

London Centre of Excellence 2006/7 Annual Report Making it Happen

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Improvement through efficiency



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FOREWORD

When we published the 2005/6 Annual Report last summer, it was fair to say that the LCE was finding it difficult to get engagement with its projects from more than 15 to 20 London boroughs. Over the last year, this position changed and we can report for the first time that all boroughs, including the City of London and the Greater London Authority (GLA) family are now either leading on, or are represented on the project board of, at least one LCE project. The turning point appeared to be the LCE Showcase held in July 2006, where representatives from twenty seven boroughs were able to see first hand the emerging results from twelve projects in the LCE project portfolio. Some of these projects had started in early 2005, and have now gone on to become National Exemplars.

We are pleased to publish our third annual report; *Making it Happen*. This charts the significant progress that has been made in all areas in 2006/7, to the point where cashable savings are now being generated. The LCE Management Board has always made it clear that the LCE will be judged against what it actually delivers to the boroughs, particularly in terms of cashable gains. In London, many boroughs have already had to make tough decisions about budgets and the provision of services and the likely targets coming from CSR2007. These, together with reductions in financial settlements, are likely to make matters even more challenging in the years ahead.

There is a widely held view that it will soon be impossible for any borough to make year on year savings simply by reducing existing budgets and restricting the scope of thinking to geographical boundaries. I know that many share the view that we should not automatically be looking for thirty four implementations of everything we do. For that reason, it is encouraging to see the LCE funding work on shared services, market management and collaborative working in capacity building and planning with a firm eye on CSR2007.

However, in the short term, the first wave of LCE deliverables in high spend areas, where collaborative gains can be rapidly accrued, is now available or nearing completion. These include work on temporary agency/interim staff, energy, consultants/professional services, insurance and risk management, telecommunications, parking and ICT hardware. The benefit or saving only accrues however, when an output is implemented. The most compelling business case is rendered worthless if there is no implementation or take up. More and more boroughs are now actively taking advantage of the outcomes from the LCE projects. However, for various reasons, others are not. The LCE business proposition has always been about providing more choices for boroughs; it is not about trying to impose a uniform approach across the region or putting in place unwieldy contracts that no one can access or benefit from. All the LCE projects have been driven from, and owned by the boroughs, with portability in mind. They are not top down initiatives.

The challenge for the LCE in 2007/8 is to ensure that the good work to date is taken on board across London. There are significant opportunities now available for all boroughs through the LCE work and projects. The first step is to ensure that these opportunities are reviewed by senior management teams so that they do not fall victim to the “not invented here” argument or simply get lost in the system through lack of understanding or resources to implement them. If the progress from 2006/7 can be replicated in the implementation phase in 2007/8, then the LCE would have achieved exactly what it set out to do at its launch in April 2005.

Rob Leak

Chief Executive, LB Enfield and Chair LCE Management Board

Ken Cole

Director, LCE Director

Visit www.lcpe.gov.uk to find out more information about the London Centre of Excellence and to register for the LCE's monthly newsletter.

1. BACKGROUND

The London Centre of Excellence (LCE) is one of nine regional centres of excellence created by the former Office of the Deputy Prime Minister (ODPM). Government sponsorship has since passed to Communities and Local Government (CLG). The LCE's main focus is to act as a catalyst for change to help local authorities to meet the targets set in the Spending Review 2004 (commonly known as the Gershon Review).

It does this through funding projects, organising collaborative working, and spreading good practice with the aim of helping boroughs access those savings which they would be unable to accrue by working in isolation.

London Councils hosts the LCE in partnership with the City of Westminster and LB Hammersmith and Fulham. We are centrally funded by CLG with a budget for 2007/8 of £1.08 million and are directly accountable to our Management Board, which comprises six Chief Executives representing the London boroughs and the Greater London Authority (GLA) Group as well as the NHS and other interested pan-London bodies. The London Councils Leaders' Committee ensures commitment, accountability and debate at a *political* level and provides a forum to broker agreement at this level when required. A full list of the management board representatives is at **Appendix A**.

We have been up and running under our current arrangements since 1 April 2005, although some preparatory work had started back in 2004. Much of what we achieved in that earlier period is documented in the 2004/5 Annual Report – *Building the Foundations* and 2005/6 Annual Report – *Creating the Collaborative Infrastructure*. A copy of these reports can be accessed directly from www.lcpe.gov.uk.

London boroughs spent over £9.4 billion in 2005/6 with third party organisations (see Table 1). It is this expenditure that the LCE is aiming to encourage boroughs to examine with the purpose of being able to deliver sustainable and significant cashable savings.

The LCE is also working pan sector, particularly with Health and Education in London. These sectors are typically dealing with the same issues as local government, and in many instances using the same suppliers to deliver services to the public.

Table 1: London Third Party Expenditure Metrics (2005/6 Data)

<ul style="list-style-type: none">• An average London borough uses on average 8,400 suppliers and processes 178,000 invoices. 70% of invoices received are less than £500 in value
<ul style="list-style-type: none">• A average of 386 suppliers in each borough account for 80% of this spend with 40 to 50% of suppliers generating a single invoice (with 25% of these not being reused in the subsequent year)
<ul style="list-style-type: none">• 1,118 suppliers traded with 10 or more boroughs (27% of spend) and 3,908 suppliers traded with 5 or more boroughs equating to 44% of total spend
<ul style="list-style-type: none">• The top 1,000 suppliers accounted for nearly 60% of the region's spend and the top 100, accounted for 25% of the spend

2. ACHIEVEMENTS SUMMARY

The following table summarises our key achievements in 2006/7 measured against our main business priorities as set out in our 2005/6 Business Plan. Information on all these, and more, are contained in this Annual Report.

Table 2: Achievements summary

Business Area	Projects/Activities
<p>Projects and Savings</p>	<ul style="list-style-type: none"> • Temporary Agency Staff and Consultancy launched and electronic knowledge exchanges developed with a goal of reducing current expenditure by 5% and 10% respectively • London Authorities' Mutual Ltd in place helping to reduce insurance premiums by up to 15% • Partnership in Parking in place. The business case shows that savings of £55M per annum are achievable across London • Procurement Training programme in place. The contract has been let with London Metropolitan University • Local Government Energy Procurement Action Plan launched with identified savings of up to 10% against current energy costs • Pilot telecommunications audit in LB Barking and Dagenham and LB Hammersmith and Fulham showing potential savings on voice lines ranging from 10% to 20%. Pan London contract with Azzurri now in place to help boroughs exploit these savings • London IT eAuction delivered, saving 10 boroughs £3.8M cash • First cashable savings achieved as a result of LCE work and projects • All projects completed on time and in budget • Over 70% of our expenditure went directly to boroughs through our projects • Completion of survey work on contracts and relationship management showing significant scope for improvement in the way boroughs manage contracts • Preparation of first collaborative supplier relationship management strategies involving two leading contractors to London boroughs
<p>Collaborative Infrastructure</p>	<ul style="list-style-type: none"> • Model Contract Standing Orders (CSOs) and clauses published on the back of the Pan London Review • Pan London Contracts Register Service (CRS) live in 30 boroughs with over 2,000 contracts now loaded • Expenditure Analysis carried out for third consecutive year with 23 boroughs now participating • Pan London Strategies – 7 now published with the one on Procurement Performance Measures being implemented across London • Standard procurement classification (ProClass) introduced with London advising on implementation across the UK and carrying out mapping exercises • Shared Service reviews complete pan London and West London Alliance (WLA) • Stage 1 London Contracts and Supplies Group (LCSG) Review completed • One-off grant of £150k to support the implementation of the London Public Services Network (LPSN)

Marketing and Communications

- Re-development and re-launch of the LCE website achieves record downloads. PDF downloads averaging 12,000 per month. Record 250,000 hits in October 2006
- Over half boroughs now connected to LCE website through borough Extranet
- Over 18,000 Agency Staff toolkits and 21,000 Consultancy toolkits downloaded
- All LCE events attracted average ratings of over 4 (1 = Poor and 5 = Excellent)
- Record press coverage, including front page of Evening Standard Lite and The Mail on Sunday
- Monthly newsletter launched
- Seven of eight indicators in communications survey showing net positive satisfaction rating with LCE (up from three in 2005/6)

“The value that the LCE offers to all boroughs is now very apparent, particularly with the challenges of CSR 2007 rapidly approaching. The participation maps and the new personalised reports to Chief Executives are helpful in ensuring that we are up-to-date with all LCE projects and outputs”

Geoff Alltimes

Chief Executive, LB Hammersmith & Fulham



Showcase delegates viewing the Contracts Register Service

3. 2006/7 REVIEW

3.1 Management Strategy

The LCE has been operating under its current arrangements since 1 April 2005, although much preparatory work had started back in 2004. Our management strategy is to:

- Work on developing the collaborative infrastructure both regionally and sub-regionally capable of supporting the identification and delivery of cashable savings and efficiency gains **over and above** what boroughs can do individually
- Fund projects which are owned, managed and supported by boroughs that have a sound business case and offer boroughs new opportunities to deliver cashable savings or improved/more cost effective service delivery
- Work with other regions to remove duplication of effort and cost in delivering the efficiency agenda and ensure that all deliverables or services that are portable to boroughs are actively promoted to appropriate stakeholders

The demands on the LCE, as with all the RCEs, have been enormous, as it has two distinct stakeholders who both agree on the continuous need to make efficiency gains and make better use of resources but often have different priorities and views on how this is best achieved. In summary, we act as a **change agent** to meet central government expectations and targets; while working to support boroughs that demand practical support and demonstrable value through **cashable savings**.

Our experience has shown that it is possible to do both provided our efforts and resources remain highly focused and expectations are set. This Annual Report sets out what has been achieved during 2006/7 and how. It also looks at key lessons learned. In addition, it summarises how we are seeking to help boroughs meet the CSR 2007 challenges and the continuing evolution of the improvement and efficiency agenda.

3.2 Engagement and Participation

Interest, engagement, participation with both LCE projects and events has continued to increase during 2006/7, largely following on from our showcase in July 2006 when representatives from twenty seven boroughs (27) were present. At this event twelve projects were on display and representatives were able to see for themselves first hand some of the excellent outputs, deliverables and research coming from the

LCE project portfolio. Key participation highlights include:

- Thirty two (32) boroughs have either led or been involved on the Project Board of an LCE Project
- Thirty (30) are now actively using the Contact Register Service (CRS)
- An average of twenty four (24) attended each of the five main Project launches in 2006/7
- Over 600 staff from all boroughs, plus the GLA family regularly receive the LCE monthly newsletter
- Seventeen (17) now give their staff direct access to the LCE website through their Extranet

3.3 Staffing

The LCE has three dedicated and two part-time/shared staff. We continue to operate on a 'virtual basis' as a part of our agreed target of keeping overheads to no more than 20% to 25% of our budget. They are:

Ken Cole (Director) – responsible for the LCE direction and operational management, ensuring that it meets the management, financial and policy requirements laid down by Communities and Local Government and the LCE Management Board

Esther Thomas (Projects and Communications Manager) – responsible for marketing communications including managing the website and project launches and communications strategies

Charlotte Matthews (Programme Officer) – supporting Esther and Ken in their work, setting up meetings and administrative support (from February to June 2007)

Phil Snowling (Programmes Manager) – responsible for ensuring that all LCE projects are managed to time, quality and cost and gathering and presenting information on uptake and results achieved

Sherese Thomas (Board Secretariat) – shared with Capital Ambition and responsible for all Board papers, minutes and day to day budgetary and financial control

We were also supported by **Ruth Taylor** on a part-time basis from April to December 2006 before she left to join TfL.

3.4 Financial Performance

LB Hammersmith and Fulham, one of our two lead boroughs, continue to act as fund holders. Once again we are in a very strong financial position with a carry forward of £1,424,132 to add to our new 2007/8 grant of £1,080,000.

In 2006/7, 70.3% of our total expenditure went to boroughs to support projects (up from 62% in 2005/6). In addition, a further 9.3% went towards paying for services and systems that have contributed either to the opportunity for cash savings (e.g. IT eAuction) or support for enhanced collaborative working (e.g. CRS and Electronic Knowledge Exchanges). This has left 20.4% that went on operational overheads (down from 22.67% last year). This is well within our 20% to 25% target range.

The Deloitte Audit, carried out last April on behalf of our fund holders, showed good financial management. In addition, PWC has recently reported in its Partnerships Review to London Councils that *“reporting and enforcing strict budget management appears to be a strength of the LCE”*.

All our projects have continued to stay within their allocated budgets. An outline financial statement for 2006/7 is set out at Appendix D.

3.5 Lessons Learnt in 2006/7

2006/7 has presented even more challenges as our projects have explored and tested new ideas, processes and service delivery models. In one instance, the creation of the London Authorities' Mutual Ltd, was the first one created in 100 years. This clearly presents problems when attempting to find someone with experience or knowledge of the issues involved.

As the LCE has moved into its delivery phase, the challenges have moved towards getting individuals to adopt new ideas, especially when there is any risk or the inherent fear of loss of control.

The main lessons learnt this year have been:

- Managing expectations – the LCE remains a ‘change catalyst’ not a ‘delivery agent’ for each borough and has limited resources at its disposal
- Although everyone accepts the need to make efficiency gains, there is a widely held view that they will only ever be found in other boroughs. The evidence coming from our projects, however, is that there are efficiency gains still to be made in all boroughs, the issue is the extent of the opportunity

- Ensuring that chief officers in all boroughs are aware of LCE outputs and that a decision not to adopt them is endorsed by the Management Board
- Accepting that embracing the shared service / collaborative working agenda, requires a common approach which does not have to be time consuming or affect service levels and outcomes. Collaboration only works well when it is voluntary and not enforced
- Remembering that there is an optimum level for doing everything. A national or regional approach is often impractical and may prove far more expensive than that of a sub-regional and/or cluster
- Projects rooted in, and owned by, groups of boroughs have a far better chance of succeeding than top down initiatives
- Large cash savings do not come through aggregation, but exerting influence in markets, performance based / innovative specifications, commercial creativity, skilled negotiation, and proactive contract and relationship management until closure

These are particularly relevant in responding to the outcomes and challenges presented by CSR2007.

3.6 Marketing and Communications

In the previous reporting year, which covered 2004/5, the results of the LCE's annual communications survey unsurprisingly showed disappointment with the LCE around marketing and communications. The only highlight in 2005/6 was that 78.3% of respondents believed that the LCE had the potential to contribute to their thinking on efficiency.

Promoting the LCE's Projects and Services

The outcome from the survey covering 2005/6 carried out in June 2006 showed a significant improvement across the board, as table 3 shows clearly.

Even responses to “the LCE has communicated well with me over the last year” rose by 17.5%. This exercise is about to be repeated to cover the 2006/7 reporting period.

In 2006/07, we actively promoted LCE projects and services to our London authority stakeholders and invited them to get involved. We also focused on launching to the London public sector those projects and services that have reached delivery stage. Each launch event has been supported by a project marketing communications plan which often included an on-line web strategy and press release.

Table 3: Customer Satisfaction Survey Analysis

	Disagree (Negative)			Outcome Positive less Negative	Agree (Positive)		
	2004/5	2005/6	Change (%)		2004/5	2005/6	Change (%)
The LCE is already contributing to my thinking on efficiency	39.40%	10%	-29.40%	+55%	31.80%	65%	+33.20%
The LCE has the potential to contribute to my thinking on efficiency	2.90%	0%	-2.90%	+90%	78.30%	90%	+11.70%
I use the LCE as a potential resource for efficiency related work	38.50%	16%	-22.50%	+43%	29.40%	59%	+29.60%
I intend to use the LCE as a potential resource for efficiency related work	4.40%	2%	-2.40%	+76%	61.80%	78%	+16.20%
I use the LCE website as a means of finding out what is going on across London in procurement and efficiency	54.40%	26%	-28.40%	+18%	17.70%	44%	+26.30%
The LCE has communicated well with me over the last year	60.90%	47%	-13.90%	-18%	11.50%	29%	+17.50%
I find the efficiency agenda very clear	23.90%	14%	-9.90%	+44%	38.80%	58%	+19.20%
The LCE is accessible to me	19.40%	13%	-6.40%	+50%	37.40%	63%	+25.60%

LCE London Efficiency Showcase – 11 July 2006

On 11 July the LCE hosted a showcase event at the CBI Conference Centre in central London. The event was designed to raise awareness of the LCE's projects and services among London local authorities, as well as the profile of the LCE itself.

Representatives attended from 27 boroughs (including the City of London) to meet project managers from 12 LCE projects, most of which have the capability for delivering cashable savings to all boroughs.

Representative ratings for overall impression of the showcase averaged at over 4 out of 5 (with 5 being Excellent). The evaluations made by representatives confirmed the outstanding success of the event and the potential they see coming from these projects. Representatives rated the overall potential of the projects to make a positive difference to the cost and/or quality of services if implemented in their organisation at 4 out of 5. This last result was extremely encouraging as it demonstrated the value of what is being achieved by the LCE and boroughs.

LCE Transforming the Procurement of Temporary, Agency and Interim Staff Toolkit Launch Event – 16 October 2006

On the 16 October 2006, the LCE hosted an event to launch the guidance *“Transforming the Procurement of Temporary, Agency and Interim Staff: Your Toolkit for Success”* to the London public sector.

LB Havering led on the production of the toolkit which contains information of use to both organisations who want to take control of their agency worker spend and those which have already implemented a managed service. It is applicable to human resources, finance and procurement professionals, as well as being an excellent source of advice to anyone who manages agency workers.

The launch event was attended by over 20 boroughs together with representatives from the Office of Government Commerce (OGC), the National Assembly of Wales and the media. The event scored an overall rating of 4.1 (1 = Poor, 5 = Excellent).

The OGC has adopted the toolkit to promote across the whole of local government. Once again, we were encouraged to see work developed in London being actively used and promoted across England and Wales. The toolkit has also attracted significant publicity. Since its launch on 16 October, over 18,000 PDF copies of the toolkit have been downloaded from the LCE website.

Partnerships in Parking (PiP) – 22 November 2006

Partnerships in Parking was launched to London local authorities on 22 November 2006. It was attended by 24 London boroughs and representatives heard that by joining the Partnership and participating in the procurements, local authorities can deliver a better, more consistent service to their residents and visitors, and significant financial savings through grouped procurements.



Andrew Tregidgo shows representatives the new Knowledge Centre



The members of the Haringey Team explain the Energy Project

Speakers at the event included Sir Simon Milton, Leader, City of Westminster and Martin Pilgrim, Chief Executive, London Councils and LCE. Representatives gave the launch an overall rating of 3.9 (1 being Poor and 5 being Excellent).

PiP is collaborating to harmonise parking equipment, services, controls and practices so that there is a more consistent customer experience both within areas covered by individual authorities, and across boundaries with others. The launch focused on two initial projects – parking enforcement stationery and on street equipment. It is intended that evolving PiP specifications become the de facto standard for London through the ongoing work of the Partnership. PiP became a formal cross-authority partnership on 1 April 2007; it is now led by a Partnership Board of elected members. Seven boroughs are already members and others are seeking approval to join.

Procurement of Consultancy & Professional Services Launch – 24 January 2007

On 24 January 2007, the LCE hosted an event to launch the products and services of the LCE Consultancy and Professional Services Project. These included the Commissioning Toolkit, the Electronic Knowledge Centre (EKC) and the Training Programme.

The event sought to demonstrate how the products and services could assist London local authorities in gaining control of this rapidly growing area of spend in the public sector (exceeding £505m in 2005/6 across London). The target of the Management Consultancy project has been to help boroughs reduce spending by 10% through a variety of techniques.

Speakers also highlighted work in progress to develop collaborative working across London to take advantage of further efficiency gains. The launch, which was attended by 24 boroughs (including the City of London), achieved an overall rating of 4.2 (1 being Poor and 5 being Excellent).

LCE Local Government Energy Procurement Action Plan Launch and Workshops – 18 April 2007

The Local Government Energy Procurement Action Plan was successfully launched on 18 April 2007. The event was extremely well attended, with representation from 27 London boroughs.

Cllr George Meehan, Leader, LB Haringey endorsed the action plan and strongly encouraged boroughs to use it to assess their current energy usage. The launch was followed by three workshops focusing on data quality, financial management and procurement, all designed to assist authorities in completing their self-assessments. At the time of going to print, LB Haringey had received 22 completed self-assessment reports from London authorities.

By implementing the action plan and adopting best practice, there are opportunities for local authorities to realise significant benefits. It is anticipated that up to 10% efficiency savings (£16m on approx £160m annual spend based on 2005/6 spend) could be achieved in London if all recommended actions are implemented across all authorities.

Procurement Training Awards – 24 April 2007

The LCE, in partnership with LondonMet University held a “Celebrating Success” event on 24 April where 27 students were presented with their Chartered Institute of Purchasing and Supply (CIPS) “Introductory Certificate in Purchasing and Supply”. This event marked the end of the LCE Procurement Training and Skills Development project.

Following an in-depth training needs analysis across 19 London boroughs, a training programme was developed, the learning outcomes of which were very closely aligned to the syllabus and learning objectives for the CIPS Level 2 – Introductory Certificate in Purchasing and Supply.

The Introductory Certificate is a new certification and through negotiation with both CIPS and London Met, the LCE was able to offer students the opportunity to pilot this exam for CIPS. This was a first for local government. Students who attended all 7 day long modules completed the programme by taking the CIPS exam. With a pass mark of 75%, the group overall received an excellent 90% pass rate.



Camden Project team members with the LCE Director and London Met representative.

LCE Website – New LCE Projects Area

Another major part of the LCE's marketing and communications strategy in 2006/07 was further development of the already very successful website. In November 2006, work began on creating a new projects area on the website. The aim was to provide local authority stakeholders with detailed and up to date project information via a number of “micro-site” located within the main website. Micro sites have now been established for Modernisation of Energy Procurement, Consultancy and Professional Services, Sustainability, Partnerships in Parking, London Authorities' Mutual Ltd, Agency Staff, Training and Skills Development and more.

Our goal was to make the LCE's work more accessible, topical and current. We have clearly achieved in this area as the following table shows.

The below chart shows a set of statistics for the LCE website from April 2006 to March 2007. The graph illustrates the following:

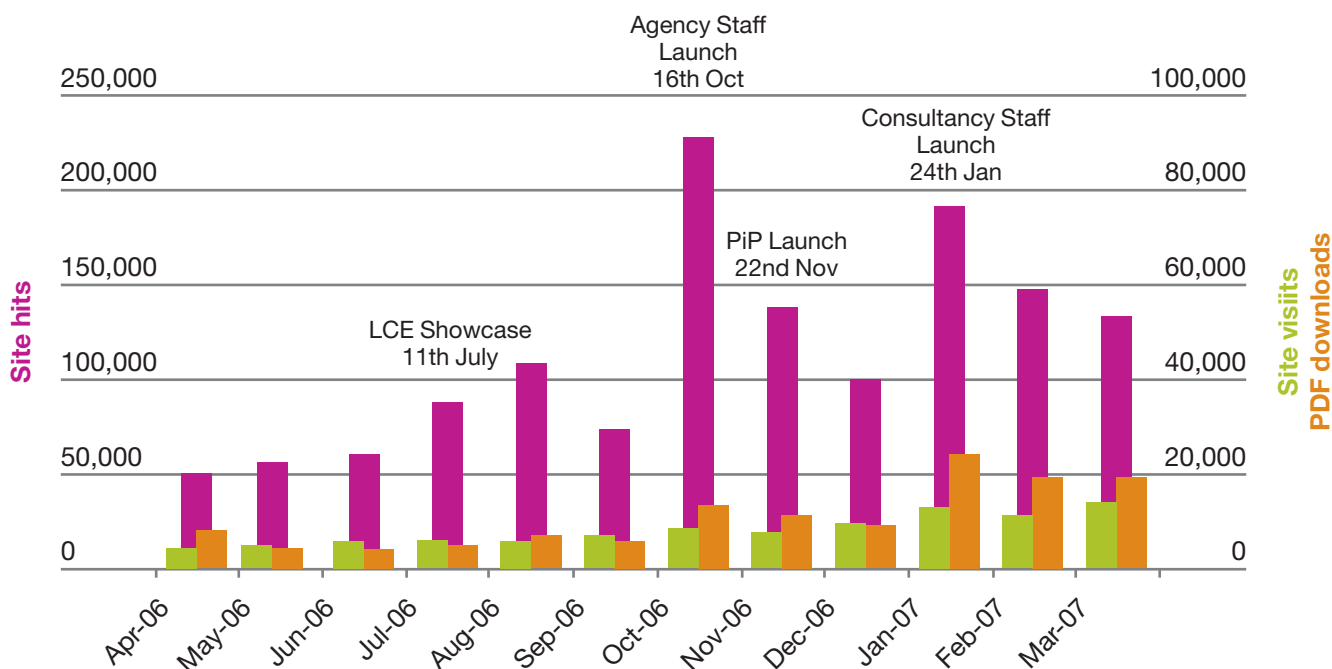
- Number of web site hits per month over the period
- Number of visitors to the web site per month over the period
- Number of downloads of PDF documents from the web site per month over the period

Superimposed on the graph are the project launch events for the past year. There is a corresponding jump in the number of site visits and downloads for the next two months immediately following a project launch event.

The statistics also demonstrate a growing popularity for the web site, as all the statistics show an underlying trend of increased access and download activity.

See Appendix E for further website statistics.

Figure 1: London Centre of Excellence – Website Statistics April 2006 - March 2007



Visits - the total number of times that people visited and interacted with the website over the selected report period

Hits - the total number of requests for files that the web server received over a selected report period

LCE Monthly Newsletter

The LCE also publishes an electronic monthly newsletter which is emailed to over 600 staff across the whole London public sector and beyond. The newsletter has proved to be an extremely effective method of informing local authorities of our forthcoming activities and recent successes as well as signposting them to where they can find further information. Subscriptions to the newsletter continue to increase on a monthly basis.

Press Coverage

The Regional Centres appointed a National Communications Manager, Seth Brook, in the latter part of 2005/6. This has already helped to raise our profile and get some of the early good news stories into the public domain.

Table 4 shows some of our more recent press coverage for LCE projects:

Table 4: Recent LCE press coverage

Project	Publication	Article	Date
London IT Hardware eAuction	eGov Monitor	eAuction Halves IT Costs for Councils and NHS Trusts	15 May 2007
Modernisation of Energy Procurement	Government Opportunities	Councils Told to Collaborate for Energy Cost Reduction	May 2007
Consultancy and Professional Services	Government Opportunities	Cutting out the Middleman	April 2007
London Authorities' Mutual Ltd	The Mail on Sunday (Financial Mail)	Town Halls Set up Own Insurers	1 April 2007
Partnerships in Parking	Evening Standard Lite (front cover story)	Drivers Get Chip and Pin Parking Meters	19 June 2006

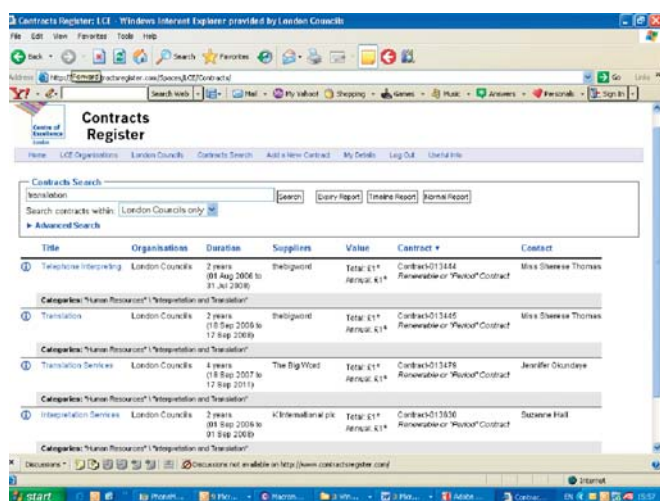
3.7 Collaborative Infrastructure and Tools

The first starting point for any form of collaborative working is to have relevant, accurate and timely information available in order to identify opportunities, make plans, and prepare business cases. The LCE has always been committed to building the collaborative infrastructure necessary to promote this work. The two main barriers to collaborative working, albeit not the only ones, have been contract standing orders and absence of reliable and easily accessible information. In 2005/6, the LCE commissioned a pan-London review of the contract standing orders and produced a highly valued Pan-London Management Strategy containing model clauses and best practice guidance.

Contracts Register Service (CRS) continues to expand

This year we have introduced a pan-London Contracts Register Service (CRS). This was trialled by the West London Alliance (WLA) in 2005/6 and rolled out across London in 2007/8. It already contains over 2,000 contracts from 30 boroughs with an estimated value of about £3 billion (nearly 30% of London's influenceable third party expenditure). It is supported by a proactive User Group that oversees its continuous development. On 1 April, the GLA family came on board as well as the London Contracts and Supplies Group (LCSG). Details can be found on www.lcpe.gov.uk.

Figure 2: A Screen Shot of the Contracts Register Service (CRS)



Expenditure Analysis – Third Successive Year

We have continued to extend our on-line expenditure analysis service, with twenty three (23) boroughs providing data for 2005/6. This means that we have provided such a service for three financial years, with seven (7) boroughs taking part on each occasion. This

has given the LCE, project leads and individual boroughs access to good quality information to support collaborative working, business case development, and development of pilot supplier relationship management strategies. We have also piloted an on-line link which will integrate the expenditure analysis information directly into the CRS for 2006/7 information. This will help boroughs identify areas of missing contracts and future areas for collaborative working.

ProClass goes UK wide

Getting good quality procurement information in a clearly understandable format has been a problem since IT systems were first introduced. The LCE has worked with other regions on the development of a standard procurement classification (not coding) for local government since 2004. This was introduced last year and is called ProClass. Dozens of councils across the UK have successfully taken it on board and mapped it to the plethora of existing coding structures in use. In 2006/7 the LCE, with national funding, commissioned a standard mapping to UNSPSC, NSV and Thomsons which is now in the public domain. We are also trialling the first mappings to CIPFA codes in collaboration with the SW Region and the Procurement Agency for Essex (PAE).

3.8 Project Management

The LCE has a very strong approach to project management, using a pragmatic version of PRINCE 2 to ensure that projects run smoothly.

From the outset of a project, the LCE works with the boroughs involved; directly reviewing their bids and providing advice on how to ensure that they stand the maximum chance of succeeding. If approved, they are then managed directly by Phil Snowling (Mouchel Parkman) who works with the appointed project managers to ensure that they make the most of their grants. Standard documents are available for download and the LCE even provides basic training for those new to project management.

We are pleased to say that all our projects have come in on budget since we started, with most also coming in on time too. The quality of this service was recognised in the recent audit undertaken by PWC for London Councils. The LCE also provides a continuing marketing and communications service for up to six months after live launch of any project.

By the end of 2006/7 all boroughs (including the City of London) were either leading a LCE Project or represented on a project board.

Appendix B shows a list of active LCE Projects and Appendix C shows a list of completed LCE projects.

3.9 Productive time

The LCE has led the Productive Time work stream with separate funding from CLG which has funded pilot work in eleven London boroughs, covering service costing and redesign and productive time release in the following services:

- Releasing productive time
- Regulatory Services
- Revenues and Benefits
- Children's services and integrated case management
- A common assessment framework for older people
- Joint commissioning of home care and sheltered housing

One of the early successes was the releasing of productive time study in Revenue and Benefits at LB of Barking and Dagenham, which has highlighted where significant improvements in process and resource utilisation could be made.

In its lead role, the LCE has been supporting the:

- Development of Business Process Architecture maps
- Production of exemplar case study booklet for business process improvement
- National Process Improvement Project (NPIP)



Showcase delegates



Showcase delegates discussing Partnerships in Parking

“Support for the LCE was generated through the commitment of Chief Executives to the improvement agenda with Board members also taking on a proactive championing role at external meetings, events and within their boroughs. The communication agenda is perceived as strength of the LCE which could usefully be shared across the other organisations to ensure that boroughs and other stakeholders receive a consistent message around improvement”.

Partnership Review
PWC May 2007



Showcase delegates learning more about the LCE's projects

“The NHS in London is facing similar challenges to those of local government in delivering better services at less cost. There are enormous benefits available from collaboration. The issues we face are often identical and we are pleased to be working with the LCE in areas of mutual interest”.

Gary Welch,
Programme Director
London Procurement Programme

4. PROJECT CASE STUDIES

4.1 London Authorities' Mutual Ltd (LAML) Goes Live

The LCE was delighted to announce that following 2 years funding, LAML is now live, with two of the ten founding authorities, Brent and Harrow, having placed their insurances on 1 April 2007.

LAML is a UK public sector first; a registered company established from scratch, it is owned by its member local authorities, and regulated by the Financial Services Authority as an authorised insurer. Its unique position is that it has been established by London authorities for London authorities, so the company is able to offer a more enhanced service with discounts of up to 15% lower than its rivals.

Funding for an initial feasibility study was first granted at the start of 2005 and LB Croydon assumed management of the project later that year. A major feasibility study was launched and participated in by 28 London boroughs with the report published to participants in January 2006. Work to set up the company and to firm up on support started in March 2006 following further grant funding from the LCE. A successful conclusion was reached at the end of March 2007 with the establishment of the Mutual. The company is guaranteed by the participants themselves, so there are no third party shareholders. It is governed by a Board of Directors, drawn from London borough Directors of Finance. On a day to day basis it is driven by the Risk & Insurance managers of the 10 participating authorities working together to make the venture work in practice.



The LAML Board at the inaugural meeting

4.2 Partnerships in Parking (PiP) drives new ground on efficiency and collaborative working

In 2005, the LCE asked London boroughs to submit bids for ideas that would help achieve efficiency savings by streamlining back office functions and transactional services. PiP is the LCE's innovative flagship programme. Following on from the development of outline business cases, the partnership legally formed on 1 April 2007 with Members signing up to a Partnership Agreement – as at 30 April 2007, it includes the following councils:

- City of Westminster
- LB Camden
- LB Islington
- LB Lambeth
- RB Kensington and Chelsea
- City of London
- Transport for London

PiP brings together and updates parking technology and practices across councils and seeks cash savings through grouped procurements. The Programme is currently being delivered by four interconnected projects:

- **Project 1** – Stationery harmonisation
- **Project 2** – A joint specification and procurement of state of the art pay and display parking technology
- **Project 3** – Payment processing and information economies
- **Project 4** – Standardisation of parking controls and practices

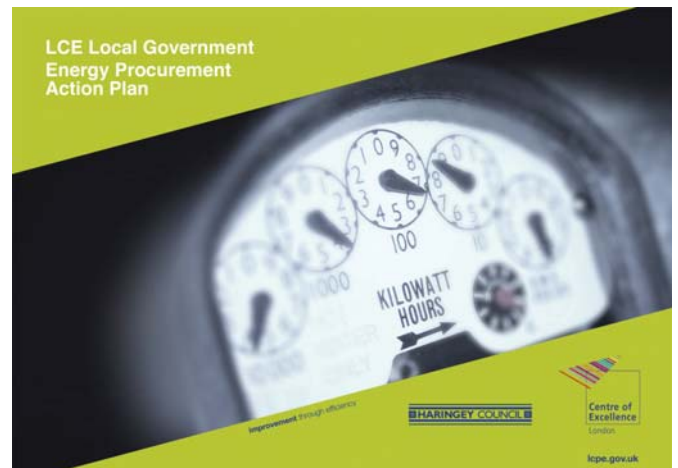
On 9 March 2007, Partnerships in Parking won the award for Innovation at the British Parking Awards held at the Dorchester Hotel. The judges recognised the groundbreaking work achieved by the project and the joint working which made the project possible. They noted:

“This is an excellent example of joined-up thinking. By working together, these councils have set standards and should achieve economies of scale. They will also provide a more consistent parking experience across the Capital.”



City of Westminster receiving the British Parking Award for Innovation

Figures 3 and 4: the LCE Local Government Energy Procurement Action Plan



4.3 London Energy Project lights up the way forward

The LCE Energy Project was set up to:

- review London authorities' energy procurement processes
- identify and promote best practice within energy procurement

LB Haringey has been leading on this project since 2005 and in March 2006 a report was published detailing the findings of the review. All London authorities were benchmarked and a key finding of the report was that even the best performing authorities fell short of best practice performance in energy procurement.

In response to this report, the LCE Local Government Energy Procurement Action Plan has been developed to implement the recommendations from the review, and to promote best practice across London authorities. The aim of the action plan is to help authorities to identify and manage the key areas that enable effective and efficient energy procurement practice. The action plan was officially launched at an event on 18 April 2007 which was attended by 27 London authorities. At the time of going to print, 22 London authorities had completed and returned the self-assessment section of the action plan.

The project team will be using the feedback from the launch event and the self-assessments to help determine what further support might be needed by authorities to assist them in implementing the actions in the plan.

One authority, LB Haringey, has already implemented many aspects of the plan, and is anticipating efficiency savings of over £320k, representing 5% of their energy spend.

Action	Details	March 2006 Score (Self-assessment / Reviewed)	March 2007 Score (Self-assessment / Reviewed)	Guidance Notes
1. Data Quality	Checklist for good quality data (please score against each point):			
1.1 Gas data is complete and accurate	a) Current site list including postcodes in a single accessible format	NA 0 1 2 3 4	NA 0 1 2 3 4	
	b) Meter point reference numbers (MPRN) cross-referenced with site details	0 1 2 3 4	0 1 2 3 4	The MPRN is the unique reference number for each gas supply point.
	c) Annual quantity (kWh)	0 1 2 3 4	0 1 2 3 4	This is the assessment of annual consumption per site, which can be obtained from your supplier or from Koverse.
	d) Emergency contact details for sites over 73,000Wh	0 1 2 3 4	0 1 2 3 4	
	e) Recent meter readings	0 1 2 3 4	0 1 2 3 4	Recent meter readings <= monthly reads for sites using >= 73,000 kWh (25,000 therms p.a.) & annual reads for sites using < 73,000 kWh p.a. Meter surveys recommended for all sites.
1.2 Electricity data is complete and accurate	Checklist for good quality data (please score against each point):			
a) Current site list including postcodes in a single accessible format	NA 0 1 2 3 4	NA 0 1 2 3 4		

Key:
 NA = Not applicable for your authority
 0 = Not yet considered or decided against implementation, if decided against implementation, please state reasons why
 1 = Decision to implement made, and timescales defined
 2 = Less than 50% implemented
 3 = More than 50% implemented
 4 = At least 95% implemented

4.4 LCE Procurement of Consultancy and Professional Services Project

The use of consultants in the public sector has grown rapidly in recent years and has been subject to critical coverage by the media. With an estimated spend in excess of £0.5b on professional services across London in 2005/06, local authorities have a responsibility to ensure that this level of expenditure provides value for money.

Led by the City of London and the LB Hounslow, this project offers local authorities in London the opportunity to improve their approach to commissioning consultancy and professional services, enabling the delivery of efficiency and direct cost savings in this area.

The LCE provided funding to address this area and support local authorities to identify areas where they can reduce their spend. The project delivered a portfolio of products and services to meet this requirement through a number of approaches. The suite of products included a Commissioning Toolkit, Training programme and Knowledge Centre.

The publication of the National Audit Office (NAO) Central Government's use of Consultants (December 2006) report further endorsed the need to improve performance and identified other areas to improve.

The publication of the NAO report, the increasing public profile and the consequent need to improve value-for-money and roll out the products from phase one generated a need to continue the project.

In March 2007 the LCE awarded funding to the LB Islington to deliver phase two of the project. Along with rolling out the products from phase one, phase two will also develop:

- spend category strategies; and
- pilot the concept of an internal brokerage to support, amongst other activities, the writing of robust business cases and assessing whether internal resources can be utilised instead of consultants.

The project will deliver benefits and improved value for money through:

- understanding how much, what and which professional service providers an organisation uses and what the requirement will be in the future;
- making a proper assessment of whether internal resources can be used instead of professional service providers, considering 'backfilling' posts to free up the appropriate skilled resource;
- collecting and sharing adequate and appropriate information on professional service providers to improve their buying and negotiating position and understand what value they bring;
- actively engaging with key professional service providers to understand how they and the market work; and
- building internal capacity by planning and carrying out transfer of skills from professional service providers to internal staff.

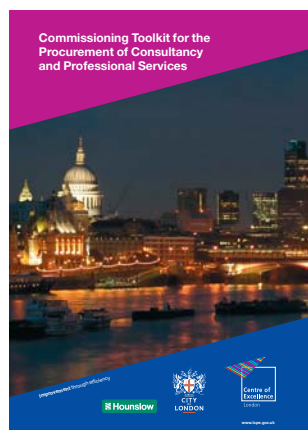


Figure 5:
The Commissioning Toolkit for the Procurement of Consultancy and Professional Services

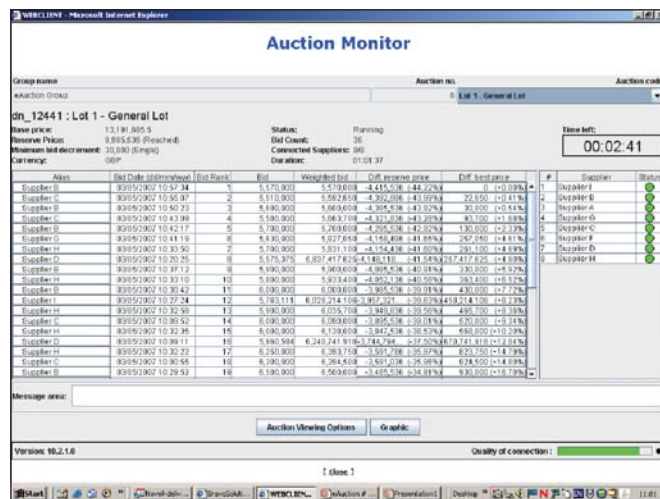
4.5 London IT Hardware eAuction – £3.8m Savings for London Authorities

The LCE ran a collaborative eAuction on IT Hardware on 3 May 2007. This was part of a programme of rolling IT Hardware eAuctions run by the Office of Government Commerce (OGC). This collaborative eAuction included 10 London local authorities, 4 local authorities from other regions and 1 NHS Procurement Confederation (SW). The participation costs for this rolling eAuction were covered by the LCE.

The eAuction lasted just over 5 hours, during which time nearly 300 bids were received – far more than can reasonably be handled during a manual tender process and resulted in cost reductions for the group of 50%. The eAuction saved over £6.8m for all involved, over £3.8m of which was directly attributable to London boroughs. This represents an average saving of £388,000 per authority against current like for like costs.

This eAuction brings the number of central government and wider public sector organisations that have so far participated in OGC eAuctions to 325, saving a total of £21 million since the first eAuction in September 2005. Almost a third of these savings coming from this last eAuction alone!

Figure 6: IT eAuction screen shot



“We are delighted with the results achieved through this eAuction as it gives us a tangible cashable saving and proves that collaborative working delivers results. I am eager that the collaborative approach extends to other high value commodities and services highlighted by the LCE as I am sure that there are even more savings to be exploited across London by working together and influencing markets.”

Rob Leak
Chief Executive, LB Enfield and LCE Chair

5. LOOKING FORWARD TO 2007/8

5.1 Business Plan

London boroughs have made it clear from the outset that they would judge the LCE's success by the cashable savings and efficiency gains delivered to them from its investments and projects.

The 2007/8 financial year is when this must happen, particularly with the proximity of CSR 2007 and the decreasing level of financial settlements achieved by many boroughs. This means that budgets and services will continue to receive even greater scrutiny. Central government (CLG/HMT) will also require evidence that their grant funding has enhanced the financial performance and efficiency of local government, particularly as funding pressures become more challenging.

Against this background, we shall be concentrating on working with all boroughs to ensure that they are fully aware of the range of opportunities that are now available to them through LCE projects. In addition, we believe it is imperative that the decisions whether or not to take advantage of the available projects, particularly those involving potential cashable savings, are made at a senior level in each borough.

Nearly half of our projects have already been completed. The LCE is also aiming to ensure that it supports the launch and bedding in of each project for a suitable period of time. This is to ensure continuity and allow for the various support mechanisms to be put in place to prevent future drift and loss of focus.

Completing the review of the London Contracts and Supplies Group (LCSG) and putting in place recommendations and a business plan for future development is also an LCE major priority for 2007/8.

The proximity of CSR 2007 and the various policy changes around the future funding and organisation of RCEs mean that we shall be carrying out a half year review of our Business Plan with a view to producing a new three-year version covering 2008-2011.

5.2 Delivering and Measuring Savings

The LCE will help boroughs to exploit the savings and efficiency opportunities presented by the outcomes from its projects through vigorous marketing and launches. It is clear that each borough should decide whether to exploit such opportunities and how to manage and control their own implementation programmes. It is also right that given the level of investment to date, the LCE should report on progress

made and capture any reasons for not exploiting the new opportunities. We recognise that there are valid reasons for not taking part; however there are also unacceptable reasons. These include not knowing about the opportunity, ignoring it or simply rejecting it because of a lack of resources to do anything about it.

The ability to show that all of our project investment has delivered, or contributed to the delivery of cashable savings, efficiency gains and/or creation of new capacity, will be ultimately how political leaders and borough CEOs measure our contribution to advancing the efficiency agenda. To this end, we shall:

- Ensure that there is a full monitoring process logging levels of participation by each borough against each project while also capturing reasons for non-participation. This information will be published on a series of maps at the end of 2007/8
- Produce a confidential bi-annual report for each borough CEO showing where progress has been made, together with a list of areas where limited or no activity has been recorded, and any opt out reasons given (and by whom)
- Report on borough participation on a project by project basis in the 2007/8 annual report
- Work with the Society of London Treasurers (SLT) and the SLT Gershon Sub-Group to endorse and promote project outcomes
- Use the centrally provided OJEU watch service to alert boroughs where new procurement activity is being undertaken where existing contracts could possibly be utilised
- Ensure that project management updates capture levels of engagement by boroughs

The LCE shall also promote active dialogue with Capital Ambition to ensure that they are fully aware of all key project deliverables so that they can be offered as an integral part of their improvement programme.

5.3 Team Working and Collaboration

We shall continue to work with colleagues in any UK public sector organisation on any project that advances the efficiency agenda and offers a tangible benefit or advantage for London boroughs.

We shall continue to work closely with:

- Partner organisations like Capital Ambition, London

Connects, IDeA and Government Office for London (GOL)

- Pan London bodies such as Society of London Treasurers (SLT) and London Contracts and Supplies Group (LCSG)
- Other public sector bodies such as the London NHS Procurement Project, the constituent elements of the GLA family (e.g. LFEPA, TfL and MPA), the London Universities Purchasing Consortium (LUPC), the London Housing Corporation and Office of Government Commerce (OGC)
- Other Regional Centres of Excellence (RCEs) and the National Procurement Project (NPP)

We shall maintain our policy of sharing the outcomes of all our work with any region or public sector organisation and will happily reciprocate at all times. This is essential to avoid duplication of effort and wasting scarce resources. The LCE does not believe that all work has to be carried out either at a national or regional level to be effective. Evidence suggests that sub-regional or cluster working continues to deliver better and faster results in some areas, including procurement.

Finally, we shall do everything to support Communities and Local Government (CLG) and the Chief Executives' Taskforce in making the RCEs a major success. This includes supporting the smooth transition to the new arrangements in 2008/9.

5.4 CSR 2007 Impact

Our management strategy for Spending Review 2004 (Gershon) has been proved right in that both central government and boroughs are expecting to see cashable savings coming from LCE projects that can be measured and in turn reallocated to front line services.

However, it is also clear that 2007/8 will be a year of transition as we look ahead to the Comprehensive Spending Review in the Autumn of 2007 which will set the three year resource position from April 2008 onward. The policy content and direction necessitate changes to our organisation, approach and strategy, particularly given the drive to merge with the other improvement bodies. The LCE Management Board has been clear that we should work to exploit the opportunities of closer collaboration with other improvement bodies whilst also remaining focused on our work programme.

The 2006 White Paper on local government indicated that the improvement partnerships in each region (in London this means the LCE, Capital Ambition and London Connects) should move towards a merger with a view to having a unified structure and a single source of funding for those projects funded by CLG in the future. A Shadow Improvement Board, under the chairmanship of Councillor Michael White, is leading our collective work to decide how best to forge a collaborative approach that works for London.

It is too early to say at this point what format the merger may finally take in London. The LCE shall play its part in ensuring good relations and collaboration with the other projects in finding the best and most cost effective way to proceed beyond 1 April 2008.



Delegates and LCE Project Managers mingling at the Showcase



Showcase delegates discussing the Agency Staff project

APPENDIX A: LCE MANAGEMENT BOARD REPRESENTATIVES

As at 1 June 2007

Name	Organisation
John O'Brien (replaced Martin Pilgrim)	London Councils & LCE Chief Executive
Julia Vernalls	London Councils – LCE Lead Director
Geoff Alltimes/Jane West	LB Hammersmith & Fulham
Peter Rogers/Terry Cotton	City of Westminster
Rob Leak	LB Enfield – Chair
Paul Martin (replaced Ged Curran, LB Merton)	LB Sutton
Rob Whiteman	LB Barking and Dagenham
Dave Berry	Society of London Treasurers
Janet Worth	GLA Family
Jonathan Wedgebury (replaced Jonathan Wise, London NHS)	London NHS
Ken Cole	LCE Director (Advisory)
Phil Snowling	Programme Manager, Mouchel Parkman (Advisory)
David Warwick	Deputy Director, Government Office for London and Regional Director for Local Government (Advisory)
Dennis Skinner	IDeA Regional Associate for London (Advisory)
Richard Parsons	London Contracts and Supplies Group (Advisory)

“As the sponsor of the London Authorities’ Mutual Ltd project, I can say with conviction that the LCE has been a key catalyst to the historic change within London. Without their support, funding and enthusiasm this project would not have been the success it has”.

Nathan Elvery,
Director of Finance and Resources
LB Croydon

APPENDIX B: PROJECTS DETAILS – ACTIVE PROJECTS

As at 29 May 2007

Project	Brief Detail
Procurement of Consultancy and Professional Services – Phase 2	Promoting the implementation of the management toolkit and knowledge centre developed in Phase 1, with a view to making the potential for cost reductions a commercial reality. Lead: LB Islington
An Integrated Approach to Sustainable Procurement	Report and Best Practice Statements. Lead: LB Camden
Pension Administration	To establish a common framework of performance measures for London in order to consistently compare the success of service delivery across different models. To propose effective extensions to partnership opportunities across London. Lead: LB Havering
Common Standard of Procurement in Adult Social Care	Mapping of best practice for procuring Social Care services; scoping of joint procurement and use of common toolset; Business case and estimation of the efficiencies to be gained from standardised models for purchasing social care for adults Lead: LB Hammersmith & Fulham
Modernisation of Energy Procurement – The London Energy Project	Report, Self-assessment Evaluation Form. Validation of all current arrangements and best practice guidance and new contractual arrangements on purchasing of utilities in open market. Lead: LB Haringey
Pilot Local Authority Foster Care Agency for London	Pilot for the provision of a local authority foster care and adoption agency for London. Lead: London Councils and LB Brent
Delivering Efficiency Savings through more Effective Procurement of Agency, Temporary and Interim staff – Phase 2	Following on from the successful launch of the toolkit and pilot electronic knowledge exchange, this project is aimed at helping local authorities reduce their expenditure on agency staff by 5%. Lead: LB Havering <i>Now a National Exemplar</i>
Exploring the Development of Temporary to Permanent Housing Schemes in the North and West London sub-regions – Phase 2	Implementation of the recommendations from Phase 1 (Business Case Development). Lead: RB Kensington & Chelsea
A Status Review of Contract Relationship Management and Recommendations for Improvement	Following on from an audit of £200M of contracts across 15 boroughs, this project is now developing new capacity and practical support to help local authorities bridge the identified gaps and resource short falls. Lead: London Fire and Emergency Planning Authority (LFEPA)
Market Management in Learning Disabilities Services	Feasibility Study, to investigate options for addressing the issue of rising cost of residential care and supported accommodation for people with learning disabilities. These placements impose significant financial pressures on local authorities and an ADSS study shows that this will continue for the foreseeable future. Lead: LB Merton
New project 2006/7 Revenues and Benefits (Joint Working Procurement and Feasibility Study)	Feasibility Study, to investigate joint working and procurement in a number of areas relating to areas of Revenues and Benefits, including debt collection, staff retention/recruitment, joint training, bailiff services, dealing with backlogs, arranging call off contract or temporary staff and consider long term possibility of merged back office. Lead: LB Havering

<p>New project 2006/7 Realising Efficiency through Shared Services Programme</p>	<p>Report, to identify the potential to secure efficiency savings and service improvement by sharing the provision of services and to produce a business case for each service where efficiency savings could be realised. Current business cases being developed are HR and Adult Services. Lead: West London Alliance</p>
<p>New project 2006/7 Strategic Supplier Initiative (SSI) Project Phase 1</p>	<p>This project will deliver a programme of work to support the delivery of better deals for London local authorities through determining risks for London Boroughs in key supply markets such as relative strengths or vulnerabilities of players, market conditions, financial failure, political, logistical, contingency planning, etc; and by compiling separate Supplier Relationship Management strategies for up to 10 principal suppliers to prove the concept. Lead: London Fire and Emergency Planning Authority</p>
<p>New project 2006/7 Whole Life Cost and Value Decision Making</p>	<p>The overall aim of this project is to help public sector organisations apply whole life cost and whole life value practices so that they make better procurement decisions and achieve more value-for-money. Lead: LB Islington</p>
<p>New project 2006/7 Pan London use of ROI model</p>	<p>Evaluate the suitability of the ROI model for pan-London use, and prove the practical ongoing uses of the ROI model to London Boroughs through developing. Return on Investment studies for between six and eight projects. This will give London Boroughs the capacity to make better decisions informed by better data. Lead: LB Brent</p>
<p>New project 2006/7 Developing an Office Accommodation Strategy</p>	<p>The project is commissioning a toolkit for developing an office accommodation strategy. The toolkit will facilitate a common approach by participating London boroughs that is founded on best practice and enable 'like for like' benchmarking. Lead: LB Hammersmith & Fulham</p>
<p>New project 2006/7 Development of Partnering Arrangements and Supporting People Providers</p>	<p>Business case, with much wider consultation to explore and document the benefits of a multi authority partnering approach toward larger and monopoly providers of homeless accommodation. Lead: RB Kensington & Chelsea</p>

“The funding from the LCE project helped us to develop a business case which secured £6M of funding from the settled homes fund (for which we made the only multi-borough bid) with a recommendation to the Housing Corporation to give us a further £4M. This is an excellent return on investment. Without the resource provided by LCE funding, it would have been impossible in practice for us to have dealt with the complexities of bringing together seven boroughs for such a high value long term contract in this new area of procurement”.

Tim Gray
West London Homelessness Strategy Delivery Manager

APPENDIX C: PROJECTS DETAILS – COMPLETED PROJECTS

As at 29 May 2007

Project	Brief Detail
Procurement of Consultancy and Professional Services – Phase 1 - 2007	Management toolkit and pilot knowledge centre to help local authorities reduce consultancy costs by 10% and achieve greater value from their expenditure. Lead: City of London / LB Hounslow
Supplier Accreditation Joint Approval List (Avalon) - 2005	Report and business case for use of in-house Avalon (LB Hammersmith & Fulham product) and where supplier evaluation should be undertaken. Pan-London Management Strategy also available. Lead: LB Hammersmith & Fulham
Procurement Training and Skills Development - 2007	Modularised training for different aspects of procurement, plus details of pan London contract with London Metropolitan University and new NVQ. Lead: LB Camden
Partnerships in Parking - 2007	Business case, harmonised parking stationery, standard specification and procurement framework for on-street parking machines. Joint work with private sector and London boroughs / Transport for London, joint procurement exercises. Lead: City of Westminster and partners
Review of Contract Standing Orders and Financial Regulations - 2006	Report, presentation of comparison of contract standing orders and financial regulations across London. The objective is to remove barriers to collaborative working. Pan-London Management Strategy also available. Lead: LB Hammersmith & Fulham
Development of an Insurance Mutual - 2007	Established the London Authorities' Mutual Ltd (LAML) (1 April 2007) following on from business case. Lead LB Croydon.
Development of Social Care Procurement Information Services - 2006	A business case for the ongoing development of web based procurement information for social care in London. Lead: London Councils
Buying a Better London - SME/BME/Economic Regeneration - 2007	Report and best practice statements building on the OGC work with LB Haringey and City of London. Lead: LB Haringey
London Contracts and Supplies Group Strategic Review – Phase 1 - 2006	Report, presenting a set of options for the future organisational structure of the London Contracts and Supplies Group. Lead: LCSG
Postgraduate Qualification in Commissioning and Purchasing for Primary Health, Social Care and Housing in London – 2005/6	New qualification developed in partnership with Oxford Brookes University for care staff. Lead: London Councils
Exploring the development of temporary to permanent housing schemes in the North and West London sub-regions - Phase 1 - 2006	Business Case developed. Lead: RB Kensington & Chelsea & LB Westminster

Full details on all of these projects and how to apply for funding (public sector only) are available at www.lcpe.gov.uk

APPENDIX D: FINANCIAL STATEMENT

Financial Statement 2006/7	
Operational Costs (Inc employees and accommodation)	£275,819
Programme Management	£60,651
ICT (Inc Website, EKE and CRS)	£77,558
Marketing and Publicity	£43,172
Miscellaneous:	
Surveys	£548
London Councils Management Charge	£41,641
Consultancy (Inc eAuction fees)	£75,498
Audit	£4,200
Contribution to National Projects	£42,000
Project Funding	£1,472,787
Total gross spend 2006/7	£2,093,874
Less income received	-£10,000
Total Net Spend 2006/7	£2,083,874
<i>Funding carried forward to 2007/8</i>	<i>£1,424,132</i>
<i>CLG Grant 2007/8</i>	<i>£1,080,000</i>
Total Budget 2007/8	£2,504,132

“The LCE has provided significant support for advancing collaborative procurement across London and funding LCSG projects that help generate cashable savings, advance the CSR agenda and promote capacity building”.

Richard Parsons,
Head of Strategic Procurement
LB Camden

APPENDIX E: WEBSITE STATISTICS (APRIL 2006-MARCH 2007)

The below table shows PDF downloads from the LCE website between April 2006 and March 2007

Project	PDF Downloads	Hits
April 2006	3,029	50,890
May 2006	4,791	53,171
June 2006	4,554	59,284
July 2006	4,873	88,114
August 2006	6,860	108,885
September 2006	6,269	73,413
October 2006	13,469	227,243
November 2006	11,281	138,682
December 2006	9,158	100,332
January 2007	24,184	191,309
February 2007	19,482	147,422
March 2007	19,463	132,897

“In 2004 we identified early warnings that energy markets were changing from being relatively stable to becoming highly volatile. Energy had become a commodity where significant cash savings and improvements could be made through collaboration and changing our whole approach to the market. The LCE has supported this project from an early stage and by working closely with the OGC, we are pleased to see most boroughs are now working to bring about the necessary changes”.

Michael Wood

Head of Corporate Procurement
LB Haringey

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