIEP) and PricewaterhouseCoopers (PwC) have been working on two initiatives to support improvement across the subregion. The first is the PwC's Benchmarking Club which provides members with rapid access to key comparative performance information. The second initiative is the Performance Improvement Programme which is delivered by PwC and SOLACE Enterprises. The programme works with teams from each Berkshire authority to address local service improvement challenges and to make real improvements in real time.

A team member from the first Performance Improvement Programme said, 'I'm already able to see successful learning and networking outcomes. The programme comes together well as a coherent whole and I have found it incredibly helpful and informative – good resource packs, effective information and interactions – value for money!'

- Developing a regional recruitment portal to handle fire-fighter applications electronically and allow applicants to view the progress of their application in real time
- A peer review brokering service which gives access to four peer-review specialist organisations in a variety of subjects at lower cost to FRS.
- Equipping officers and Members to undertake peer reviews including those for Operational Assurance

SEFIP Spend 2008/09



Fire Improvement Partnership

The South East Fire Improvement Partnership (SEFIP) works to deliver a coordinated and sector-led approach to improvement initiatives amongst Fire & Rescue Services (FRS) in the region, encouraging collaboration and self-directed support among FRS.

Building on a successful £450k Capacity Building Fund programme, IESE has allocated SEFIP further funding to support FRS to work collaboratively together and to enhance improvement and efficiency. In addition to this, SEFIP's inclusion in IESE allows the partnership to gain from and share good practice more widely with local councils and other partners. SEFIP has worked on and continues to deliver a wide range of projects including:

- Delivery of an Equality and Diversity Project, providing peer challenge and improvement planning support to enable FRS to achieve level 3 of the equality standard, a core area of development for Fire and Rescue Services identified by the Audit Commission.
- Building the Capacity of Members giving them the skills to champion the Fire and
- Rescue Service both regionally and nationally
- Creation of a website to act as a hub for information sharing, containing a wide range of information on outputs from meetings and programmes, examples of good practice, offers of training and development opportunities
- Developing Future Leaders through sponsoring places on the national future leaders' scheme and developing skills training for middle managers

The South East Fire & Rescue Services Regional Management Board took the bold step of setting a collective target of moving all Fire & Rescue Services (FRS) to level three of the equality standard for local government and charged the South East Fire Improvement Partnership (SEFIP) with developing the mechanisms to achieve this. SEFIP worked with the IDeA to develop a diagnostic assessment of all FRS in the region against the equality standard. They then arranged individual support sessions and organised Member peer challenge days. SEFIP also negotiated a call-off contract with two providers at lower cost than the standard offer for accreditation for each FRS for meeting level 3 of the equality standard. To date, Kent and Hampshire Fire & Rescue Services have been accredited at level 3. East Sussex and Surrey are undergoing their assessments now, with the results due in March 2009.

Establishing the Partnership

Governance

The IESE Member Board consists of fourteen elected members. The 6 different subregions within the South East are represented, as are the major regional themes. Fire and Rescue Authorities are also represented and the Improvement & Development Agency (IDeA), Government Office South East (GOSE) and South East Employers (SEE) attend the Member Board meetings as advisors. The Member Board is responsible for the key themes of activity in the regional strategy and oversees the development and maintenance of the regional improvement and efficiency strategy. It also reviews IESE progress against that agreed strategy. The Chair of the Member Board is elected by the Member representatives.

Established this year to support the Board is a Chief Executives Management Group (CEMG) through which Chief Executives, representing subregions and strategic themes, coordinate the delivery of the strategy and at the same time ensure that the targets within the strategy are met. Both the Member Board and the CEMG meet quarterly. For full membership lists of each group, see page 7. One of the first tasks of CEMG was to review the targets in the strategy and ensure that they reflected the priorities for the region. CEMG completed a review of the overarching targets and asked each theme to consider the implications for the theme targets.

A challenge for these lead members and chief executives in the year ahead is to act as effective ambassadors for IESE and stimulate greater engagement and shared learning.

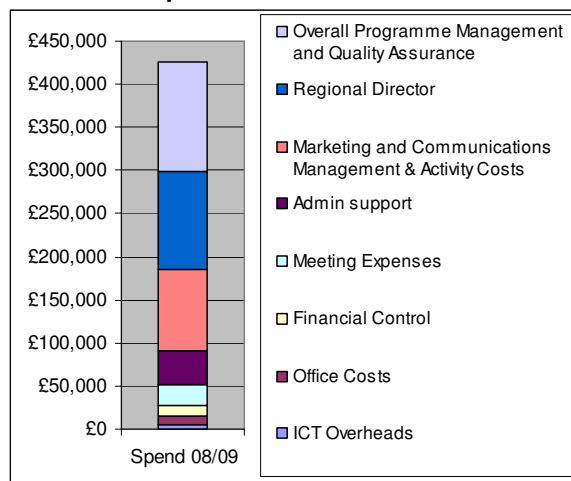
2008/09 has also seen the establishment of theme steering groups to support theme lead chief executives and members, including nominated senior officer representatives from all subregions and partner agencies where relevant. These groups have reviewed theme objectives and decide which objectives are best delivered through projects managed locally by subregional partnerships, which objectives are best delivered locally with support from regional themed partnerships and which objectives are best delivered through regional programmes. A key challenge for IESE is to improve the links between theme steering groups and the subregional partnerships, which have their own governance arrangements and function independently of IESE, whilst playing a critical role in the delivery of many IESE objectives.

Secretariat

The secretariat function within IESE:

- facilitates the effective functioning of governance groups
- ensures coordination across themes and partnerships
- oversees the implementation of best practice project and programme management
- coordinates all monitoring and reporting
- manages communications and marketing to maximize engagement and coordination with other regions.

Secretariat Spend 2008/09



Programme Management & Quality Assurance

Improvement and Efficiency South East (IESE) is committed to clear and accurate management of performance and independent quality assurance of its projects. The aim is to continually improve this performance management and quality assurance so that IESE can maximise the return on investment of its portfolio of projects and demonstrate this to local authorities in the South East.

Monitoring and reporting is carried out against a standard set of information with clear guidelines to ensure consistency between projects. Programme managers play a vital role supporting the project managers in local authorities and ensuring that project management and reporting meet the best practice guidelines established by IESE. The £1.2m spent by IESE on programme management funds the costs of programme managers and programme coordinators across 6 regional themed and 6 subregional partnerships.

There is a Quality Assurance (QA) process operated by the IESE Secretariat independently from the management of each project and partnership. This QA ensures that performance management is operated consistently, any issues raised are properly dealt with and risks are properly mitigated.

Communications and Marketing

The aim of IESE's marketing and communications activity is to ensure that local government in the South East benefits from its own learning and experience, plus the best practice from other regions and beyond. This is enabled through the establishment of IESE as the first point of contact for members and officers of South East authorities looking for support and information on improvement and efficiency and through the implementation of an IESE communications strategy that ensures that members and officers can get the assistance they need in a way that suits them. The expectation is that IESE is identified by officers and members as a valuable source of information on best practice in efficient service delivery and service transformation. As a result of IESE's effective communication, authorities will have identified opportunities to save money and improve services and in doing so will have reduced their dependency on expensive external consultancy.

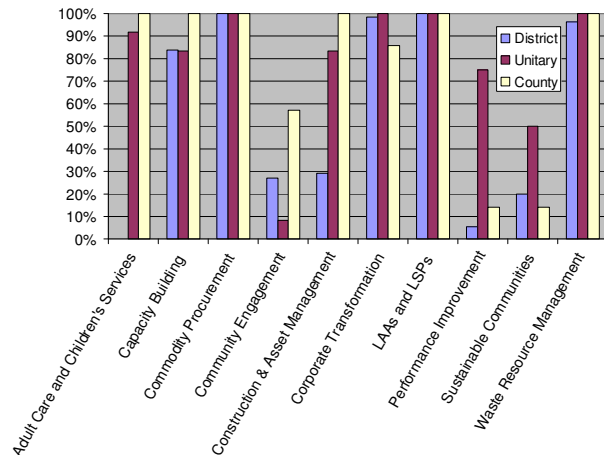
Key communications milestones in 2008/09 included:

- Completion of the first annual stakeholder survey
- IESE prospectus developed and published
- Launch event held
- Website (www.southeastiep.gov.uk) relaunched
- 2 editions of chief executive newsletter and 3 online officer newsletters issued
- First annual IESE conference held
- Articles published in Municipal Journal and an insert placed in First magazine which was sent to all elected members in the region)
- Branding guidelines developed and implemented
- Over 20 new case studies produced

The results from the annual survey, sent out in May 2008 soon after the launch of IESE, highlighted the room for improvement in terms of awareness of IESE. Only 65% of respondents said that IESE was contributing to their thinking and awareness of improvement and efficiency issues and opportunities. Furthermore, less than 30% said that IESE was their first port of call for improvement and efficiency support.

The new website, incorporating news items, events information and booking, theme subsites, IESE project database and lots of useful external links has proved very popular with an average of 2900 unique visitors each month.

This chart shows the level of engagement with each IESE theme by type of authority. NB in the south east region there are 55 District Councils, 12 Unitary Councils and 7 County Councils.



Working with Partners

IESE has made good progress in integrating its activities with those of partner organisations although there is still work to be done to provide the seamless, coordinated support that authorities rightly demand.

IESE has partnered with IDeA across a range of projects, notably in Performance Improvement and Capacity Building where IESE support has been paired with IDeA resources to provide targeted peer review, training and mentoring for members and officers. The IDeA Regional Associate, Marianne Abley, acts as Improvement Advisor on the Member Board.

IESE also works closely with Government Office South East (GOSE), especially on LAAs and LSP support but also on Children's Services and waste issues.

South East Employers have managed the Progress through Partnership programme and are supporting capacity building activity through the development of a regional workforce strategy.

IESE is closely linked to Department of Health via the South East JIP and to DEFRA as national lead on waste management with DEFRA providing £0.5m a year to IESE for delivery of national projects.