

*The North East's strategy
for increased **improvement**
and **efficiency** in public
services*

2008 to 2011

3 March 2008

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The Delivery Plan is a separate document

Executive Summary

Our aim

This strategy sets out how North East Councils, Fire and Rescue Services and their partners will build on their firm foundation and record of success to drive improvement, deliver efficient public services and accelerate the pace of change in and for their communities.

Whilst things have improved significantly over the last few years, it remains the case that the region faces significant economic, social and environmental challenges. Many of these emerge as priority areas for action in our LAAs and in the emerging MAAs. We believe that leadership, empowerment and engagement along with improved and more efficient service delivery, reinforced by effective cross sectoral collaboration will be essential in resolving entrenched problems and releasing potential.

These factors are clearly at the heart of the national strategy and we believe the North East is well placed to deliver innovative and transformational change. Our positive performance to date is an excellent foundation on which to develop what is working well and from which to take a significant step forward.

Our journey so far

In the last 3 years we have worked hard to exceed our efficiency savings target, and have achieved excellent engagement and participation in the work of the Improvement Partnership, the Centre of Excellence and the e-government partnership, North East Connects, leading to real improvements, captured through extensive independent evaluation.

What is more, we are commencing the Strategy period with very good results in the 2007 Comprehensive Performance Assessment. Of our 12 upper tier authorities, ten have four stars, and two have three. The number of poor and weak authorities in the region has reduced from five to three (with two due for re-assessment shortly). For Fire and Rescue Services the move to local risk assessment and integrated Risk Management Planning has been a success, along with the achievement of the PSA target under CSR04 and an increased amount of prevention work undertaken which has resulted in a significant reduction in the level of fire deaths.

But we know that we will need to collaborate to support continuous improvement during the challenging times ahead, to encourage the best to go beyond excellence and to narrow the performance gaps between authorities in key service areas, where they exist.

What we will do

We have developed our forward programme around the delivery of the National Improvement and Efficiency Strategy's key priorities:

- improving value for money to meet the 3% efficiency target;
- increasing innovative capacity;
- community empowerment; and
- improving economic and neighbourhood renewal leadership capacity locally .

and the National FRS framework key priorities that support the provision of efficient and effective fire and rescue services:

- prevention, protection and response;
- resilience; and
- diversity and workforce.

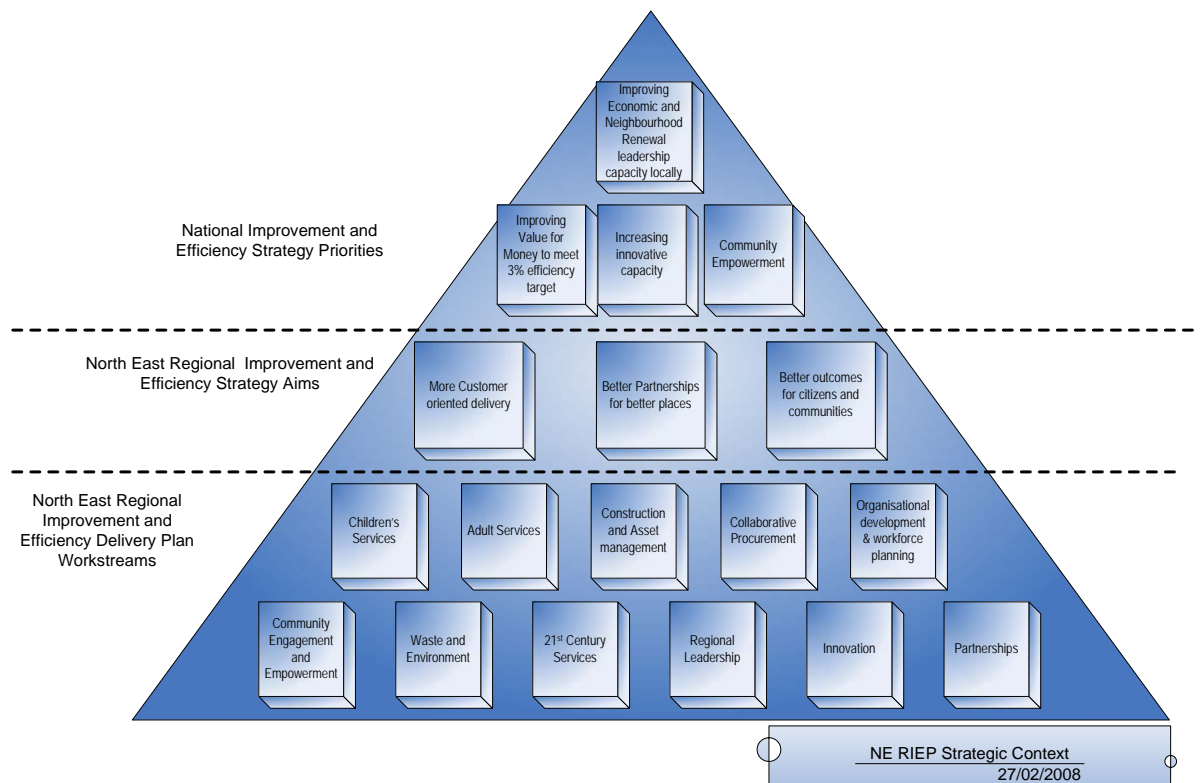
at a regional level working together through the Regional Management Board to deliver efficiency, effectiveness and enhanced resilience capability through:

- integrating common and specialist services;
- having effective plans for large-scale emergencies;
- introducing regional personal and human resource functions;
- developing a regional approach to training; and
- introducing regional procurement.

at an area level through LAA and LSPs, to assist partners in the delivery of the community's priorities.

Derived from these priorities, the overarching aims of our approach are to achieve:

- more customer oriented delivery;
- better partnerships for better places; and
- better outcomes for citizens and communities.



The process of evidence gathering, evaluation and wide ranging consultation with authorities has produced clear agreement amongst regional partners about where to concentrate our efforts for maximum impact. Working through the national priorities and policy context, and reviewing our region's needs and characteristics we have devised a delivery plan for the next three years.

The delivery plan sets out our priority programmes, intended outcomes and performance measures. This is a 'live' document which will be shared and developed as things progress and resources are known.

Our key outcomes include:

Improved value for money, meeting the 3% efficiency target in line with the VfM delivery plan:

- a better deal for citizens and communities, through reducing substantially the current NE annual spend on bought in goods, works and services, with the aim of releasing at least £100m in procurement efficiency savings over the next 5 years.

Leadership of economic development and neighbourhood renewal that supports Sub National Review:

- elected Members leading the accelerated drive to improve local economic growth and services, empower their communities, achieve efficiencies and fulfil their scrutiny and accountability roles.

Innovation and customer focus in the drive for service transformation:

- improving the flexibility, quality and efficiency of adult social care services to improve outcomes for the population;
- reducing amounts of waste being generated and diverted to landfill, whilst increasing levels of recycling and re-use, and making a positive impact on the local environment;
- improving the quality of services to the growing number of children with very complex care and health needs, and planning for their future as adults around:
 - child poverty;
 - looked after children;
 - transition; and
 - out of area placements.

Citizens and communities shaping and influencing service provision:

- ensuring that citizens can influence and shape services and plans in their communities;
- improving the engagement and innovation of the third sector in the commissioning, supply and contract management of services;
- equipping elected Members to enable them to connect with and represent their increasingly diverse communities; and
- supporting the work of community empowerment networks.

Improved performance

- high performing workforce that is visionary, ambitious, equipped with knowledge and skills to excel in an innovative multi-partnership context and able to embrace flexible working;
- improved capacity and skills for the region for whole systems change and organisational development, including lean systems thinking and implementation;
- increased capacity of elected Members and managers to recognise, challenge and address the sector's own improvement needs through peer approaches;
- no authorities in the Audit Commission's two lowest categories of major service or corporate performance;
- the successful transition to two high-achieving new unitary councils in Durham and Northumberland;
- sustainable growth of local government's ongoing skills development and research to maintain innovation, inspiration, improvement and efficiencies into the future; and
- reduced 'perception gap' between residents' general views of their council and the day-to-day experience of service users.

Delivering LAAs and MAAs:

- high performing LSPs achieving delivery of LAAs across the region and the delivery of MAAs in Tees Valley and Tyne and Wear city regions, ensuring the opportunity to secure efficiencies.

How we will achieve our ambitions

We have always been very clear that the NE Regional Improvement and Efficiency Partnership is and should be a true partnership. It is not a separate entity but a tool to help challenge and support authorities on their journey to deliver better outcomes for citizens and communities. We recognise that political leadership, accountability and ownership are critically important, as is the ability to work with our national and other partners in delivering sector led improvement.

We will underpin our activity with efficient programme support arrangements, robust performance management and challenge, and high quality and effective communications.

Foreword

The well-being of citizens and communities is at the heart our agenda; it remains a top priority. This means that we need to ensure that we work tirelessly for improved local economic and social development, excellence in public services, provide value for money in all we do, ensure that we deploy the resources available to us in a way which achieves maximum impact, to empower our citizens and communities.

Our recent CPA results recognise this commitment and the consistently high standards that have been achieved. They also focus on areas for further improvement and, by providing a robust independent challenge, they stimulate positive change.

The new central-local relationship which we are developing with Government, using, for example, the new Local Area Agreements, developing Multi Area Agreements, and utilising other mechanisms for constructive and added value collaboration will, we believe, help accelerate the pace of positive change in this region. It should also assist us in taking action to meet the efficiencies expected of us.

Our collective commitment to Government is that we will continue to build on our strategic community leadership role, deliver on our commitments set out in this strategy and, in so doing, continuously drive up standards, improvement and efficiency. There is great energy and drive behind what we want to achieve and significant ambition for change. We believe that much progress has been made but we are ready to set ourselves further challenges and to offer support where it is needed.

We do not underestimate the challenging resource climate in which we are being asked to deliver, but believe that in developing and sharing a common agenda, looking for opportunities to collaborate and to join together, we are putting ourselves in a much stronger position to meet that challenge.

The strategy and the detailed development of the Delivery Plan are being taken forward during a period of change for local government and public services in this region, including the creation of two new councils in Durham and Northumberland. Alongside the implementation of other significant policy changes including the Review of Sub-National Economic Development and Regeneration, we anticipate that we will need to proactively support the changes that will be taking place. This will require us to take a flexible approach so that we are able to respond to and support the development needs of all our partners as they emerge over the strategy period, and to work with the local government family nationally to ensure that we all deploy an added value approach.

There is strong support for the approach being taken. The North East has a long history of effective collaboration across the region, where for example local authorities have been working together through the Association of North East Councils for many years. Together we have achieved much, but this strategy and the investment behind it will, we believe, enable us, working with Government and the national local government family, to achieve so much more

Mick Henry
Chair, Association of North East Councils

1. Introduction

- 1.1. Building on a record of successful collaboration and a strong service delivery, North East local government now has an unprecedented opportunity to accelerate the drive for continuous performance improvement in localities.
- 1.2 The Sub National Review and the Spending Review 2008-2011 offer some real challenges and opportunities for the Regional Improvement and Efficiency Partnership, under the framework of CLG/LGA's National Improvement and Efficiency Strategy, and will provide an important mechanism for mutual, constructive challenge and support in the pursuit of excellence.
- 1.3 In the region we have a shared ambition, expressed through the role and agenda of the Association of North East Councils (ANEC), to work together to create long-term prosperity and well being for the North East and to contribute to reducing economic and social disparities between regions, communities and individuals. In so doing we are seeking to maximise local government's fundamental role as leaders and shapers of place, having responsibility for the economic, environmental and social well being of citizens and communities.
- 1.4 Nationally, central and local government share a vision for better, more efficient, more responsive public services that provide local people with a better future, greater local prosperity and environmental sustainability.
- 1.5 All authorities in the region share the ambition to be known for achieving outstanding:
 - leadership;
 - partnership working, leading to sustainable economic, social and environmental development;
 - effective and efficient public service provision;
 - customer and community engagement; and
 - community empowerment.
- 1.6 The North East Regional Improvement and Efficiency Partnership's (RIEP) focus will be on supporting, facilitating and challenging local authorities, the Fire and Rescue Services (FRSs) and their partners to deliver on their ambitions. This is a serious commitment to provide the best possible quality services in the most effective way, whilst improving efficiency.
- 1.7 The RIEP will bring together a unified cohort of authorities, FRSs and other partners, all fully engaged, sharing knowledge and taking part in mature collaboration. This will involve offering and taking on board robust and constructive challenge and developing strong peer support networks within and beyond the region. RIEP membership also extends to the trade unions and the RDA, and has the potential to be extended to other public sector partners as it develops. In the future we envisage a partnership that will coordinate the improvement and efficiency needs of a wide range of public agencies reflecting their shared agendas and assuring effective use of

resources. We will engage with and draw upon the experiences of the business and third sectors, enhancing public service reform and building diverse, competitive and contestable supply markets to raise standards and deliver better value for money. Our regional activity and programmes will complement national effort and activity, drawing on the support of IDeA, LGA and the Government where appropriate.

- 1.8 We began to align the work of the Regional Improvement Partnership, North East Centre of Excellence and North East Connects (the e-government partnership) in 2006 through the creation of a single Steering Group. With political accountability to the Association of North East Councils (ANEC), and the establishment of a Member Review Group to advise ANEC on the performance and shape of the partnership, we established a governance structure which has enabled there to be significant buy-in. We are also reviewing the membership of the Steering Group to ensure important links through to key partners and other government departments.
- 1.9 The strategy and delivery plan set out for government the focus of our activity over the coming months and years. Leadership and delivery of each programme through to the overall strategy will be assured through our governance structure, and all projects or proposals will be rigorously assessed for return on investment before proceeding. A more accessible form of the strategy and plan will be available for a range of partners, and will be linked to a regional prospectus, once funding is confirmed.

Throughout this strategy, all reference to the word “services” encompasses both local authority services and fire and rescue emergency services.

2. Context for the Regional Improvement and Efficiency Strategy

National Policy context

- 2.1 Central and Local Government have committed to a new, joint approach to supporting excellent and efficient performance by local authorities and their partners through the development of a **National Improvement and Efficiency Strategy** (NIES).
- 2.2 The NIES puts **Regional Improvement and Efficiency Partnerships** (RIEPs) at the heart of local arrangements for improvement and efficiency by supporting councils and local partners, enabling them to take a stronger lead on performance and improvement.
- 2.3 The key principles of the NIES, welcomed and shared by the North East, are as follows:
- improvement of local public services, led by councils working in partnership with other public service providers;
 - improvement made more effective by devolving more central resources as close to the front line as possible and creating space for greater local decision making by councils together with their partners;
 - strategic planning of improvement, strengthened through joint decision making on the resources available;
 - innovation and efficiency; and
 - rationalisation and simplification, where possible, of the improvement and efficiency support offer from central government, national agencies and regional partnerships.
- 2.4 The NIES is underpinned by the national **Value for Money Delivery Plan** and the **local government Workforce Strategy**, which detail essential actions for achieving efficiency and improvement.
- 2.5 These are referenced in our own Delivery Plan and include the following:
- enhanced competition, smarter procurement;
 - business process improvement;
 - asset management;
 - use of Technology / ICT benefits realisation and infrastructure;
 - leadership and change skills;
 - citizen focus;

- innovation;
 - collaboration between public bodies;
 - pay and workforce, staff planning and development;
 - performance improvement, including support for LAAs and MAAs; and
 - dissemination of good practice and benchmarking.
- 2.6 The National FRS Improvement Framework is a foundation for building local solutions, giving flexibility to meet specific needs of local communities. It identifies key priorities that support the provision of efficient and effective fire and rescue services, these are:
- Prevention, Protection and Response - the analysis of risks and taking action to meet and mitigate their potential effect;
 - Resilience – so that each FRS is fully equipped to meet the demands of the resilience agenda; and
 - Diversity and Workforce – the mainstreaming of diversity at all levels of the service and workforce development, training and health and safety.
- 2.7 At a regional level working together through the Regional Management Board to deliver efficiency, effectiveness and enhanced resilience capability through:
- integrating common and specialist services;
 - having effective plans for large-scale emergencies;
 - introducing regional personal and human resource functions;
 - further developing a regional approach to training; and
 - furthering the regional approach to procurement
- 2.8 At an area level through LAA and LSPs, to assist partners in the delivery of the community's priorities.
- 2.9 These areas of activity are the building blocks which will enable us to achieve the overarching aims which have been identified by North East councils and Fire and Rescue Services. All RIEP project proposals will be assessed in relation to their contribution to these activities and to the overarching NIES themes.
- 2.10 There is more that is welcome and significant in terms of the policy context, much of which authorities have long advocated through ANEC. The **Local Government and Public Involvement in Health Act 2007** sets out a range of new challenges and opportunities to be met by local authorities which will impact on the role of councillors and officers at all levels. Councillors are expected to develop an even wider set of skills to undertake a variety of leadership and partnership roles, ranging from building neighbourhood networks and shaping Local Area Agreement priorities to leading strategic partnerships at a range of spatial levels. There is also a need to ensure councillors and officers are supported in building greater understanding of how to address efficiency challenges and ensure they are able to meet the expectations placed upon them (by their communities, councils, partnerships and by Government), and to maximise the opportunities afforded by increased

devolution from central to local government. There is a range of offers at the national level to support development in these areas. What the RIEP will do is add value to this, looking at what might be best delivered regionally and locally.

2.11 The **Sub National Review (SNR)** presents further opportunities and North East local government has particularly welcomed the new statutory responsibility placed on it for economic development. Despite the region's considerable improvement in recent years, significant challenges remain and we will ensure that local government is able to play its full role in key areas such as economic development, transport, skills, employment, and housing. This will require the sector to ensure that it is able to meet the expectations being placed on it.

2.12 We will work with One NorthEast, the Regional Development Agency, and other partners to tackle the region's economic and regeneration challenges. These issues are well rehearsed but it is worth reminding ourselves that:

- it would take £9.9bn for the North East to match the UK GVA per capita average;
- average earnings and skills of the workforce are well below the national average;
- unemployment at 6.7% is above the national average of 5.5%;
- the NE region suffers from a significant amount of deprivation. Nearly 18% of LSOAs (small area geography) are in the most deprived 10% in England and over 34% fall in the most deprived 20% in England;
- sixteen out of 23 unitary or district local authorities in the North East have 25% or more LSOAs within the most deprived 20% in England. Fourteen local authorities are in receipt of neighbourhood renewal funding. Fourteen will receive the new Working Neighbourhoods Fund;
- academic performance, particularly after Key Stage 2, remains just below the English average with 59.6% of candidates at GCSE receiving five or more A*-C grades, compared with 60.3% in England as a whole, though the difference within the region can be as much as 24% points between the best and worst performing areas. Good improvement has been made with a 12.8% point increase in the proportion of the region's pupils achieving five or more A*-C grades compared with 7.4% points in England between 2003 and 2007;
- the region has a high percentage of people with a limiting long-term illness (22.7%) and has the highest level of 'not good health' (12%). For men, life expectancy is one and a half years less than the national average and the gap for women is just over one year, though the difference in some parts of the region can be nearly four years. The teenage pregnancy rate is the highest in the country;
- the region remains the worst outside London for levels of child and family poverty. The interdependence of child and family poverty with regeneration and health inequalities is clear;
- the Council Tax base for the region's local authorities is low, with 57% of dwellings being in Council Tax Band A compared to just 3% in London;

- transport remains a key priority and, amongst other things, the region needs significant investment in integrated transport services across the region to serve both urban and rural needs and to improve employment opportunities;
- the mixture of large urban centres and significant open and rural spaces poses challenges for communication links and knowledge management; and
- while the overall record on service performance and improvement in the region is strong, tighter resource restrictions mean that councils will continue to face challenges in key areas such as adult social care, planning, environment and housing. The rate of housing stock renewal and affordable housing needs to be accelerated to build sustainable communities.

2.13 The proposal to create an **Integrated Regional Strategy** has also been welcomed. Local government needs to be in a position to make the most of its leadership role in ensuring that it and all its partners, including business and the third sector, are engaged in strategy development. Local Government's democratic accountability in the SNR context is critically important and needs to be fully developed and supported at both Member and officer level.

2.14 There is a new emphasis on devolution and delegation to city /sub regional level. We will support the implementation of SNR by developing officer and Member capacity, working with Government, the RDA, CBI and other partners across public, private and third sectors.

2.15 The implementation of **local government reorganisation** will take place during the strategy period. The future landscape of twelve unitary authorities from 2009 means the North East would be the only region outside London to be wholly unitary, presenting significant opportunities, including the potential to increase the scope for larger scale collaborations, to derive significant savings and enhance regional coherence. There will also undoubtedly be significant implementation challenges to ensure the best possible new unitary councils are built and that the existing authorities are wound down sympathetically and efficiently.

2.16 Newly elected Members will need leadership support and development opportunities to ensure that they are fully equipped to steer the creation of innovative, efficient and engaged councils. This opportunity should be harnessed as a catalyst to enhance the whole region, through twelve unitary councils working together.

Review of requirements across the region

2.17 The RIES has been developed through consultation and engagement with the widest possible range of authority representatives including through professional, sub-regional and regional networks between September 2007 and February 2008. The outcomes of the early consultation are listed in Annex C and have been reflected in the Strategy.

2.18 The evidence we have gathered and considered includes:

- CPA corporate assessments and comparative service scores (see Annex B);
- regional performance narrative from the Audit Commission (Annex B);
- use of Resources data;
- RCE National and regional data on third party spend;
- projected and potential savings from procurement (see Annex F);
- performance in delivering efficiencies to date (Annual Efficiency Statements);
- authorities' forward financial plans;
- common priorities and issues from the latest drafting of LAAs and MAAs (see Annex A);
- independent evaluation of 2005—8 regional improvement programme by Blake Stevenson(Annex G); and
- evaluation of North East Centre of Excellence's programme (Annex F).

2.19 A review of the evidence enables us to identify where authorities or services may be at risk of under-performance, and where good practice exists that is a potential source of peer support, such as in Stockton BC which is recognised as a top performer on Use of Resources.

2.20 Data from the national spend analysis undertaken collectively the Regional Centres of Excellence, and further detailed work undertaken as part of the NECE's collaborative procurement programme, points us clearly to those large spending service areas or to third party spend where there are the greatest opportunities for efficiencies from collaborative procurement and the exploration of shared services. We have also reviewed where we can add value to authorities' drive for savings.

2.21 LAA priorities are currently still under negotiation but the emerging priorities reflect the region's main social and economic challenges. Our commitment to supporting the implementation of SNR and to service improvements in Adult Care and Children's Services through the programme will assist localities in delivering customer-centred services and meeting those priorities. Our support for the transformation of partnership working is aimed at embedding the skills and attitudes required to deliver effective LAAs. Annex A describes localities' common LAA priorities (as of 8 February 2008) and the RIEP programme through which they will be supported.

2.22 The independent evaluation of regional improvement and efficiency actions to date enables us to identify what has worked in terms of projects, interventions, and our approach to engaging in the partnership itself.

Learning Points from the last 3 years' Improvement and Efficiency activity

Local authority performance

- 2.23 The improvement and efficiency agenda has been, and remains, a key focus for North East authorities. We commence the Strategy period with very good results in the 2007 Comprehensive Performance Assessment (see Annex B). Of our 12 upper tier authorities, ten have four stars, and two have three. The number of poor and weak authorities in the region has reduced from five to three (with two due for re-assessment shortly).
- 2.24 But we know that we will need to collaborate to support continuous improvement during the challenging times ahead, to encourage the best to go beyond excellence and at the same time, narrow the performance gaps between authorities in key service areas, where they exist.

Fire and Rescue Service performance

- 2.25 The move to local risk assessment and integrated Risk Management Planning has been a success, along with the achievement of the PSA target under CSR04 and an increased amount of prevention work undertaken which has resulted in a significant reduction in the level of fire deaths.
- 2.26 The tables below show the change in assessment over last 3 years.

	CPA 2006	
Cleveland	Fair 3	Improving well
Durham & Darlington	Fair 3	Improving well
Northumberland	Fair 3	Improving adequately
Tyne & Wear	Fair 3	Improving well

Comparative Performance Results				
	Direction of Travel 2007 overall score	Use of resources 2007 Overall score	Service Assessment 2007 overall score	Combined score
Cleveland Fire Authority	3	3	4	10
County Durham & Darlington Fire & Rescue Authority	2	3	2	7
Northumberland Fire Authority	2	3	3	8
Tyne & Wear Fire & Rescue Authority	3	3	2	8

Evaluation of regional working

- 2.27 In the last 3 years we have worked hard to exceed our efficiency savings target, and have achieved excellent engagement and participation in the work of the Improvement Partnership, the Centre of Excellence and the e-government partnership, North East Connects, leading to real improvements.
- 2.28 We have commissioned independent longitudinal evaluation (see Annex G for a summary of the evaluation process and sample emerging findings). We have monitored performance of our programmes to provide quantitative and qualitative evidence of where the partnerships, merged through a single governance structure in early 2006, have added value, and support CLG's strategy for devolving top slice RSG through RIEPs in 2008-11. The key and emerging findings point us to where resources can profitably be applied in the new strategy and where our authorities would value ongoing support.
- 2.29 Overall, the North East partnership records high levels of engagement and participation, excellent quality and value for money provision and a significant cultural impact in terms of willingness to learn, share and improve together.
- 2.30 Some highlights include:

Our **collaborative procurement programme** delivered over £10m cashable efficiencies from e-auctions and identified a sourcing approach with potential to deliver over £100m of further savings. The programme has been particularly successful in removing barriers to collaboration, improving intelligence to inform future collaboration and gaining greater visibility of opportunities for assuring sustainability/wellbeing from procurement.

Around half of all North East **elected Members** have participated in some form of skills development or training via the regional partnership. The number of graduates of the IDeA's Leadership Academy has increased from 40 (2000-5) to 109 by June 2008. Signatories to the Member Development Charter have gone from 15 to 21 authorities, and 14 out of 25 authorities are undertaking new or refreshed elected Member Personal Development Plans.

Shared service partnerships have achieved over £5m efficiencies and the **Business Improvement Techniques** programme is providing opportunities for frontline employees to achieve efficiencies from work process improvements.

Our approach to partnership

Participation and engagement

- 2.31 We have built high levels of engagement and participation through cultivating a **genuine sense of shared ownership in the partnership**. This will need continued energy and commitment as the merged partnership matures and its role develops. Chief Executives from all types of council and every sub-region

are represented on the Improvement and Efficiency Steering Group. All 25 North East councils and 4 Fire and Rescue Services have engaged with and participated in the IP and RCE programmes.

2.32 Every authority received detailed **participation reports** showing their level of engagement and benefits they gained from the improvement programme, enabling them to compare themselves with peers, which has proved to be an effective motivator.

Effective programme management and ownership

2.33 We have always been very clear that the RIEP is and should be a true partnership. It is not a 'separate entity' but a tool that authorities and partners have created to help challenge and support them to deliver better outcomes for citizens and communities. In this context, political accountability and ownership is critically important and is something that we shall ensure is embedded in the new programme.

Networks

2.34 Programme teams regularly engage with and rely on regional or sub-regional professional networks that support, influence, and shape the programme and occasionally deliver projects. These networks have enhanced the capacity of the programme teams, providing excellent value for money and greatly contributing to our success to date.

2.35 Examples of existing **strategic and professional networks** vital to the RIEP include the Organisational Development Partnership, Constructing Excellence North East and North East Purchasing Organisation. The RIEP helped to develop and facilitate new groupings such as the Member Sounding Board, and networks for PR and Communications, Efficiency, 'Customer First', and Information Governance. These connections have rapidly increased the reach and penetration of the improvement and efficiency agenda into partner authorities. This way of working has also accelerated the pace of partnership development. Interviewees report examples of increased trust and formal and informal collaboration between authorities as a consequence of participation in networks and projects. (See Annexes F and G)

2.36 Continued support and engagement with these networks and the key opinion formers, influencers and practitioners within them will be a key part of our approach and way forward in the new strategy.

Recognising our separate and shared distance to travel

2.37 Despite the region's relatively large proportion of high performing councils, we have not been complacent and have been increasingly willing to acknowledge areas of weakness and pockets of poorer performance.

- 2.38 We have facilitated opportunities for **peer-to-peer learning** where individuals and authorities can share honestly their experiences, mistakes and advice, such as through the North East Learning Network and the pilot programme, *Shaping a High Capacity Culture*.
- 2.39 We have worked with IDeA and others to identify good practice and shared learning which can be drawn into the region and this will continue.
- 2.40 In the period 2008-11, greater emphasis will be given to closing the gap between authorities in performance through more peer support and constructive challenge (see Tackling Underperformance and Raising the Bar in section 6.16).

Value for Money

- 2.41 Consistently there have been **significant economies of scale** from collaborative regional procurement of training programmes, tools or other assets particularly providing opportunities in the region which would otherwise have only been accessible elsewhere, resulting in time and travel savings in the region of 20,000 hours.
- 2.42 The region's middle manager leadership development programme, **North East Excellent Manager (NEEM)** is an example of how regional design and delivery of a programme can provide excellent value for money when contrasted with national delivery. NEEM is similar in content, target audience and overall shape to the national Future Leadership Programme, yet is being delivered at roughly one third of FLP's cost per person. Local delivery has meant that participants on the regional programme saved potential journey time and travel costs associated with national delivery. (FLP is delivered in Hertfordshire). 40 managers in the region have participated in FLP. So far, 300 people have completed the NEEM programme, with 300 more due to complete by June. Feedback from NEEM participants to date has been excellent. (See Annex G)
- 2.43 Programme Management costs as a percentage of the overall programme are very low, focusing resources squarely on delivery. They make up only 10% of the overall programmes.

Quality, impact and access

- 2.44 Assessment of participants' experience reports **consistently good quality and valuable personal development benefits** from the training and skills development offered. This personal development, leading to greater confidence in organisational development, provides the skills, ability and enthusiasm for achieving service improvement, effectiveness and efficiency – genuinely joining up improvement and efficiency.

2.45 In terms of **widening participation**, 76% of council respondents and 91% of FRS respondents agreed that it was unlikely that they would have been able to access such opportunities without the support of the Improvement Partnership.

New areas and challenges ahead

- 2.46 While the current programmes have demonstrated high levels of engagement and value, they have mainly been (through need and choice) of a broad corporate nature. We recognise that the next stage of delivery will need to focus on the specific thematic or service challenges linked to ambitious LAA and MAA commitments in a climate of shrinking public sector budgets, against the very real economic and social challenges of the region compared to the rest of the country. In so doing, we will ensure that we ground future approaches in the best national and regional practice.
- 2.47 Building on the strong record of achievement in North East councils and Fire and Rescue Services and their ambitions to engage with and share learning with those seen nationally as best in class or particularly innovative, it will be essential to broaden and strengthen peer networks, challenge and activity in the next phase of the regional partnership. IDeA is committed to supporting the partnership to do this and to make full use of appropriate national opportunities and networks to enhance innovation and improvement locally.
- 2.48 It will also be vital to develop strong models of sector-led improvement to address underperformance within services or at the corporate level. This will build on our Tackling Underperformance model, drawing on Audit Commission and Government Office expertise, peer support and early engagement with councils where risks are identified.
- 2.49 In recognising these key challenges for local government, the RIEP will add value by:
- delivering value for money and efficiencies to support service improvement, collaboration and transformation;
 - re-engineering workforce and work place cultures so that they are more innovative, agile and flexible in anticipating and meeting citizen, customer and partners' needs; and
 - building the skills that enable local government to play a full role through their democratic mandate to improve well being for the North East 'place' including economic development and renewal.

3 The Role of North East RIEP

- 3.1 The RIEP will focus its efforts by performing a unique role, not duplicating or replacing others, but adding value to councils' individual efforts particularly where improvement might best be achieved locally, sub-regionally and regionally.
- 3.2 Our focus will be on supporting better outcomes for citizens and communities, better partnerships for better places, and more customer-oriented delivery through our guiding principles.

Our guiding principles and how we will work

- 3.3 We will strive for excellence, building trust and openness so we are willing to challenge and support each other.
- 3.4 How we will work:
 - elected Members and senior managers leading in close collaboration;
 - focus effort where the greatest impact can be delivered;
 - foster genuine collaboration and innovation through relevant networks of officers and Members;
 - enable the sector to share and learn from each other to achieve excellence, drawing from the whole local government community regionally and nationally and working with the trade unions, businesses and the third sector, to ensure workforce engagement and innovation;
 - provide and develop peer challenge to enable the gaps in standards of provision to be removed;
 - collaborate with and focus the effort of change agents and delivery partners;
 - influencing and complementing pan-regional improvement and efficiency developments;
 - invest to deliver sustained return on investment;
 - performing a unique role, building on the work of others;
 - be future-focused and front-footed;
 - provide regionally joined-up support through a simplified and rationalised approach as the first point of call for councils in the region, signposting and facilitated brokerage where expertise is beyond the region;
 - working with councils to address their own priorities;
 - rigorous evaluation and scrutiny of programmes; and
 - we will explore the expansion of the RIEP to embrace a cross-public sector collaborative approach to improvement and efficiency.
- 3.5 We will seek to harness national opportunities for collaboration whilst recognising the need for tailoring to ensure regional requirements are met. We will also look to develop effective relationships with other government change agents and organisations, to ensure a cohesive approach to support the improvement and efficiency journey.

4 Our Strategy - Support based on evidence

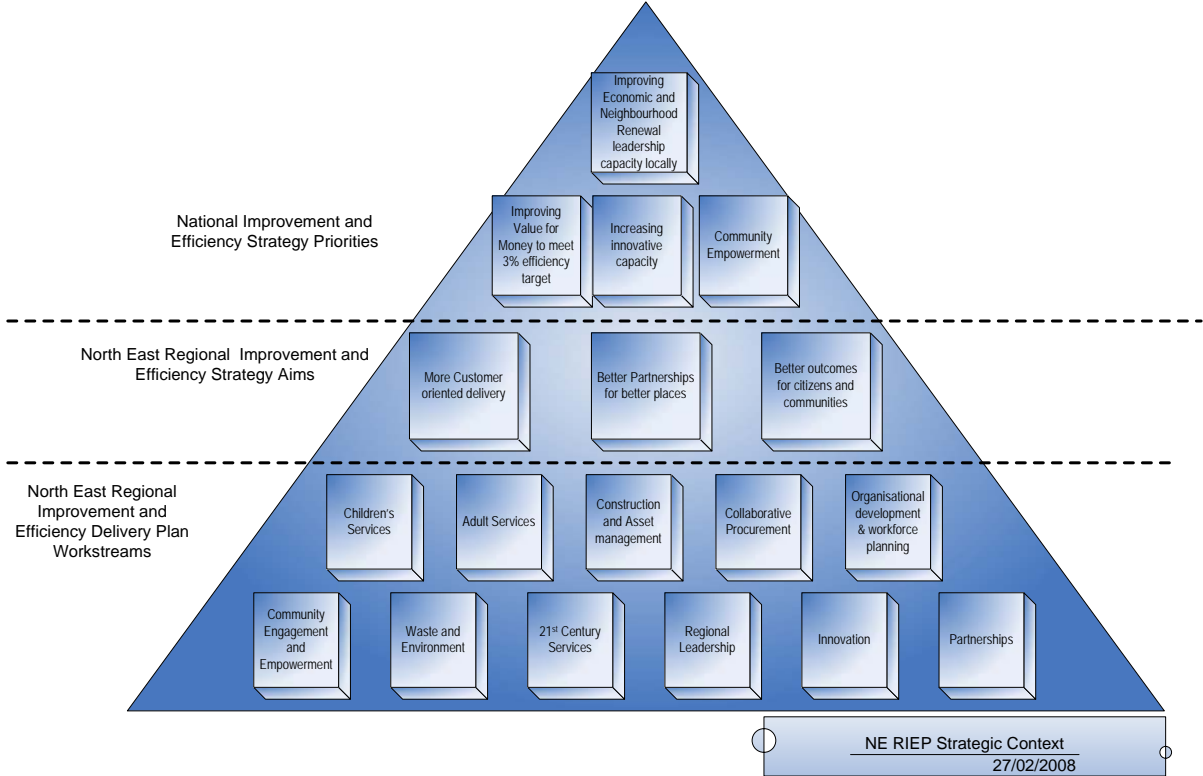
- 4.1 The North East regional strategy has been informed by councils' and Fire and Rescue Services' own experience, performance and progress over the last three years. We have also drawn on the evaluation of existing regional programmes, our emerging LAA and MAA priorities, CLG's Value for Money Delivery Plan, the 30 Public Service Agreements published as part of CSR07 and the Local Government Workforce Development Strategy 2007. Our final strategy is underpinned by robust consultation across the region. The overview of CPA performance of authorities in the region is shown at Annex B, which will inform the focus and nature of the support required.
- 4.2 A critically important element in the strategy development is our understanding of the main challenges in achieving the most frequently occurring and most demanding LAA targets from the region. The current position on these is set out in Annex A. We are aware that these might change and therefore will need to design packages of support as the final picture emerges.
- 4.3 The key themes emerging are:
- addressing health inequalities, particularly around smoking, mortality, alcohol, childhood obesity and teenage pregnancy;
 - regeneration, particularly 16-18 NEET group, level 2 qualifications, economically inactive groups in worst performing neighbourhoods, lack of transport and access to services; and
 - engagement and satisfaction with the local area, including crime and fear of crime, positive activities for young people, environment, waste and social cohesion.
- 4.4 These themes echo those identified by the Audit Commission in the summary at Annex B and are recognised by councils as presenting the greatest delivery challenges over the next three years. They reflect commitment to actions that will address the particular social and economic challenges of the region set out in section 2.
- 4.5 As further evidence of the opportunities for increased efficiencies, the regional Finance Officers Group under ANEC has undertaken a detailed analysis by applying an extrapolation of national Subjective Analysis Returns (SAR) against gross revenue spend profiles for those NE LAs that currently complete a detailed return. An extract of this analysis and Annual Efficiency Statements are included at Annex I.
- 4.6 This detailed analysis will provide the financial baseline information which will be used to inform each of our programmes, highlighting opportunities for efficiencies, indicating potential return on investment and providing a way in which our achievements can be evidenced and measured in financial terms.

4.7 **Equality** considerations are important across all public services and partnerships but particularly in construction, asset management, procurement and commissioning. Currently four councils in the NE have achieved level three of the Local Government Equality Standard, (*this equates to 16% compared to 20% across England*), none are at level 0, 6 authorities are at level 1 (*25% compared to 27%*) and 15 authorities are at level 2 (*60% compared to 46%*). The improvement need, therefore, is evident, given the emphasis on equalities aligned to the needs of communities. The RIEP will support all authorities with the aspiration to move towards level 3.

4.8 In prioritising those targets common to multiple LAAs in the region, as well as increasing our organisational capacity to deliver efficiencies, change and improvement, we will target our resources at three key themes, set out below.

Key Themes

4.9 In order to address the issues emerging from our wide-ranging consultation with authorities (see Annex C for details) there is clear agreement that in order for the RIEP to achieve maximum impact and penetration, we need to create clear improvement and efficiency outcomes around three key themes, which emerge from the National Strategy priorities.



4.10 The following sections highlight a number of *example* areas of activity in relation to those themes. These are developed in more detail in terms of programme in the separate Delivery Plan.

Theme 1: More Customer Oriented Delivery – Increasing our capacity for improvement, efficiency and innovation

4.11 We will support the cultural journey we are undertaking together to achieve organisational change to enable authorities to deliver their efficiency targets, achieve value for money, innovate, and develop high-performance cultures focused on delivering for the citizen.

Organisational Change and Improvement

Outcome:

Improved capacity and skills in the region for whole systems change and organisational development (OD), including lean systems thinking and implementation, to secure service transformation through enhanced customer engagement and an understanding of customer insight.

How:

- work across public sector organisations to develop OD and strategic HR capacity, including the potential development of strategic alliances with private sector providers;
- build capacity for ‘whole systems’ approach to change, working closely with Trades Unions to achieve employee engagement in delivering efficiencies and service transformation;
- draw on existing OD research and probe key areas: what works, identification of blockages, strengths, gaps across the region, awareness of OD and opportunities it affords, plus communication of what culture change and OD mean and clarity on how it can deliver efficiencies and service transformation; and
- expand our Business Improvement Techniques Programme along with investing in change management and transformation skills in the workplace.

Workforce Development

Outcome:

High performing workforce that is visionary and ambitious, equipped with knowledge and skills to excel in an innovative, multi-partnership context and able to embrace flexible working practices.

How:

- working with the Trade Unions to develop employees' skills and knowledge, building on the concept of public service academies, to build visionary and ambitious leadership operating in a partnership context;
- double the number of local government middle managers to have participated in the North East Excellent Manager leadership development programme by 2011;
- establish a regional commission to lead the way on large scale change projects such as agile working (the WorkWise campaign), up-skilling of the workforce to meet Leitch targets, and alternative approaches to pay and reward; and
- equip employees with transferable skills which support a culture of improvement and efficiency, including commissioning & procurement, entrepreneurial thinking, making a business case for action, understanding sustainability and promoting equality and diversity.

Collaborative and Sustainable Commissioning and Procurement

Outcome:

A better deal for citizens and communities, exercising leverage over the £1.5 billion identified annual spend on bought in goods, works and services, with the aim of releasing a substantial (£100m) cashable discount and transactional efficiencies in the context of a value for money approach.

How:

- drive forward the cultural journey we are addressing in partnership around collaborative commissioning and procurement opportunities in the 'high spend' areas such as Construction, Waste, Adult Care, Children's Services as well as commodities, goods and services;
- develop a sustainable, intelligent, collaborative programme to enable effective market stimulation, contract planning and shared effort;
- establish a Collaborative Procurement Concordat between all authorities and subsequently other public procurers to promote greater synergies;
- developing and promoting the opportunities for the third sector in procurement as outlined in the recently-established Regional Compact; and
- develop a procurement intelligence framework to inform and identify key opportunities and risks.

- harness investment in e-procurement, by developing interoperability, to provide visibility of collaborative contracts to both procurers and suppliers through a virtual trading community
- improve engagement with suppliers (including those from the third sector) to enable innovation in specifications and sustainability in delivery
- assist LAs and other public procurers to deliver the Local Government Sustainable Procurement Strategy across the region
- Members and senior managers personal development that builds for effective partnership and cross-boundary working.

Theme 2: Better Partnerships for Better Places: Community empowerment and local leadership

4.12 Cross sectoral and cross boundary partnership working in the region needs a step change in order that we can deliver ambitious targets including excellent LAAs and MAAs, and other outcomes together. We will assist partnership transformation through a programme of support, learning and exchange, which embeds the set of sophisticated skills, behaviours and attitudes that are the hallmark of successful and effective partnerships.

Support for Elected Members

Outcome:

Elected Members are very well positioned and fully equipped to lead their areas, to improve local economic growth and services, to empower communities, to fulfil their scrutiny and accountability roles and to lead the improvement and efficiency agenda.

How:

Develop and roll out packages of activities to provide the necessary support and development opportunities to:

- underpin Members' important roles at all spatial levels – nationally, regionally, city regionally and locally - in the changing operational context, including LGR;
- support their leadership, partnership and community engagement roles, including leading organisational change and development;
- ensure that opportunities for collaboration, learning and mutual support are fully exploited;
- strengthen the regional cohort of IDeA accredited political peers, so locally accessible coaching, mentoring and review activities are enhanced and the high level of interest in peer review in all authorities is sustainable;
- support Members in extending the use of Participatory Budgeting in their localities;
- developing skills in assisting and responding to the proposed 'Calls for Action'; and
- work closely with Community Empowerment Networks and support the regional roll out of the Community Empowerment Strategy.

Corporate and Shared/Collaborative Services

Outcome:

Enable councils and partners to accelerate the delivery of collaboration on corporate and shared services.

How:

- share learning from existing shared service working (e.g. Stockton/Darlington partnership) and ensure that new unitary councils are supported to benefit from this; and
- build the case for, and culture that supports, shared services by working with partners to dismantle barriers to collaboration.

Maximising New Opportunities for Regional Collaborative Leadership

Outcome:

Through ANEC a culture of enhanced collaborative leadership, underpinned by mutual accountability for strategy and delivery across a broad agenda including improvement and efficiency.

How:

- develop a leadership programme with and for the regional 'top team' of Leaders/Mayors and Chief Executives, aimed at embedding, sustaining and supporting the ability to work together on the journey of effecting change; and
- ensure that there is ongoing support and development for elected Members in performing the leadership and other roles expected of them at different spatial levels, and in navigating through the complex process of decision making in this context.

Supporting LSPs to deliver

Outcome:

Strong Local Strategic Partnerships to ensure delivery of LAA priorities and targets.

How:

- Analysing evidence from regional partnership/LAA research (concludes end March 2008), CAA as it develops and each LSP's own performance management to proactively seek to identify both risks (before they become problems) and opportunities to inform collaborative efforts and focus support for partnerships accordingly;
- Targeted and tailored improvement and support packages including peer review, use of partnership development toolkits, capacity building and expert advice will be drawn together for individual partnerships;
- Mentoring, coaching and other practical support for areas of poor performance;
- Investing in development of strategic leadership capacity with duty to co-operate partners;
- Improving the understanding of, and commitment to, local compacts between public sector partners and the third sector;
- Cross regional networking, action learning and peer support on key LAA themes and priority i.e. health inequalities, high levels of crime, young peoples' engagement and regeneration;
- Develop effective community engagement to address key LAA commitments, particularly around economically inactive communities and social cohesion;
- Through PR/Communications network and networks of LSP representatives, help councils and partnerships to express the work of their LSP and raise its profile amongst citizens and communities to increase citizen engagement; and
- Capacity building for data analysis and partnership scrutiny.

Excellent MAAs

Outcome:

Support authorities to deliver excellent MAAs in the Tees Valley and Tyne and Wear city regions, which deliver improved value for money, efficiency and effectiveness.

How:

- in partnership with others, including the RDA, provide tailored capacity, skills and support, as required.

A Centre for Local Governance Excellence

Outcome:

An established, nationally recognised centre of learning and research in current and future local governance practice, located within a North East university.

How:

- develop a knowledge partnership with the region's universities to provide a focal point for leading edge research and thinking in local government, support graduate recruitment strategies and deliver higher-level skills;
- build on links with the National Graduate Development Programme to attract undergraduates and retain young talent; and
- strengthen links to national resources such as IDeA Knowledge.

Theme 3: Better Outcomes for Citizens and Communities

4.13 We will support the development of closer customer responsiveness and engagement in all community focused services, whilst aiming to achieve a step change so they become leaner and more effective. We will prioritise the delivery, in genuine partnership with others, of adult social care, children's services, waste and construction. We will support the transition from twenty-five authorities to twelve and ensure that efficiencies and enhanced ways of working are delivered.

Children's Services

Outcome:

Demonstrable progress in tackling the challenges of delivering high quality support to the growing number of children with very complex care and health needs and planning for their future as adults around:

- child poverty;
- looked after children;
- transition; and
- out of area placements.

How:

- facilitate cross-boundary and cross-sector collaborative commissioning to provide better services and enable more efficient and effective use of resources;
- through commissioners and providers sharing best practice experiences;
- through working with the Joint Improvement Support Plans; and
- promote the implementation of cost modelling tools to derive efficiencies and influence the supply market.

Adult Social Care Services

Outcome:

Demonstrable progress in tackling the challenges involved in delivering improved outcomes for the population around:

- leadership and capacity for change;
- whole system reform; and
- making services more efficient and effective.

How:

- facilitate cross-boundary collaborative commissioning to improve services and ensure more efficient and effective use of resources;
- through commissioners and providers sharing best practice experiences to improve services;
- work with other sectors, particularly the health and third sectors to develop innovative delivery partnerships;
- promote the implementation of cost modelling tools to derive efficiencies and influence the supply market;
- develop collaborative working between Supporting People services and adult social care provision addressing commissioning procedures and workforce development; and
- collaborative implementation of new initiatives and policies such as the Putting People First (PPF) protocol.

Image, Perception and Reputation

Outcome:

Reduce the 'perception gap' that exists between residents' general views of their council and the day-to-day experience of service users.

How:

- work with councillors, community engagement, Member support, democratic services and other key officer groups to fully realise participative, representative and deliberative democracy, including the roles held by councillors, citizens and communities;
- continue engagement with the LGA in promoting and sharing best national practice through the Reputation campaign; and
- work with young people to boost their perception of local government and encourage them to choose it as a career option.

Effective and Productive Waste Management

Outcome:

Reduce amount of waste being generated and diverted to landfill, whilst increasing levels of recycling and re-use and making a positive contribution to improved carbon management.

How:

- benchmarking – developing a knowledge base of current performance, policy and strategy;
- increase skills and capabilities to understand and manage large scale, complex waste projects and solutions;
- develop a regional waste awareness initiative;
- develop business transformation in waste services and raise awareness of the cultural change required to drive waste reduction strategies;
- develop the relationship between waste management and development control;
- exploit all opportunities for involvement in or learning from other regional and national initiatives;
- align waste collection and kerbside recycling services;
- assess the potential and appetite for “re-use” collection;
- develop links between waste and environment activities and the neighbourhood agenda;
- develop a regional approach to the strategic issues associated with waste management;
- provide an Innovation Fund to encourage and enable new schemes which might illustrate the improvement and efficiency value of transformed services; and
- participate in the national RIEP waste programme (if approved).

The RIES Programme

4.14 The delivery plan, which is a separate document, details how the priorities of the RIEP will be translated into a programme of work. An overview of the programme is provided in the table below. It sets out the RIEP’s 10 programmes, illustrates the links to national priorities and regional themes, and provides an indicative budget.

IMPROVEMENT AND EFFICIENCY PROGRAMME OVERVIEW

	Improving VfM and meeting the 3% efficiency target	Supporting partnerships to deliver LAAs	Community empowerment	Leadership of economic development and neighbourhood renewal	More customer focussed delivery	Better partnerships for better places	Better outcomes for citizens	Year 1 indicative budget	Total indicative budget £million	Percentage of possible RIEP budget (rounded)
Children's Services !	✓	✓	✓		✓	✓	✓		1.75	10%
Adult Services !	✓	✓	✓		✓	✓	✓		2.75	16%
Construction and Asset Management !	✓		✓	✓	✓		✓		1.5	9%
Collaborative Procurement	✓			✓	✓	✓	✓		2.0	12%
Waste and Environment !	✓	✓		✓	✓	✓	✓		1.5	9%
Organisational development and workforce planning #	✓	✓	✓	✓	✓	✓	✓		2.5	15%
Partnerships # !	✓	✓	✓	✓	✓	✓	✓		1.25	7%
Community Engagement and Empowerment !		✓	✓		✓	✓	✓		1.0	6%
21 st Century Services !	✓		✓		✓	✓	✓		0.5	3%
Regional Leadership #	✓	✓	✓	✓	✓	✓	✓		0.25	1%
RIEP Programme Management									2.0	12%
TOTAL								£4.6*	£17m*	

Additional funding has been sought under the recent bid process against the allocation of 2007-8 Improvement and Efficiency Resource

! These programmes will include an innovation fund for collaborative bids up to a maximum of 10% of the overall programme

* Subject to funding allocation

5 Measures of Success

5.1 The Improvement and Efficiency Strategy will make a significant difference by supporting authorities, working with local partners, to deliver improved outcomes for citizens and communities by stimulating local economic and social growth, providing excellent, value for money services and empowering communities. There is no single measure of success. The extent to which this aim has been achieved will be assessed in a number of ways:

- at a local level through base-lining, self-assessment and evidence of improvement through CPA/CAA, which will assess value for money and delivery of LAA targets, measure the ‘impact on place’, then address underperformance;
- at a regional level through review of the extent to which the RIEP has achieved the results established in our Improvement and Efficiency Strategy, as agreed with Government and the LGA. Measuring the extent of peer activity, % engagement and improvements attributable to the RIEP programme;
- at a national level with regard to the:
 - ability of places to deliver improved outcomes as articulated in the national indicator set;
 - ability of places to meet increasing efficiency demands;
 - progress made in simplifying support arrangements and reducing overlap and duplication (measured against commitments set out in the CLG Prospectus); and in particular whether it feels less burdensome from a practitioner’s standpoint; and
 - better value for money on local service improvement spend.

5.2 The delivery of high quality and effective services across the public sector, judged by (we will continue to work with partners to identify robust measures building on the indicative ones below):

More customer-oriented delivery	
<ul style="list-style-type: none"> • Better Services 	<ul style="list-style-type: none"> • Customer satisfaction % increase • Fewer complaints • % increased scored in inspection regimes.
<ul style="list-style-type: none"> • Better Outcomes 	<ul style="list-style-type: none"> • Customer satisfaction % increase • Fewer complaints • Improved regional performance against % or specific National Indicators • % achievement of LAA.

<ul style="list-style-type: none"> • Better Productivity 	<ul style="list-style-type: none"> • % reduction of non-value added steps in key processes • Standardisation / Harmonisation of processes • % fewer individual LA tendered procurements • % less maverick spend.
<ul style="list-style-type: none"> • Better customer relationships and service resolution at first contact 	<ul style="list-style-type: none"> • National indicator.
<ul style="list-style-type: none"> • Savings reinvested to develop new frontline services 	<ul style="list-style-type: none"> • Annual report from each LA providing this information - % savings reinvested.
<ul style="list-style-type: none"> • Improved reputation of local government and greater awareness of, and interest, in local government 	<ul style="list-style-type: none"> • National indicator.
<ul style="list-style-type: none"> • A skilled and motivated, high performing workforce and supplier base with greater pooling and sharing of staff 	<ul style="list-style-type: none"> • % reduction in staff turnover • Staff surveys to measure motivation • % of time in which LAs share or pool staff.

Better Partnerships For Better Places

<ul style="list-style-type: none"> • Greater community ownership and commissioning of services 	<ul style="list-style-type: none"> • National indicator
<ul style="list-style-type: none"> • Excellent governance (decision making, influence, partnerships) through: increased partnership effectiveness (based on CAA assessments) and progress made in other areas e.g. at the sub-regional level (MAAs etc) and at the regional level 	<ul style="list-style-type: none"> • % of areas achieving a good report in the CAA governance/partnership assessments.
<ul style="list-style-type: none"> • Support for the development, where appropriate, of inter-authority partnerships (benchmark inter-authority partnership through the RIEP), based on willingness to collaborate, shared services, productive networks etc, and improve after three years 	<ul style="list-style-type: none"> • Establishment of networks • Participation in networks • Positive feedback through survey & evaluation.
<ul style="list-style-type: none"> • Cross – sector engagement on projects, proportion of activity working with pooled budgets 	<ul style="list-style-type: none"> • Increased % of pooled budget • Increase cross-sector engagement, measured through participation and feedback.

<ul style="list-style-type: none"> • Increased involvement of the community and citizens in the commissioning of services 	<ul style="list-style-type: none"> • RIEP evaluation
<ul style="list-style-type: none"> • How inclusive is the LSP 	<ul style="list-style-type: none"> • RIEP evaluation

Better Outcomes for Citizens and Communities	
<ul style="list-style-type: none"> • Improved citizen satisfaction 	<ul style="list-style-type: none"> • All NE authorities in the English upper quartile
<ul style="list-style-type: none"> • Improved service performance, removal of in-region gaps, and avoiding 'dips' in performance 	<ul style="list-style-type: none"> • Decrease in the gap between the best and worst performers in the region at a service level • Improved performance in comparison to other regions.
<ul style="list-style-type: none"> • Evidencing improved efficiency in all councils 	<ul style="list-style-type: none"> • Achieve 11% efficiency across all NE authorities by 2011.
<ul style="list-style-type: none"> • Reduced inequalities and increased inclusiveness of communities 	<ul style="list-style-type: none"> • National Indicator • Citizen perception
<ul style="list-style-type: none"> • Positive performance in CAA and addressing underperformance in authorities and their partners 	<ul style="list-style-type: none"> • No low performing authorities and LSPs in the NE.
<ul style="list-style-type: none"> • Supporting the transition through potential Local Government Reorganisation (LGR) 	<ul style="list-style-type: none"> • Citizen perception
<ul style="list-style-type: none"> • Reputation of, and engagement, in representative democracy 	<ul style="list-style-type: none"> • Increased voter turnout and increased engagement.
<ul style="list-style-type: none"> • Improved response of authorities and their partners to better assuring social, economic and environmental sustainability through their governance and actions 	<ul style="list-style-type: none"> • RIEP evaluation
<ul style="list-style-type: none"> • Reputation of, and engagement, in participative and deliberative democracy 	<ul style="list-style-type: none"> • Community engagement and participation which has real impact
<ul style="list-style-type: none"> • Self-awareness of authorities and their partners of their improvement needs and opportunities for achieving greater performance. 	<ul style="list-style-type: none"> • Consistency between self assessments and CAA risk assessments

6 Governance, accountability and challenge

Regional Governance and Accountability

- 6.1 Through the **Association of North East Councils** (ANEC), the RIEP will utilise and build on the current governance arrangements (see Annex D). Elected Members will lead and drive the RIEP, with political accountability in the region through ANEC. This ensures member leadership of, and engagement, in the RIEP and ownership of the strategy by all members in the region. ANEC's regular meetings will provide the mechanism for formal endorsement of the Partnership's recommendations for activities and spend through regular progress and discussion reports. An annual conference for members and Chief Executives will take account of progress, identify new challenges and opportunities and outline the thrust of the next period of delivery ensuring ambition, commitment, ownership and leadership.
- 6.2 A **Member Review Group** (MRG), established by ANEC and which includes FRS representation, provides the mechanism for more detailed Member-level overview and progress monitoring on the strategy and its delivery, and advises the Association. This Group will also regularly meet with the Audit Commission and GONE to address their independent views on the progress of the partnership programme and its impact on local authorities.
- 6.3 The **Improvement and Efficiency Steering Group** (IESG) currently comprises 14 local authority Chief Executives, ANEC, the Audit Commission, the North East Regional Employers Organisation, Fire and Rescue Services, Government Office for the North East, IDeA, North East Regional Employers Organisation, One NorthEast and the TUC. MRG and IESG will continue to receive programme highlight and exception reports, which have been positively received in the current governance arrangements. These groups provide the forums for authorities and partnerships to question and challenge progress and use of resources. (The membership and terms of reference for the IESG and Member Review Group Membership are attached as Annex D.)
- 6.4 Through IESG a lead Chief Executive or Director will be nominated as the **sponsor** for each programme, accountable up to IESG for progress and delivery.
- 6.5 The programme boards will include Directors and senior officers, such as in Adult Care, Children's Services, Waste, Construction and Procurement to ensure ownership, engagement and accountability for the delivery and implementation of key elements of the programme. Those change and improvement agents from relevant government departments will be integrated into programme groups to ensure effective co-ordination of resources at a regional level and synergy with national priorities. Other networks, such as in

Organisational Development, and the ANEC's Finance Officer Group (directors of finance) will provide advice and support across the piece.

- 6.6 In relation to Adult Services, improvement and efficiency support in the North East will be coordinated through by the North East Joint Improvement Partnership (NE JIP) to be established from April 2008. (See example below.)

Integration of Joint Improvement Partnership and RIEP

- 6.7 The following model is being considered in conjunction with Directors of Adult Services and CSIP. Subject to confirmation of terms of reference, the intention is to delegate funding to the NE JIP against a programme of activity agreed by the RIEP and to use the performance management, communication processes and programme management infrastructure provided by the RIEP. In this way the NE JIP will be able to track progress and benefits and influence the ongoing development of the overall strategy.
- 6.8 As part of this, the NE JIP would have responsibility for aggregating regional support requirements, commissioning and tracking the delivery of the support (in a programme board type function). It will report to the RIEP against agreed deliverables and milestones, and will also work with regional service networks to review and support delivery of the programmes.
- 6.9 The RIEP would provide support to the service networks, as required.

Delegations

- 6.10 A scheme of delegation will be developed for consideration, to enable the programme to function optimally but at the same time assuring probity and accountability.
- 6.11 We will also agree a code of conduct for the decision-making process.

Partnership Performance

- 6.12 Performance challenge is an essential part of the strategy development and delivery. Working with Government Office for the North East (GONE) and the Audit Commission we have agreed our approach to enable a critical assessment of the delivery of this newly developed strategy to ensure that it remains ambitious, visionary and encompasses national, regional and local needs.
- 6.13 In general terms, GONE and the Audit Commission will assist on, and quality assure, the robust performance framework. This activity will include a risk assessment process for the activities we directly deliver.

- 6.14 Both Government Office and the Audit Commission will have a key role in advising the Steering Group and, importantly, the Member Review Group, on the delivery of the strategy and on other challenge issues as they emerge.
- 6.15 Through effective two-way communication and transparent reporting, we will ensure that authorities and partnerships know what to expect from the RIEP, so that they can influence priorities and hold the RIEP to account for delivery. Similarly authorities will be accountable for ensuring that there is 'improvement' return on investment.

Tackling under-performance and raising the bar

- 6.16 A critical element of the RIEP is that it has a robust approach to identifying and addressing areas of under-performance, as well as identifying best practice for shared learning to bridge any 'performance gap' between authorities. Our approach to tackling under-performance, in addition to general performance discussions at the IESG, will be as follows:
1. Structured round-table discussions, between three and four times per year, with the Audit Commission and Government Office. These sessions will not be limited to reviewing performance data with which there may be a time lag, but will be a flexible opportunity for tabling issues or concerns (including those raised by agents of other government departments or improvement agencies) either individually or jointly.
 2. Within the local government community, to share any concerns at an early stage so that sector-led support can be provided wherever possible by peers acting as critical friends and assisting in planning and implementing necessary changes before problems become intractable.
 3. With all agencies, open sharing of any initial concerns regarding aspects of individual or collective authorities' performance, seeking to identify those authorities in the region or beyond, who are recognised as best practice exemplars from which learning can be gleaned.
 4. Discussion of improvement support needs or strong ambitions to achieve excellence, such as those arising from CAA and other inspection reports, and potential options for support to address these needs, such as peer support, coaching and mentoring.
 5. Discussion with the relevant officer(s) in the individual authority to clarify issues and seek their views of improvement support needs.
 6. Where the issue is common across more than one authority, we will seek to bring these authorities together to enable improvement support to be provided collectively, drawing on peer support wherever appropriate.
 7. Finally we will work with the authorities, relevant agencies and improvement partners to agree, develop and implement an appropriate support package with milestones and timescales for achievement and sustaining change.

The national framework for supporting the RIEPs

- 6.17 The RIEP will **report annually to the LGA, Government and the CEXTG** governance structure against its delivery plan, accounting for the distribution and use of funding, progress against priorities and providing assurance that high standards are being met.
- 6.18 The **Chief Executives Task Force** will play a role in identifying shared support needs and act as a means for sharing good practice between the RIEPs.
- 6.19 The **LGA Improvement Board** will play a critical role in relation to the national strategy, endorsing regional strategies and in ongoing challenge.
- 6.20 The **ICE** (Innovation, Capacity, Efficiency) programme Board (one of the programme boards overseeing the implementation of the new performance framework) will be used as a means of co-ordinating Government Department comments and endorsement to the regional strategies and in monitoring the implementation of the strategy. Government will have a role in specifying the outcomes to be achieved in return for resources committed to the delivery of the strategy.
- 6.21 **IDeA** Regional Associates have a key role in joining up national and regional improvement activities, to ensure that regional intelligence and learning informs national priorities, that effort is complementary and that authorities' interests in specialist support are informed by peer expertise and learning, drawing on the best in class, nationally and regionally.

National & Cross-sectoral Liaison and Co-ordination

- 6.22 The need for, and the importance of, national co-ordination of the development of tools and techniques for the largest areas of local authority expenditure is essential to fully realise the efficiency, sustainability and procurement potential from those services. This covers the procurement areas of Construction, Waste, Adult Social Care, Children's Services and "commodities".
- 6.23 Additionally, since Government is now attempting to bring together dis-jointed services to citizens through better inter-departmental working, it is often through partnerships with local authorities that the best, most customer-centred services can be delivered. Transformation initiatives offer opportunities for collective local authority bargaining and partnering with Government Departments such as DWP and HMRC.

- 6.24 The LGA has responsibility for the new RIEP programme and the current view is that the programme management function will be delivered by the IDeA. Regionally, as individual RIEPs, and collectively nationally, we will work closely with change agents sponsored by other Government Departments to align and streamline support. To ensure the North East region benefits fully from “national projects”, it will work closely with national programme support and other cross-sectoral change agents to ensure coherence of support programmes.
- 6.25 The regional implementation of national projects will be achieved by implementing national projects either within existing RIEP programmes and projects or by establishing new projects to provide capacity building support, training, advocacy and knowledge sharing, depending on their nature, assessed on a case by case basis.
- 6.26 These activities will be underpinned by effective and efficient communication, dissemination and administration arrangements.

Programme Management

- 6.27 To fulfil its role, the newly formed RIEP will need to have the capacity and capability to support authorities and partners to deal with an increasing range of improvement and efficiency programmes. This will be achieved by incorporating the following roles within the RIEP’s delivery capacity using a blend of in-house and commissioned resources.

Programme Assurance

- 6.28 Providing assurance that the range of the RIEP programmes is focused on delivery of agreed objectives and priorities to support improvement and efficiency through high-level sponsorship and accountability.
- 6.29 A smooth transition from the previous arrangements to the new programme will be important for business continuity and to ensure the partnership is able to make swift progress. The IESG is putting in place interim arrangements to cover the period from 1 April to 30 September 2008 (subject to resources) whereby NECE (the RCE), IP (the Improvement Partnership) and NE Connects (the E-government partnership) core staff will be offered extensions to current employment contracts (mixture of secondments and fixed term contracts) to 30/09/08. In parallel, action will be taken to appoint the new Programme Director as soon as possible, so that he/she can play an integral part in the appointment process for the team.

Project Management

6.30 Managing the detail of the process to ensure projects are completed successfully, on time, in scope and within budget. Clear criteria will be used to determine the business case for each proposed intervention so that intended outcomes and return on investment are clear and measurable. The RSe efficiency measurement tool as outlined in the Value for Money Delivery Plan will support this process through both qualitative and quantitative assessment incorporating an evaluation of risk. This will ensure that new and innovative approaches or investment, such as in developing attitudes and behaviours are equally considered alongside more tangible cash-releasing projects.

Expert Regional Networks

6.31 Building on the success to date, the continued reliance on influential and expert regional networks will be a key feature of programme management.

Relationship Management

6.32 The RIEP will develop and maintain sound professional relationships with authorities to understand their requirements and raise their awareness of improvement and efficiency initiatives, available regionally and nationally. It will support effective operational liaison between authorities and the RIEP and support the development of effective collaboration to further the achievement of improvement and efficiency.

6.33 In addition to authorities, the RIEP will seek to continue and develop further where appropriate, regular and effective exchanges of information with those organisations whose objectives are aligned with those of the RIEP, or those where mutual support is beneficial. The Trade Unions serve as a good example.

Risks and Risk Mitigation

6.34 The following key risks and mitigation and management actions have been initially identified. Key risks will be regularly monitored and updated to best ensure successful programme delivery.

Risks	Probability (H M L)	Impact (H M L)	Action Required by the Improvement and Efficiency Steering Group
Lack of leadership to RIEP	Low	High	<ul style="list-style-type: none"> Self-regulation through the Chair of the Improvement and Efficiency Steering Group and through the Member Review Group, and the ANEC Member structure.
Adults Services JIP are not	Medium	High	<ul style="list-style-type: none"> Self-regulation through the

Risks	Probability (H M L)	Impact (H M L)	Action Required by the Improvement and Efficiency Steering Group
formally established			Improvement and Efficiency Steering Group and NE Branch ADASS.
Children's Services and Adult Services Commissioning forums are formally established	Medium	High	<ul style="list-style-type: none"> Obtain assurance of support and continue to engage with ADSS, DCS and DAS
Lack of senior management ownership from Senior Executives and Directors (not represented on IESG)	Medium	High	<ul style="list-style-type: none"> Establish communication plan including regular seminars and briefings.
Lack of political support	Low	High	<ul style="list-style-type: none"> Continue to utilise ANEC structures Sub regional/service representatives communicate and develop awareness and support Continue to engage LGA support Continue to invite Elected Members to all seminars and conferences.
Continuity of funding beyond March 2011	High	High	<ul style="list-style-type: none"> Actively seek other funding streams.
Authorities fail to provide information on activity and performance	Medium	Medium	<ul style="list-style-type: none"> Partners to take action to address this Develop measures to review improvements in response rates and aim for continuous improvement Establish realistic timescales
Capacity and capability of the RIEP to deliver	Low	High	<ul style="list-style-type: none"> Track progress of each project, including financial expenditure Ensure Project Boards, Project Sponsors are fully engaged in the projects

Communications

6.35 Fully-effective communications to promote understanding and awareness of the RIEP, its programmes and development is essential to assure engagement, participation and impact. The outline of the Communications Strategy is contained in our Delivery Plan.

Annex A – Common North East Region LAA Targets

These are the priorities by National Indicator occurring most frequently (in 6 or more out of 12 i.e. at least 50% of localities) in our emerging LAAs (as of 8th February 2008), shown in relation to the RIEP programme through which they will *primarily* be supported.

Children's Services

56 - Obesity among primary school age children in Year 6 (8)

112 - Under 18 conception rate (9)

117 - 16 to 18 year olds who are NEET (10)

Adult Services

32 - Repeat incidents of domestic violence (8)

39 - Alcohol-harm related hospital admission rates (8)

120 - All-age all cause mortality rate (8)

123 - 16+ current smoking rate prevalence (10)

Community engagement and empowerment

4 - % of people who feel they can influence decisions in their locality (7)

17 - Perceptions of anti-social behaviour (7)

Partnerships

30 – Re-offending rate of prolific and priority offenders (7)

Regional leadership

152 - Working age people on out of work benefits (8)

171 - VAT registration rate (9)

116 – Proportion of people in poverty (6)

151 - Overall employment rate (10)

152 - Working age people claiming out of work benefits in the worst performing neighbourhoods (8)

Waste and environment

154 – Net homes provided (6)

155 - Number of affordable homes delivered (gross) (7)

186 - Per capita CO2 emissions in the LA area (6)

192 - Household waste recycled and composted (9)

195 - Improved street and environmental cleanliness (8)

Annex B – Audit Commission Perspective

As part of the strategy development process, the Audit Commission in the region has also helpfully shared its thinking on its work which it undertakes to support and challenge public bodies to deliver improved outcomes for local people which are sustainable. This has seen them focus on cross-cutting issues such as regeneration and health inequalities, as well as delivering Corporate Assessments, CPA judgements, Use of Resources judgements, and Direction of Travel Assessments. How organisations understand and analyse the needs of their communities is central to its assessment.

From the perspective of the whole of the North East, the Audit Commission's view is that two of the major issues to focus on in the lead into Comprehensive Area Assessment (CAA) are:

- regeneration (including housing and transport); and
- health inequalities.

They have noted that the interdependencies between these issues are well rehearsed and consider that a joined up approach will therefore be critical.

In terms of regeneration, the Audit Commission's views regarding key issues for the region are around:

- strategic leadership and capacity devoted to economic development;
- prioritising investment;
- accelerating the pace of development;
- authorities' key role as community leaders and in education and skills in developing a workforce fit for the future and understanding the needs of employers; and
- getting better connected to business partners and community partners, so as to understand business needs for skills, and the barriers to economic activity experienced by residents in deprived neighbourhoods.

In terms of health inequalities, the Audit Commission's views on key issues for the region are around:

- developing performance management arrangements that evaluate projects and ensure continued funding of those that deliver tangible outcomes;
- service gaps existing, in part because services are sometimes targeted where ring fenced funds are available, rather than where need is greatest. In addition, the need to give certain service providers, particularly in the third sector, greater certainty over their longer term funding;

- ensuring LAAs contain a breadth of targets to reduce health inequalities, across all sectors;
- the need to promote more joined-up service delivery: the same people often have a range of problems which can only be addressed by the joined-up delivery of a variety of services;
- the scope to use the new Regional Health and Wellbeing Strategy to provide focus for regional activity; and
- seek community views to influence how and where services are provided.

Looking at the sub-regions, the Audit Commission has identified that some of the key issues for the next 12 months are:

<p>Northumberland</p> <p>The implementation of LGR is the overriding imperative for all of Northumberland's authorities. Key issues are:</p> <ul style="list-style-type: none"> • the development of the model for community consultation and engagement across a geographically large and varied area • increasing the involvement and the contribution of the third sector • the delivery of the new council's strategic housing responsibilities • the county-wide approach to providing comprehensive access to service arrangements • a local planning system which meets government delivery targets across the new Council. 	<p>Tyne & Wear</p> <ul style="list-style-type: none"> • Regeneration (and particularly the development and utilisation of the capacity within Tyne and Wear to regenerate); • transport policy • health inequalities and in particular alcohol abuse • environmental outcomes, including waste recycling and sustainability agendas
<p>County Durham</p> <p>The implementation of LGR is the overriding imperative for all of Durham's authorities. Key issues are:</p> <ul style="list-style-type: none"> • developing political capacity and leadership in the area • involving the third sector • regeneration, including linkages to developing Multi Area Agreements and City Regions, and the strategic housing responsibilities of the new Council • addressing health inequalities • transport policy • access to services across widely disparate economic, social and geographic communities. 	<p>Tees Valley</p> <ul style="list-style-type: none"> • regeneration, including policies and strategies for economic development, housing and transport, within a context of a developing Multi Area Agreement • the further enhancement of adult skills and learning • crime and disorder and its impact on quality of life in certain areas within Tees Valley • health inequalities, including particular issues with substance misuse and teenage pregnancy • waste management and recycling in certain areas within Tees Valley.

North East CPA Ratings

Single Tier and County Councils	2005		2006		2007	
	star rating	Direction of Travel	star rating	Direction of Travel	star rating	Direction of Travel
Darlington	4	Improving well	4	Improving well	4	Improving well
Durham	4	Improving well	4	Improving well	4	Improving well
Gateshead	3	Improving well	4	Improving well	4	Improving strongly
Hartlepool	4	Improving well	4	Improving well	4	Subject to review
Middlesbrough	4	Improving well	4	Improving well	4	Subject to review
Newcastle	3	Improving well	3	Improving adequately	3	Improving well
North Tyneside	2	Improving well	2	Improving adequately	3	Improving strongly
Northumberland	3	Improving well	3	Improving adequately	4	Improving well
Redcar & Cleveland	4	Improving well	4	Improving well	4	Improving well
South Tyneside	3	Improving well	4	Improving strongly	4	Improving well
Stockton-on-Tees	4	Improving well	4	Improving strongly	4	Subject to review
Sunderland	4	Improving well	4	Improving well	4	Improving well

District Council Ratings

Alnwick	Good
Berwick Upon Tweed	Weak
Blyth Valley	Excellent
Castle Morpeth	Weak
Chester-le-Street	Good

Derwentside	Good
Durham City	Fair
Easington	Excellent
Sedgefield	Good
Teesdale	Poor

Tynedale	Good
Wansbeck	Fair
Wear Valley	Fair

Annex C – Consultation Feedback

The bullet points below are summaries from consultation feedback provided by authorities and partners which have steered the development of and have been incorporated into the strategy.

- more emphasis on Local Government Review implications;
- collaborative procurement and commissioning planning and action across local authorities and across the public sector;
- sustainability;
- member development, understanding and engagement in:
 - strategic procurement principles and planning;
 - service transformation;
 - efficiency;
 - community leadership and place-making role;
- development of clearer frameworks for identifying and measuring efficiency;
- identification and dissemination of good practice in developing their approaches to performance management and benchmarking;
- targeted resource to help improve capability around project management and the Unitary transition team;
- systems integration linked to Unitary status;
- helping authorities see the bigger picture and developing ideas around innovative service delivery to give authorities the tools to challenge the way services are delivered;
- focus on service delivery specification in high spend areas;
- need to raise awareness and engagement with RIEP at all levels;
- must also involve the business and third sectors;
- embed the principles of Local Multiplier 3 and Local Enterprise Growth Initiative;
- strengthening the role of NEPO and upskilling it;
- align to issues for citizens' satisfaction, trust and confidence;
- member engagement needs to be more visual;
- cross-LA brokerage of relationships with other agencies e.g. Government functions in the region;
- activity focused on removing barriers to collaboration;
- ongoing support for networking and facilitation;
- provision of expert helpers;
- point of reference to access services and able to join-up authorities wanting to do similar things;

- effective two-way communication channels are maintained each so that specific LA issues can be raised appropriately and effectively, as well as common LA issues, and feedback occurs;
- a need for applied innovations in public services in particular to find solutions to complex service needs;
- delivering transformation of services, in particular reducing avoidable contact with Government, better use of customer information, Local - Central government alignment and engaging front – line staff;
- managing change particularly where there are short to medium term national policy imperatives (that we agree with), and likely strong business cases;
- agile (21st century) working; and
- service areas where the citizen gets the most from “transformed” services.

Annex D – Governance Membership and Terms of Reference

Improvement & Efficiency Steering Group

Terms of Reference

1. Ensure that the North East takes a strategic approach to capacity building, continuous improvement, efficiency, effectiveness and value for money, which enables local authorities and the fire and rescue service to achieve maximum impact and benefit for local communities and citizens.
2. Ensure that a coherent offer of support to local authorities and the fire and rescue service is provided.
3. Maximise the benefit of the resources available, both existing and new and ensure alignment of funding between programmes where appropriate.
4. Ensure that agreed programmes are delivered and that there is maximum 'joining up'.
5. Determine an appropriate means of performance management for the programmes to enable assessment of impact within the region.
6. Support the Association's Members in their role as being politically accountable and in the performance management of the programmes in the region and on behalf of the Government, to ensure that the outcomes are delivered.

The Membership is:

- Local Authority Chief Executive Representatives:
 - Chester le Street DC
 - Darlington BC
 - Derwentside DC
 - Durham County Council
 - Easington DC
 - Gateshead MBC
 - Hartlepool BC
 - North Tyneside MBC
 - Northumberland CC
 - Newcastle CC
 - South Tyneside MBC
 - Stockton BC
 - Sunderland CC
 - Tynedale DC
- Partner Representatives:
 - Association of North East Councils
 - Fire and Rescue Services
 - IDeA
 - One NorthEast
 - North East Regional Employers Organisation
 - Government Office for the North East
 - Audit Commission
 - TUC

The IESG is chaired by George Garlick (Chief Executive of Stockton Borough Council). The IESG may seek additional members as necessary to develop and deliver its work.

Member Review Group

Terms of Reference

1. The Member Review Group will maintain an overview and monitor progress of the regional Improvement and Efficiency strategy programme for which the Association has formal political accountability.
2. Receiving advice from the Improvement and Efficiency Steering Group, it will take an overview of the three work programmes at a level of detail, noting 'highlights and exceptions' (risks, issues of concern, positive benefits and outcomes) and advising on action where appropriate.
3. The Group will advise and influence the Association's Executive Committee on matters relating to the three programmes and refer pertinent issues to the Improvement and Efficiency Steering Group as necessary.
4. Members of the Group will actively promote improvement and efficiency activities amongst Association Members and Member authorities.

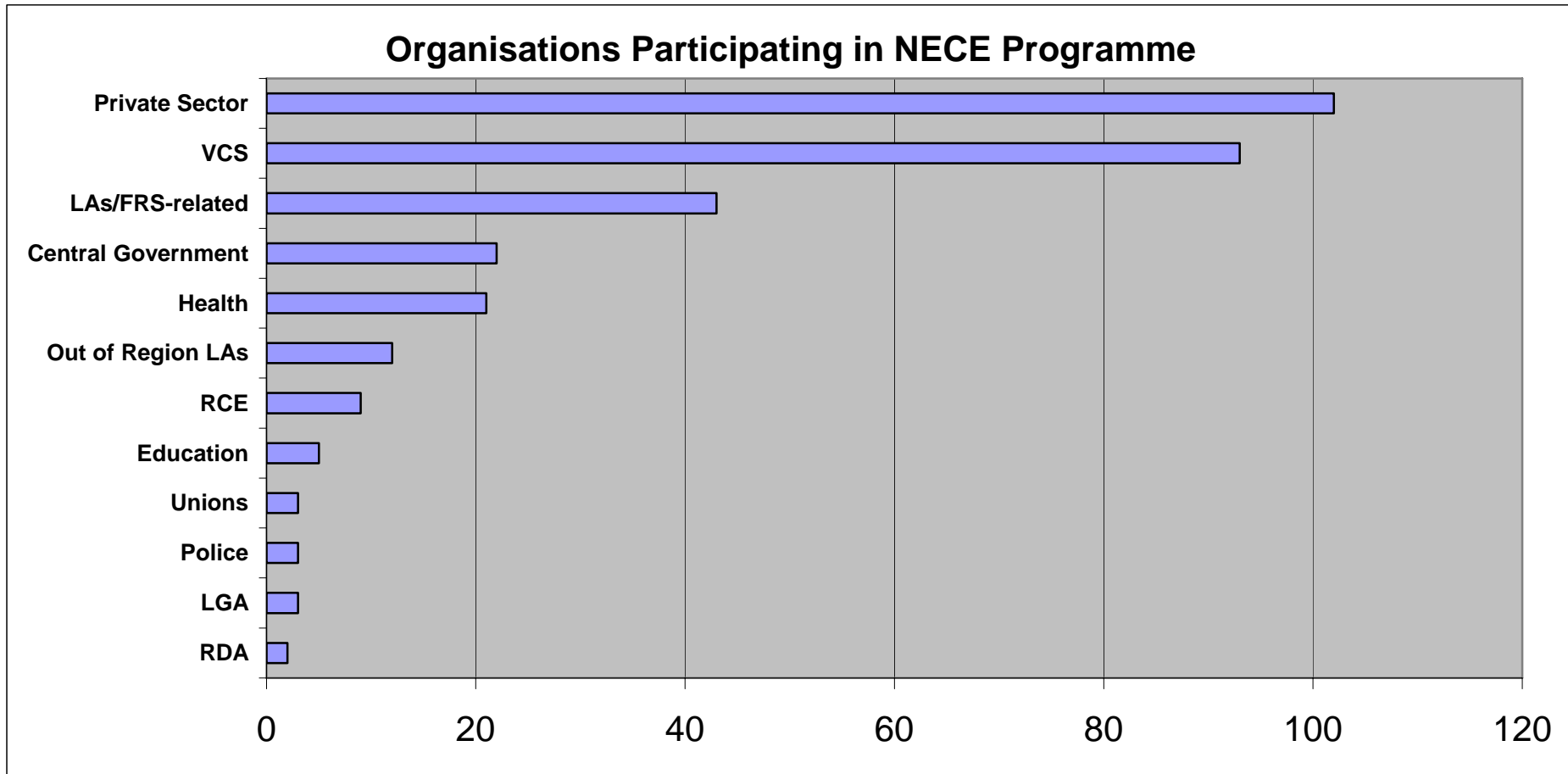
The Membership is:

- Cllr Sue Bolam, Northumberland County Council;
- Cllr Vince Crosby, Sedgefield Borough Council;
- Cllr Kevin Dodds, Gateshead Council (Vice Chair);
- Cllr Bob Gibson, Stockton Borough Council;
- Cllr Peter Gibson, Tyne & Wear Fire & Rescue Authority;
- Cllr Ian Haszeldine, Darlington Borough Council (Chair);
- Cllr Peter Jackson, Castle Morpeth Borough Council;
- Cllr Iain Malcolm, South Tyneside Council;
- Cllr Neil Stonehouse, Wear Valley District Council; and
- Cllr Brian Walker, County Durham Council.

Annex E – Evaluation Summary

Key headlines:

- 3,777 participations in the IP programme (and rising), including 670 elected Members (roughly half of all North East councillors);
- approximately one-quarter of all middle managers in the region will have undergone the IP's North East Excellent Manager leadership development programme by June 2008;
- every local authority has been involved in at least 2 grant funded efficiency projects via NECE (devised and initiated by authorities);
- weekly email bulletin provides news from within and beyond the region and is issued to 1500+ recipients across LAs, Fire and Rescue Services, businesses and the third sector;
- over 2000+ participants in 100+ targeted capacity building events; and
- 50 LA officers achieved the NVQ Level 4 in Procurement/Supply Chain Management and over 300 achieved the NVQ level 2 in Business Improvement Techniques.

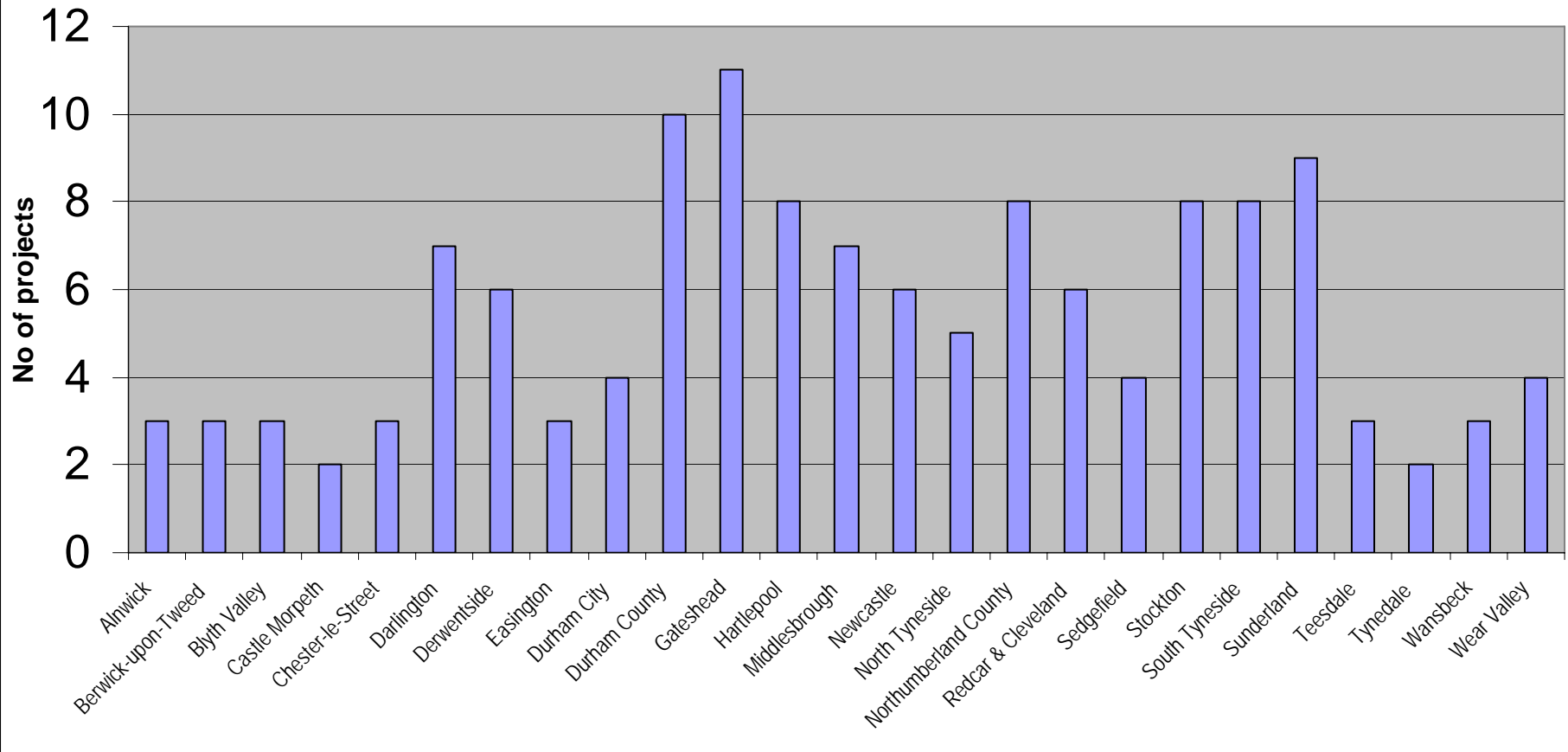


Over 100+ capacity building events have been held, attended by over 1000+. These training and best practice awareness raising events have covered a broad range of subjects including different procurement-related skills, partnership development, business process improvement, asset management and change management. In addition there has been significant engagement from all LAs in the networks and workstreams over the last three years.

Grant Funding for Projects

NECE has invested over £2.1 million to support 41 collaborative projects amongst North East authorities. The graph below shows the extent to which the authorities have been involved in these projects.

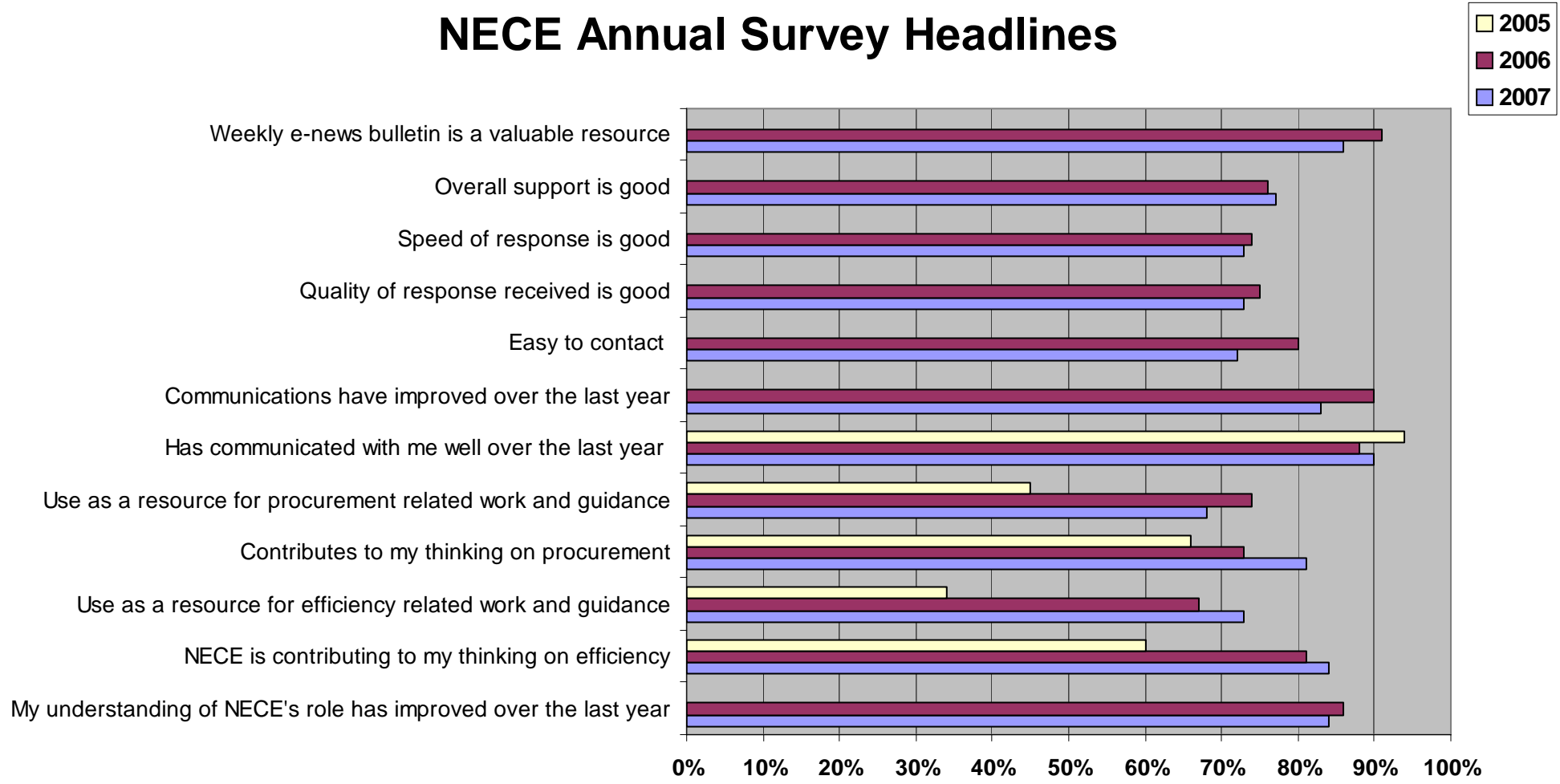
Participation in grant funded projects



Annual Survey

Each October, NECE has surveyed its authorities to seek their feedback on our performance. A summary of key findings is shown below. (where no answer exists for a particular year, that question wasn't asked)

NECE Annual Survey Headlines



Collaborative Procurement

Procurement lead officers from every LA have been actively involved in the projects and activities of NECE through the Strategic Procurement Network (SPN), which works closely with the NEPO Liaison Officers Forum, focusing on strategic National Procurement Strategy and Gershon objectives and progressing contractual arrangements. Procurement projects have necessitated the active involvement of all LA, wider public sector and Supply Sector representatives. Good relationships have been fostered with each LA, ONE, FSB, CBI, NECC, VONNE, VODA and NESEP.

Over the past few months, ONE, NECE, NECC, CBI, under the umbrella of the North East Procurement Forum, have been developing a draft multi Sector Procurement Agreement setting out a 2016 vision for Public Sector Procurement in the NE.

A good example of engagement has been the Harmonisation of Contract Documents project, which has engaged over 150 LA officers and Supply Sector Representatives, as well as pan-regional support. Another example of this the Contract Management system, developed with NECE grant funding, which has been adopted by the South East and North West regions.

Public Sector Food Procurement

Gateshead, Durham County, Newcastle, North Tyneside, Sunderland, South Tyneside Councils and Northumberland County Council are actively engaged in a range of projects in line with government and sustainability objectives. Together with other partners including: One North East, GONE - Rural Team and Public Health team, English Food and Farming Partnerships, National Social Marketing Centre, DCSF, OGC, School Food Trust, Northumbria Larder, Envirowise, Northern RedMeat Initiative, Healthy Schools, NEPO, APSE, Defra and Sustainable Schools.

Efficiency savings from regional collaboration

NECE supported procurement collaboration between:

- Chester-le-Street and Derwentside District Councils. The strategic lead is provided by Derwentside, with shared procurement resources allowing shared access to contract spend, specific resources to undertake spend analysis and the joint development of contract programme. Actual efficiency savings include the expense of Chester le Street employing a strategic procurement resource and savings from shared contracts.
- Wear Valley and Teesdale District Councils. Neither Council had the resources available to respond to the National Procurement Strategy requirement of dedicated strategic procurement resource. A new appointment of a procurement professional was made, part funded from NECE project resources supported by NECE's Development Officer and the other procurement officers as part of the Durham Procurement Partnership.

- Having a comprehensive baseline of procurement spend is critical to strategic planning and measurement of each LA and the region. NECE has introduced Business Intelligence tools to provide visibility of procurement spend within each Local Authority.

The technology has consolidating buyer, supplier, spend and contract data, from multiple sources such as financial management systems and spreadsheets. The models, developed by NECE, have been used by the local authorities to review and assess spend and procurement behaviour. Having a detailed picture of buying habits and spending levels means they are much better equipped to challenge certain behaviour, such as off contract and maverick spend, leading to significant efficiency gains and cost savings. At a regional level, this level of information means councils are much better placed to look for opportunities for collaborative and collective purchasing to achieve better value for money and contribute to the economic and social well being of the region.

"As a result of building a comprehensive spend analysis model using Cognos software, we now have full sight of all third-party expenditure incurred by the Council. This is leading to an extensive programme of spend reviews that will bring the Council significant savings through a new comprehensive contracting programme" Sunderland City Council

"Cognos has enabled the council to identify its unknown and non-contract spend. When Cognos was first used, only 25 per cent of the spend was identified as contracted. To date this figure now stands at 60 per cent." North Tyneside Council

"By analysing who was buying what, from whom, how often and on what procurement terms, the council has been able to establish a current procurement baseline from which it can identify cost saving opportunities across a number of areas. These include the identification of non-contractual spend, a reduction in maverick spend as well as new contract, e-procurement and collaborative procurement opportunities - all leading to greater efficiency and cost savings" Newcastle City Council

- The development of local authority baselines has enabled provided the evidence for a Regional Category Sourcing Programme to harness spend, optimise resources to deliver a balance of efficiencies and sustainability benefits to support the well - being of the North East Region.
- Evidence of cashable efficiencies is being gathered as Gateshead, Newcastle, South Tyneside and Sunderland are involved in a range of joint food contracts.

e-Auctions - Successful e-Auctions have taken place in the region for construction materials and office supplies. Savings have been projected in the region of £10 million over four years. Further e-auctions are programmed over the coming year.

e-Procurement (P-cards) - Food Procurement accounts for the highest percentage of all low value -high volume invoice categories. A successful programme of Supplier Adoption has resulted in the food suppliers adopting p-cards generation in excess of £2 million efficiencies for 10 LAs.

Regional Category Sourcing Programme - This project assessed and evidenced the opportunity and appetite for a Regional Collaborative Procurement Programme. 24 of the local authorities participated in the project which identified £1.34 billion annual spend on third party expenditure, across 434 categories with the potential opportunity for £90m of savings per annum and significant efficiency gains through a rationalisation of procurement activity.

The North East has a good track record of procurement collaboration, however, the contracting landscape is fragmented and does not have a strategic perspective. There is a considerable amount of duplication. The development of a strategic approach to harness spend using a category approach is projected to save around **£1,749,600 over 4 years.**

New research and regional understanding:

Sub-regional Supplier Engagement Event - 24th July 2007 - This event was hosted by Northumberland County Council, supported by NECE and a case study produced. It led to the adoption of a basic 'How to do Business with the Council' Guides.

The development of the proposed **Regional Category Sourcing Programme** has provided the evidence of the opportunity to harness spend, optimise resources to deliver a balance of efficiencies and sustainability benefits to support the well - being of the North East Region.

Local Multiplier³ – All LAs have participated in this project.

The Role of Social Enterprise in service delivery – increased awareness of the potential use of this model as a means to realise additional social benefits.

As part of the **National Social Marketing Centres** national pilot demonstration, NECE are undertaking new and innovative work on **logistics** linked to national priorities via the National Food Procurement Group.

The development of a new suite of KPIs and tools for enabling LAs to develop their own Environmental and Social Responsibility Policies.

Attitudinal Changes (increased trust & willingness to collaborate):

Northumberland Procurement Forum - There has been an increased willingness for the Northumberland Authorities to collaborate and share information to progress collaboration within the sub-region. This includes the implementation of a consistent Procurement Strategy containing the same themes and format but a tailored Action Plan.

The Durham Virtual Procurement Partnership is a collaboration between five of the seven Districts in County Durham under which resources are shared between the authorities and specific individuals lead on specific areas across each of the authorities, e.g. one officer leads a team made up of employees from various authorities engaged in setting up collaborative contracts, specific officers provide expertise in implementing specific elements of the EGS Marketplace drawing upon experience gained at their own authorities and overall strategic lead is provided by a specific individual. The arrangements were established prior to the LGR announcement and, as evidence of the attitudinal changes, there are high levels of co-operation with the County Council in designing a procurement function for the County wide unitary council.

Collaborative contracts

- collection of recyclates – Easington, Sedgefield, Durham City and Chester-le-Street after Durham County Council announced that existing arrangements could not be extended; and
- repairs and maintenance to council owned premises (civic buildings and community premises) – following establishment of new arrangements for management of housing stock, there was a need for districts to establish new arrangements for repairs of “non-housing” property. A county wide contract was developed and recently awarded.

Annex G – Evaluation of Improvement Partnership – Emerging Findings

Background

The NEIP decided in 2006 to invest in an independent longitudinal evaluation of its programme (by researchers Blake Stevenson), which will report fully in March 2008. No other RIP took this approach so early on, but the NE was commissioning over 90% of its programme, so deemed this essential.

Method

Longitudinal evaluation from February 2006 – March 2008

Method includes:

- Gathering baseline data from secondary sources (eg CPA, Annual Audit and Inspection Letters, BVPI, authorities already signed up to Member Development Charter, Beacon Councils, IDeA Leadership Academy graduates, etc)
- Baseline interviews with all 29 Chief Executives, followed up by...
- Interviews with all 29 Chief Executives and their senior managers towards the end of 2007
- Baseline interviews with 14 IP stakeholders, followed up by...
- Interviews with 13 IP stakeholders and 3 external stakeholders towards the end of 2007
- Analysis of IP, IESG and subgroup minutes
- 15 focus groups with a range of lead professionals from a number of participating authorities.
- Questionnaire feedback forms at 14 Challenge and Inspire events, 12 District Vision events/workshops, 25 Communications events/workshops and after two modules of the NEEM programme (total 53 events)
- On-line survey of young people attending “Careers in Councils” stand at North East Skills Exhibition (part of Communications work stream) – completed by 168 young people
- 40 telephone interviews with IP participants (Members and Officers) to assess impact of specific work stream activities, including Essential Development Support Grants, performance management and leadership training and development
- Review of all materials and findings produced by work stream contractors (eg Gatenby Sanderson, CPR, University of Leeds etc)
- On-line survey to all IP participants at the end of 2007 – received 281 responses, which included a tailored sub-section for NEEM participants (which was responded to by 94 managers)

Emerging findings

The evaluation provides a mix of quantitative and qualitative evidence of where the partnership has added value, and supports CLG/LGA's strategy for devolving top slice RSG through RIEPs in 2008-11. It also helps us to identify where new resources should go and where authorities would value ongoing support.

Overall, the North East partnership records high levels of engagement and participation, excellent quality and value for money provision, and a significant cultural impact in terms of willingness to learn, share and improve together.

Some headlines are given below:

Participation and engagement

We have built high levels of engagement and participation through cultivating a genuine sense of shared ownership in the partnership. This will need continued energy and commitment as the merged partnership matures and its role develops. All 25 North East councils and 4 fire and rescue services have engaged with and participated in both the IP and RCE programmes, either contributing to regional networks and project groups, or directly taking part in capacity building activities. Councils receive detailed reports on their level of participation and benefits gained from the Improvement Partnership, enabling them to compare themselves with peers, which is an effective motivator.

Headline figures to note are:

3,777 participations in the IP programme (and rising), including 670 elected Members (roughly half of all North East councillors)

Approximately one-quarter of all middle managers will have undergone the IP's North East Excellent Manager leadership development programme by June 2008.

The IP engages with and relies on 6 key regional professional networks which support, influence and shape the programme, and deliver projects. These networks have enhanced the capacity of the programme teams, providing excellent value for money and greatly contributing to our success to date.

Interviewees report examples of increased trust and formal and informal collaboration between authorities as a consequence of participation in IP projects.

From participant survey:

Have authorities become more or less collaborative as a result of the activities of the Improvement Partnership?	% respondents
More collaborative	47
Less collaborative	1
The Partnership has not influenced levels of collaboration	10
Not sure	43

Below are some quotes from CEO interviews on collaboration and trust:

“IP has provided networking opportunities, has enabled closer personal relationships to be developed and has strengthened regional links (e.g. between Northumberland and Durham districts).”

“Collaboration both formal (as with Alnwick and Tynedale) and informal has increased. For example I've been in touch with Sedgfield over a specific issue that we have both faced and it has helped to oil wheels, there could have been litigation otherwise. Trust has definitely increased and connectivity and communication.”

“Yes it has increased collaboration. Eg work between the Assistant Chief Exec here and North Tyneside re: leadership.”

“Yes it has increased collaboration. People working co-operatively to achieve things. The management programmes have helped: we've tried to change the way we do things internally against the external. Trust is generally good too. Good working relationships. The development of the IP helps get rid of parochialism. The two counties have become a bit closer as a result and Tyne and Wear is more into play with the two counties. “

“Increased levels of collaboration within the local govt. family. Has opened up new networks e.g. the OD network and the PROs network. Trust has increased.....people have come together in an open way. Trust in the team is very high. Clean operation.”

Value for Money

Programme Management costs as a percentage of the overall programme are very low, focusing resources squarely on delivery. They make up 7.7% of the overall IP programme.

Consistently there have been significant economies of scale from collaborative regional procurement of training programmes, tools or other assets. Time and travel savings on the local provision of high quality conferences and training programmes alone are significant.

In value for money terms, the IP's regional middle manager leadership development programme (North East Excellent Manager) contrasts favourably with CLG's national Future Leadership Programme (FLP). Each offered 3 modules, on a residential basis with similar content. The North East programme was costed at £1,300 pp including VAT compared with the FLP which cost (before discounts) £3,500 pp plus VAT. Added to this, participants saved journey times and travel costs which they would have incurred travelling from the North East region to Hertfordshire. Furthermore, the take up of FLP in the region has been 40 people (6 of whom took up fully subsidised places via the IP). Over 600 middle managers are undertaking the NEEM programme.

Only 9.2% of the programme budget was administered as direct grants for projects. The remainder of funding was used to commission projects. Our view is that this is a more cost effective way of supporting change and improvement.

Quality

Respondents to the IP independent evaluation report consistently good quality from the training and skills development offer.

E.g Challenge and Inspire Events:

(possible responses were very useful/quite useful/not useful)

Event	% attendees finding event very useful or quite useful	% attendees finding event delivery very good or good
Driving improvement and the new CPA framework for district councils - with Audit Commission (Sept 06)	100	93
The Equality Standard in the North East (October 06)	100	92
Leadership, Transformation and Performance in Local Government (November 06)	100	100
North East Councils: Building on Success - with ANEC (November 06)	100	100
Local Area Agreements - with ANEC (December 06)	100	95
Excellence in Partnerships - with CPRC (January 07)...		
(part 1)	97	97
(part 2)	88	93
Inlogov & Friends seminar series (March 07)	99	91
Energy Efficient Communities (April 07)	100	96
Inlogov Scrutiny Seminars (July 07)	96	88

Further examples:

North East Local Government Communications Network

- 90-100% of attendees strongly agreed or agreed that each event was beneficial and had met its objectives.

Media Skills Development for Elected Members and Officers

- 100% participants rated the course as excellent or good.

Communications Skills for Members

- *"The quality of the facilitator was excellent";*
- *"This is one of the best courses I have been on in 16 years";*

- *“Thanks. One of the best structured/presented/useful courses I have ever attended”;*
- *“An extremely difficult subject handled very sensitively and fully”* North East Excellent Manager;
- 94% participants rated first module programme as very good or good; and
- 95% rated the facilitation as very good or good.

Impact

Participants also provide positive ratings in terms of impact on themselves such as learning something useful (95-100%), gaining greater confidence, making useful contacts, developing self-awareness and changing their own practice.

Challenge and Inspire:

Survey statements	% LA members and officers strongly agreed or agreed	% FRS members and officers strongly agreed or agreed
I made new contacts at one or more events, which may be useful in my work or career development	70	100
One or more events have already helped me/will help me in the future to change my own practice for the better	81	73
One or more events have already helped me/will help me in the future to implement improvements in my organisation	77	91
It has helped me to be more prepared for change in my organisation	65	100

Member and Officer views on impact of training and development opportunities (from Participants' Survey, December 2007):

Participants were asked whether they agreed with the statements in the table below (the possible responses were: strongly agree; agree; neither agree nor disagree; disagree; strongly disagree).

	% Members strongly agreed or agreed	% Officers strongly agreed or agreed
I learnt something useful	94	80
I gained greater confidence in my own ability	84	65
I developed new skills	79	65
I made new contacts which may be useful in my work or career development	63	86
I consider it time well spent	94	80

It has helped me/will help me to change my own practice for the better in the future	91	65
It has helped me/will help me to implement improvements in my organisation.	81	67
It has helped me be more prepared for change in my organisation	74	56

Access

In terms of widening participation, many respondents agreed that it was unlikely that they would have been able to access such opportunities without the support of the IP. It would seem that access to learning opportunities have been broadened both in terms of overcoming any in-house 'gate keeping' and providing quality opportunities 'on the doorstep'.

Survey statements	% LA members and officers strongly agreed or agreed	% FRS members and officers strongly agreed or agreed
I learnt something useful at most of the events I attended	95	100
It is unlikely that I could have accessed these kinds of opportunities through my authority without the support of the Improvement Partnership	76	91

Some key performance measures

- increase in elected Member graduates of Leadership Academy from 40 (in the period 2000-5, prior to the establishment of the IP) to 109 by 2008;
- 14 out of 25 authorities undertaking new or refreshed elected Member Personal Development Plans;
- increased Member Development Charter sign ups from 15 to 21 authorities;
- quarter of all middle managers undertaking leadership development; and
- half of all Members participating in training and development via the IP.

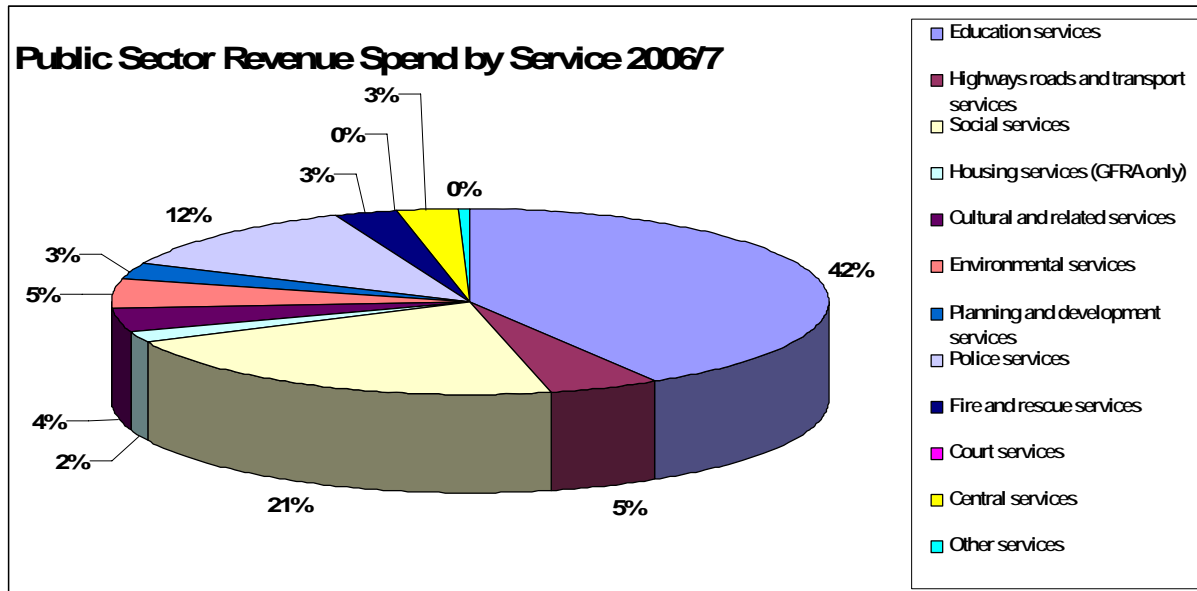
Annex H – Glossary of Abbreviations

Third Sector	Includes voluntary and community sector including social enterprise and not-for-profit organisations
AC	Audit Commission
ADASS	Association of Directors of Adult Social Services
ANEC	Association of North East Councils
APSE	Association of Public Service Excellence
BPI	Business Process Improvement
BPR	Business Process Re-engineering
CAA	Comprehensive Area Assessment
CBI	Confederation of Business Industry
CEX	Chief Executive
CLG	Communities and Local Government
CPA	Comprehensive Performance Assessment
CSIP	Care Services Improvement Partnership
CSCI	Commission for Social Care Inspection
CSR07	Comprehensive Spending Review 2007
DASS	Director of Adult Social Services
DCS	Director of Childrens Services
DCSF	Department for Children, Schools and Families
Defra	Department for Rural Affairs
DoH	Department of Health
DWP	Department of Work and Pensions
FRS	Fire and Rescue Services
FSB	Federation of Small Businesses
GONE	Government Office North East
GVA	Gross Value Added
HMRC	Her Majesty's Revenue and Customs
HPW	High Performing Workforce
IDeA	Improvement and Development Agency
IESG	Improvement and Efficiency Steering Group
IP	Improvement Partnership
ISL	Independent Supported Living
JIP	Joint Improvement Partnership
LAA	Local Area Agreement

LD	Learning Disability
LGA	Local Government Association
LIS	Local Information Service
LSOA	Lower Layer Super Output Area
LSP	Local Strategic Partnership
MAA	Multi-Area Agreements
MRG	Member Review Group
NE	North East
NECC	North East Chamber of Commerce
NEET	Not in Education, Employment or Training
NEPO	North East Purchasing Organisation
NESEP	North East Social Enterprise Partnership
NIES	National Improvement and Efficiency Strategy
OGC	Office of Government Commerce
ONE	OneNorthEast (RDA)
PCT	Primary Care Trust
PPF	Public Procurement Forum
PQQ	Pre-Qualification Questionnaire
RCE	Regional Centre of Excellence
RDA	Regional Development Agency
RIEP	Regional Improvement and Efficiency Partnership
RSe	Rse Consulting Ltd
RSG	Revenue Support Grant
SAR	Subjective Analysis Referencing
SCIE	Social Care Inspection Executive
SECE	South East Centre of Excellence / SE RIEP
SHA	Strategic Health Authority
SNR	Sub National Review
SPTF	Sustainable Procurement Task Force
UK	United Kingdom
VFM	Value For Money
VODA	Voluntary Organisations Development Agency
VONNE	Voluntary Organisations Network North East

Annex I – Financial Analysis

Analysis undertaken by the ANEC Finance Officers has group has identified the following regional breakdown of public sector revenue spend during 2006/7. Further regional analysis will be undertaken to inform the RIEP's Delivery Plan.



Analysis of Annual Efficiency Statements

An analysis of the 2006/7 Annual Efficiency Statements highlights those areas where anticipated efficiency were over or under achieved. Analysis of the data for 2007/08, when it becomes available, will be undertaken to further inform the RIEP's Delivery Plan.

