



Business Efficiency Board

Wednesday, 8 November 2006 at 6.30
p.m.

Council Chamber, Runcorn Town Hall

****please note change of venue****

A handwritten signature in black ink, appearing to read 'David W R'.

Chief Executive

BOARD MEMBERSHIP

Councillor Arthur Cole (Chairman)	Labour
Councillor Martha Lloyd-Jones (Vice-Chairman)	Labour
Councillor John Bradshaw	Conservative
Councillor Ron Hignett	Labour
Councillor Mark Dennett	Labour
Councillor David Findon	Conservative
Councillor Christopher Inch	Liberal Democrat
Councillor Alan Lowe	Labour
Councillor Shaun Osborne	Labour
Councillor Ged Philbin	Labour
Councillor Christopher Rowe	Liberal Democrat

*Please contact Caroline Halpin on 0151 471 7394 or e-mail
caroline.halpin@halton.gov.uk for further information.*

The next meeting of the Board is on Wednesday, 10 January 2007

**ITEMS TO BE DEALT WITH
IN THE PRESENCE OF THE PRESS AND PUBLIC**

Part I

Item No.	Page No.
1. MINUTES	
2. DECLARATION OF INTERESTS	
Members are reminded of their responsibility to declare any personal or personal and prejudicial interest which they have in any item of business on the agenda no later than when that item is reached and (subject to certain exceptions in the Code of Conduct for Members) to leave the meeting prior to discussion and voting on the item.	
3. PROCUREMENT UPDATE	1 - 17
4. EFFICIENCY STRATEGY AND THE IDEA PEER REVIEW	18 - 19
5. COMPREHENSIVE PERFORMANCE ASSESSMENT	20 - 23

PART II

**ITEMS CONTAINING “EXEMPT” INFORMATION FALLING
WITHIN SCHEDULE 12A OF THE LOCAL GOVERNMENT
ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO
INFORMATION) ACT 1985**

In this case the Board has a discretion to exclude the press and public but, in view of the nature of the business to be transacted, it is RECOMMENDED that under Section 100(A)(4) of the Local Government Act 1972, having been satisfied that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 of Part 1 of Schedule 12A to the Act.

6. 2006/07 INTERNAL AUDIT PLAN – QUARTER 1 PROGRESS REPORT	24 - 36
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In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.

REPORT TO: Business Efficiency Board

DATE: 8th November 2006

REPORTING OFFICER: Strategic Director – Corporate & Policy

SUBJECT: Procurement update

1.0 PURPOSE OF THE REPORT

2.0 RECOMMENDATION:

That the Business Efficiency Board note the report and endorse the approach taken

3.0 Summary

3.1 This report provides the Business Efficiency Board with an update of the progress made in introducing better procurement in Halton.

3.2 Background

Earlier this year the Council adopted its updated Procurement Strategy for 2006-2009. (see www.halton.gov.uk/procurement). This strategy detailed a number of Procurement Key Objectives, which are reproduced below. (Appendix 1 & 2 details progress on some of the workstreams developed from these objectives).

- Establish corporate support and secure long-term commitment from both members and officers at all levels, to deliver Better Procurement in Halton. We will focus on the objectives that support the National Procurement Strategy for Local Government and the council's strategic priorities, to realise economic, social and environmental benefits for Halton.
- Deliver consistent and high quality services that meet the identified needs of individuals and groups within Halton, and develop a mixed economy, through strategic partnerships, framework agreements and collaboration with a range of public, private and voluntary suppliers.
- Ensure we have a robust financial system forming a solid platform for future innovation. Maximise the cost effectiveness of Best Practice procurement processes by minimising administrative processes in a consistent manner, adding value across the Council.
- Ensure that the procurement process is clear and focused in the first instance on achieving value for money.

- Implement e-procurement solutions to stimulate electronic trading at all levels of the business spectrum.
- Promote Halton Borough Council as a Preferred Supplier. Focus on supplier development and promote the opportunity for businesses and SMEs to trade with the Council.
- Seek innovation and new approaches across both internal and external environments to achieve continuous improvement.
- In the interests of transparency, accountability and Best Value, ensure compliance with all legal requirements including Council Standing Orders, Financial Regulations and European legislation covering procurement and tendering.
- Create, implement and monitor voluntary performance indicators to highlight continuous improvement and performance benefits against targets within the authority.
- Develop procurement skills across the organisation to support the implementation of procurement policy and strategy.

4.0 Progress to date

4.1 The following work areas have been identified and developed by the Procurement Unit, in conjunction with the Procurement & Commissioning Group, Procurement Work Groups and key officers involved in pilot schemes. These tools and services are now available for take up by the Councils purchasing and contracting officers. Each of these items will be discussed in more detail in the body of the report.

- Procurement web pages were launched on the Council's Internet site in March 2006
- An intranet based Officers Procurement Guide is planned for December 2006
- A Pilot scheme using Purchase Cards was successfully undertaken in the 6 High School catering areas and has now been extended
- Access to the Council's E-Marketplace solution, IDeA Marketplace access has been provided to 87 corporate users. IDeA want to work closely with HBC to introduce other key Halton suppliers. It does not have a strong customer base in the North West and sees Halton as it's flagship
- The North West Centre of Excellence (NWCE) has recently identified Marketplace as the preferred regional solution.
- The use of Document Imaging for invoice processing has been successfully tested in Corporate & Policy

- Work on producing a library of Standardised Documents for tendering and contracts is progressing
- Opportunities for internal collaboration are being identified and promoted
- The Procurement Unit has provided advice to officers involved in new corporate tenders.
- Opportunities for External collaboration are circulated to relevant officers for consideration
- The unit was represented at the recent Economic Development Forum. Agreement is being sought with the Chamber of Commerce to add mutual links to our website
- Training requirements for procurement have been discussed with the Corporate Training section and with delegates from other Directorates with a view to defining a suitable training programme.
- Detailed Spend Analysis being undertaken

4.2 The Procurement & Finance Support Division is leading the way with developing a corporate procurement style and implementing e-procurement tools. This Procurement Improvement Programme will only be successful with the full participation and co-operation both of the Procurement & Commissioning Group and of all purchasing & commissioning officers. Every directorate has a vital role in ensuring that the full adoption of the best procurement tools and methodology goes smoothly and to this end a cross directorate review is planned to ensure a consistent approach. Many of the gains derived from better procurement will accrue directly to service and administrative areas across the organisation. Where processes are reviewed there should be a clear efficiency gain, to be assessed and included in the AES Statements.

5.0 Procurement and Commissioning Group

5.1 **Council Contracts List** – This was first published on the Procurement web site on 10th March and has been periodically updated. The current value of contracts listed is £68M. The nominated Directorate representatives are required to periodically review the published details to ensure there are no omissions from this list. Co-operation in keeping the list current is the only way to guarantee its credibility with prospective suppliers. The NWCE is using Halton's Contract List as a template in developing a regional Contracts List to be published via the Centres website.

5.2 **Contracts Documentation Work Group** – A cross department group of officers with a regular involvement in contracting has been drawn together. The work group drafted a Halton standard Pre Qualification Questionnaire document to be used for all tenders of £1M+, which has been approved by the Procurement & Commissioning Group. Work on an Invitation to Tender Document Pack is now at an advanced stage. The PQQ document has been shared with Macclesfield and Trafford Councils who were both working on standard documents of their own.

- 5.3 Supplier Analysis – work has now begun on compiling a Supplier Directory to guide purchasing officers towards using existing suppliers and core contracts. The analysis work was able to add value to the development of council wide contracts for cash collection and protective workwear. It also will allow corporate and directorate monitoring of costs across areas of spend e.g. stationery, agency costs etc and thus can, for the first time, provide a detailed breakdown.
- 5.4 NWCE and Authorities in the north west have signed up to produce an analysis of “influenceable” spend. Funded by NWCE the analysis has been completed for Halton and further work is to be carried out within the region and is expected to lead to clear opportunities to buy jointly with other Councils. The unit will also seek to use this data for benchmarking purposes.
- 5.5 A great deal of work has been undertaken by the Procurement Unit to analysis Halton spend. Analysis of cross-directorate Council spend across products, services and suppliers is for the first time, possible. This data will help identify opportunities for better procurement.

6.0 Procurement & the Web

- 6.1 New web pages at www.halton.gov.uk/procurement provide advice and information on the Councils purchasing arrangements. We have introduced an advertising area where new opportunities to be considered for tendering or inclusion on a select list can be posted. Directorates can advertise all procurement opportunities on this site, which will be of particular interest to SME's who may not have the resources to monitor all trade journals but can keep abreast of a single site. We are investigating links from our adverts area to the Supply2Gov site, the Government backed portal for small businesses. A small number of adverts have been made on our web site e.g. stationery, printing, safety equipment and the Surface Treatments Maintenance Contract. This advertising facility has been promoted on a number of levels but there has been low take up. The use of this area to both offer a central reference point for advertising business opportunities with the Council and to help further reduce advertising spend should be supported.

Hits on the site are monitored and visitors to the web pages have averaged 200 per month since it was launched.

- 6.2 Intranet Procurement Handbook. A web based handbook for officers providing advice and information on Procurement, Tendering and Contracts is under construction, with plans to launch an initial simple document by December 06. Currently information is provided in the traditional way through user group meetings and via the Procurement & Commissioning Group.

- 6.3 The development, content management and maintenance of web sites is labour intensive and a small clerical resource has been diverted internally to further this work.

7.0 P Card Pilot

- 7.1 The purchase card system has been in used in schools catering for 6 high schools since February. This scheme was extended to all schools using HBC Catering with effect from July 2006, and to civic catering from October. Two further suppliers have agreed to use purchase cards to be implemented in September and October 2006. Reporting facilities within the purchase card software have added value to this project, by allowing for the electronic analysis of products purchased. This has enabled the Schools Catering Service to target purchases that are not compliant with healthy eating objectives.

8.0 E- Marketplace

- 8.1 The technical integration between the IDeA Marketplace and the Agresso Financial System has been achieved and purchase orders to two corporate suppliers are now made via the Marketplace. A large number of internal orders are also placed via the system. A supplier adoption program is currently being implemented, and IDeA have agreed to work closely with us to help enlist key Halton suppliers to trade with us electronically. A supplier event later in the year will explain to existing suppliers how they can engage with the Marketplace, and a short session aimed at SME's and local businesses that wish to understand the marketplace concept. IDeA does not have a strong customer base in the North West and they want Halton to be the flagship for their product in this region. NWCE has recently announced that the IDeA Marketplace is it's preferred solution for the region. Halton is keen to pass on lessons learned and is meeting with the NWCE to establish how we can work with them and access further developments around the supplier adoption process and contract collaboration.

9.0 Document Imaging

- 9.1 Implementation of the Invoice Manager software, proof of concept and live integration has been successfully established by Corporate & Policy Directorate. Discussions and demonstrations have been given to the Environment Admin Team and meetings with the Children's & Young People and Health & Community Directorates, are still to take place. Invoices for stationery orders placed via the Marketplace are now processed using this technology. The scheme will be extended to all Corporate & Policy Invoices by December 2006. It is proposed to deal with all Purchase Order based invoices in this manner by February 2007. Directorates will be asked to assist with establishing protocols for dealing with invoices, where rules need to be established for specific types of invoices. Issues around non Purchase Order based invoices

will be resolved in a similar way to provide for a full implementation of document imaging for invoices by April 2007.

10.0 Working With Directorates

10.1 The Procurement Advice Unit has worked with contracting officers on Cash Collection, Workwear, Stationery and Paper, to advise on the development of new council wide contracts. The concept of rebates for additional business generated, and discounts has been introduced to reflect our commitment to e-procurement methods.

10.2 Identified Savings- The list below shows the value of the savings achieved

Cashable	Period	Value
Actual		
Stationery Contract	Oct 05 to Aug 06	£ 9k
Wheelie bins	April 06	£11.5k

Forecast Savings based on new procurement arrangements for 2006

Insurance	April	2006-2009	£75k p.a.
Work ware & Safety Products		2006-2007	£ 6k p.a.
Cash Collection	Oct	2006-2009	£ 1k p.a.

Non Cashable	Period	Estimated Value
Purchase Cards		
Transactions	Feb to Aug	£9.5k*

*Based on Audit Commission's estimate of a saving of £28 per invoice

11.0 Collaboration & NWCE

11.1 Members of the Procurement & Commissioning Group interact with various work streams of the NWCE. There is active membership of the E-procurement, Frameworks, Standards and Collaborative Working Groups. The following projects have developed in importance during this period

- Property Services are in the process of developing a suitable project to be undertaken under a Partnership in Construction initiative.
- The profile of Energy procurement has a high priority following steep rises in cost. Property Services are participating in the project led by OGC & NWCE.
- Health & Community are engaged with a NWCE project on High Cost Out of Borough Placements.

- Halton hosted an event on Electronic Monitoring of Domiciliary Care.
- Halton is involved with the Link to Value Improvement Project run by Knowsley Council
- Halton is engaged with the Cheshire Revenues & Benefits Collaborative Group

12.0 Working with Others

- 12.1 The Unit is keen to learn from other organisations and attended the recent Beacon Councils Roadshow at Aintree. The Beacon Councils have invested considerably in both staff resources and analysis tools. They demonstrated a strong regional will to share expertise and solutions. e.g. with support from the Regional Centre they have collaborated on a jointly procured, Supplier Adoption and Contract Management Solution.

There was emphasis on identifying and upskilling key staff to deliver efficient procurement projects. Halton has already identified the need for a procurement training programme through the key objectives in the Procurement Strategy.

There is a wide choice of E-Procurement tools available, but Councils should only adopt those supported by a sustainable business case leading to identifiable savings.

Strong central control of the procurement culture lies at the heart of the Beacon Councils approach to delivering high levels of efficiency in procurement. The development of high levels of core contract spend, monitoring and reporting on compliance and strong contract management delivered through Central Contracting Units featured in the majority of the presentations. The larger Boroughs have between 15 and 25 people in their strategic procurement units, and as a result one authority could boast of a 90% on-contract spend.

The Procurement Unit participated in the recent Economic Forum for local businesses, and spent a lively session discussing procurement issues with local businesses

13.0 Training for Procurement

- 13.1 A short introduction to procurement was introduced onto the Council's Induction Program in December 2005. This has been followed by participation in a half day event on 6th October on Procurement and Standing Orders. A web-learning tool, *A Basic Introduction to Procurement*, is under evaluation in Health & Community and Corporate & Policy, if appropriate this will be adopted as a training or refresher package for staff with procurement responsibilities. It is envisaged a modular based training program will be developed starting with an introduction level and moving through a pick and mix of more in-depth master-class events phased through the year. These could be introduced into the annual Training Program.
- 13.2 Training for Members has been highlighted for action and will be included in the program.

14.0 Procurement Improvement Plan & Strategic Targets

- 14.1 A periodical review of larger procurement initiatives is undertaken and monitored using the Procurement Improvement Plan (PIP) Such projects are led by the Procurement Advice & Information Unit and often involve working groups drawn from all directorates. The projects are broken down into smaller elements, which may be implemented stage by stage.
- 14.2 The overall projects are reported back to and under the general supervision of the Procurement & Commissioning Group. Appendix 1 shows 2 tables - the PIP Current Projects and PIP Completed Projects. Appendix 2 shows the achievement of the targets matching the key issues under the objectives contained in the Procurement Strategy.

15.0 Policy, Financial and Other implications

- 15.1 There are no implications arising out of this report

16.0 Equality and Diversity issues

- 16.1 There are no issues arising out of this report.

17.0 List of background papers under section 100d of the Local Government Act 1972

Document	Place of Inspection	Contact Officer
All papers	Municipal Building	Ray Dart

Appendix 1 – PROCUREMENT IMPROVEMENT PLAN - CURRENT PROJECTS

PROCUREMENT IMPROVEMENT PLAN

(EProcurement Key Targets/Position Statement & PIP/PIP/Current Projects 21.03.06)

Purpose of the plan is to add definition to the procurement strategy by defining the path to effective procurement procedure and practice.

- Plot where we want to be in quantitative terms for procurement practice.
- Use it to disseminate best practice across the organisation.
- Monitor individual directorates progress towards agreed targets.

Plan Ref No.	Current Project	Working Group set up	Date 1 st meeting	Targets	Action	Timescale	Action	Timescale	Action
PIP1	Standard Documentation for PQQ's, Tenders & Contracts	Yes	16.12.05	Identify and develop appropriate standard documents	Sub-group for Questionnaires set up AM, RB, KM, GY	1 st Meeting Jan 06	Present 1 st draft Questionnaire to Workgroup	10.02.06	See Below
PIP1 ACTIONS: 1 st draft reviewed by the workgroup. PQQ is to be split by contract value as governed by Standing Orders. RB & TM to reword specific sections. 2 nd draft to be issued to the workgroup on 24.03.06 & Procurement Group 10.03.06 24.03.06 PQQ, Matrix & Guidance notes reviewed at main Workgroup meeting. Updates to be emailed to the group for further discussion before the P & C meeting on the 21.04.06 Sub-group meeting 05.04.06 – Guidance notes 19.04.06 – Group meeting to discuss final drafts PQQ, Scoring Matrix and Guidance Notes – Emailed Final Drafts for feedback 04.05.06, Submitted to P & C group 09.06.06 for final adoption deadline set for the 15.06.06 for any amendments.									

Plan Ref No.	Current Project	Working group set up	Date 1 st Meeting	Targets	Action	Timescale	Action	Timescale	Action
PIP 1A - ITT	Standard Tender Documentation	Yes	16.05.06	RB & AMc to Identify Standard elements of a Tender Document, feedback to the main group.	Sub-Group meeting to discuss 1 st draft scheduled 21.06.06 Group amendments made to document, draft to be presented to the Workgroup	July 06 07.08.06	Draft 1b to be updated with changes from the main workgroup discussion Forward updated draft to members Sub-group meeting Present changes to Tender Doc to the main group	25.08.06 31.08.06 08.09.06	Sub-group reviewed document and discussed changes to be made to the format. Document updated with changes and issued to the group 10.10.06
PIP4	Selling to the Council Guide	No	23.03.06	Create an informative document as a guidance to Selling to the Council.	Research existing guides from other authorities. Draft Document to support procurement practice and procedures.	Dec 06			

PIP5	Procurement Policy	No	01.03.06	Update and Implement existing Policy to support Strategy.	Document Presented to I.Leivesley for approval 12.05.06	June 06	Procurement Policy approved 21.07.06 Cascade throughout the Council and put on Intranet	Oct 06	
PIP6	Procurement Intranet	No	July 06	JM & AMc To develop Procurement pages for inclusion on Intranet HBC intranet currently being updated	Discuss areas required for the Intranet Develop draft pages for all selected areas	11.08.06	Finalise draft pages with text and documents required. Review with Paul Martin date for HBC Intranet completion.	Oct 06 28.09.06	
PIP7	Supplier Directory	No	June 06	Create a Supplier Directory	Create a Browser to assist in gathering data from Agresso. Include Trade Classifications from Spikes Cavell Remove non-influenceable spend – suppliers and cost centres.	Sept 06	Discussed Browsers available and raw data in excel pivot table with Mr R. Dart.	19.09.06	Agreed secure browser may be the best solution, Procurement Unit to arrange a meeting with Agresso Administrator to discuss possible solutions.

Appendix I PROCUREMENT IMPROVEMENT PLAN – COMPLETED PROJECTS

Appendix 2

Plan Ref No.	Improvement	Working Group set up	Date 1 st meeting	Targets	Action	Timescale	Action	Timescale	Action
PIP 2	Consolidated Contract Register – contracts over £50k	Yes	Sep 05	Collate all relevant information on contracts. Publish register on procurement web page.	Collect information, create register	18.11.05	AM – Chase up outstanding information from group members.	25.11.05	Contract Register complete 19.12.05
PIP2 – Maintenance – Quarterly update from Departmental Nominees to be undertaken by the Procurement Unit. A Template has been forwarded to all Nominees for completion as/when new contracts have been negotiated or any changes to existing contract information needs to be updated.									
PIP 3	Create a Procurement Web Page	No	13.10.05	Improve information available on Procurement for both Officers and Suppliers	Design and Implement a Web page for electronic formatting.	30.11.05	Create links to excel and word documents from homepage Documents sent 20.12.05	Jan 06	Web page created, await links to be uploaded and checked by Communications. 17.02.06. Web Links uploaded 22.02.06. Authorisation to go live 07.03.06
PIP3 – Maintenance – Web page to be updated by the Procurement Unit.									

REVIEWED 19.07.06 – SUMMARY OF ACHIEVEMENTS

Ref	Position Statement	Key issues	Objectives	Timescale	Comments
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7	Procurement is managed over a number of devolved functions & Directorates.	Procurement needs to be developed using an organised & consistent methodology	Develop a Procurement & Commissioning Group to champion the strategy across the Council	Achieved August 2005	Achieved
8	Devolved procurement functions employing different processes & practise		Create Procurement Advice & Information Unit to guide, monitor & enforce compliance with the strategy	Achieved August 2005	Achieved
10	Few core contracts set up e.g.. stationery, furniture	Little communication of common requirements. Key Lead Purchasers need to be identified to act for the whole organisation.	Standardise and implement a contract register Improve corporate understanding of common spend Identify suitable electronic system to guide supplier selection	Achieved Achieved March 2006	Achieved
11	Aligning procurement best practise with the National Procurement Strategy and efficiency	Development of electronic procurement methods	Evaluate and adopt where appropriate E-Marketplace	Nov 2005 Jan 2006	Achieved Achieved

	targets		Procurement cards		
13	No clear contact details for major areas of spend	Identification of key spending areas within the organisation	Publication of contracts Register and key contacts	Feb 2006	Achieved
14	Minimal information is known about the current supplier base	Improve our knowledge of supplier profiles	Poor response to web base questionnaire needs to be addressed.	March 2006	Achieved
21	Limited information on how to trade with the Council	Clearer WEB based information on trading with the Council	Designated WEB area	April 2006	Achieved
22	There are currently no E-procurement performance indicators set up.	No quantitative tools to measure continuous performance in procurement. Systems need to be developed to produce the relevant information.	Develop the relevant Performance Indicators and calculation methodology Develop voluntary Performance Indicators and establish base data.	Apr 2006 Apr 2006	Achieved Achieved
24	Formal Procurement	No documented	Create a	April 2006	Achieved

	Targets have been identified in this strategy	plan for achieving procurement objectives	Procurement Improvement Plan as a mechanism for monitoring progress.		
30	Limited published information exists on "How to trade with the Council"	Potential suppliers do not know who to contact	Publish clear information on how to supply the council, on the web site. Participate in initiatives with Economic Development Unit to promote business opportunities in Halton	April 2006 April –Sept 2006	Achieved Achieved
ACHIEVED STRATEGIC TARGETS 10.05.06					
1	The Procurement Strategy is adopted & endorsed by Members and officers at all levels	Procurement Strategy & policy should be embedded in all major procurement decisions	Corporate recognition for procurement practice & procedure	Ongoing	Achieved
1A	Current Procurement Strategy expires March 2006	Review Procurement Strategy	Revised Document in Place	April 2006	Achieved
2	Agresso financial system implemented 2004, complete	Necessity to recognise & use the full potential	Uniform adoption of full efficient	April 2006	Achieved New Objective

	purchase to pay system encompassing the integration of back office and finance systems.	of the system Reluctance to discard paper based systems and duplication in processes	electronic systems Cultural Change to embrace available efficiencies	April 2006	Name & Shame, monthly monitoring and KPI's
8	Devolved procurement functions employing different processes & practise	Consistency is required throughout the majority of procurement practises in accordance with Existing Controls	Achieve higher levels of compliance with Financial Regulations relating to purchasing & payment	April 2006	Achieved New Objective Name & Shame, monthly monitoring and KPI's
20	Growing awareness of E-Procurement with suppliers	Promotion of e-enabled working practices within the supply chain is vital for E-Procurement to work.	Publish clear information on e-procurement within the council.	April 2006	Achieved
23	Process efficiencies from the financial system are not universally utilised	Standardisation of best practise in processes needs to be universally adopted & delivered	Uniform adoption of finance system functionality and benefits	Apr 2006	Achieved New Objective Name & Shame, monthly monitoring and KPI's

25	There is no corporate Procurement training for officers.	No procurement representation within Council induction training	Procurement should be incorporated into council induction training programme.	April 2006	Achieved New Objective create a guide for contract /Tender procedure
29	Multiple Suppliers servicing common product groups across Directorates with high level of one off suppliers.	Overheads for both the Council and the suppliers may not lead to the anticipated level of business benefits.	Analyse & review supply base. Develop a strong supplier adoption process for new suppliers.	Apr to Sept 2006	Achieved Spikes Cavell New Target – identify Top 10 areas of spend and lead depts within spend to create core contracts Procurement Directory
33	Desire to promote greater SME involvement in Public Sector procurement	Analyse relationships with SME's in current procurement	Diffuse SME's concerns over ability to engage with HBC	April 2006 - March 2007	Achieved New Target – utilise SME analysis from Spikes Cavell and Economic Forum Presentation 15.05.06

REPORT TO: Business Efficiency Board

DATE: 8 November 2006

REPORTING OFFICER: Strategic Director, Corporate and Policy

SUBJECT: IDEA Peer review and the Development of an Efficiency Strategy

WARD(s): Boroughwide

1.0 PURPOSE OF REPORT

- 1.1 To brief Members on the content of the IDEA Peer report and to outline how that report is being used to develop an Efficiency Strategy for the Council

2.0 RECOMMENDATION: That the report be received and members of the Board feed the issues they would wish to see addressed in an Efficiency Strategy.

3.0 BACKGROUND

- 3.1 Members were informed that the Council had invited the Improvement and Development Agency to undertake an Efficiency Peer Review of the Authority. The Council was one of the first authorities in the Country to be subject of such a review. A copy of the IDEA's report has been previously circulated to all members of the Board. The Strategic Director Corporate and Policy will make a presentation to the Board on the reports findings and outline how it is being used to help develop an Efficiency Strategy. Board members views would be welcome in the relation to the content and scope of that strategy.

4.0 POLICY IMPLICATIONS

- 4.1 None.

5.0 OTHER IMPLICATIONS

- 5.1 None.

6.0 RISK ANALYSIS

- 6.1 Not applicable.

7.0 EQUALITY AND DIVERSITY ISSUES

- 7.1 Not applicable.

**8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE
LOCAL GOVERNMENT ACT 1972**

8.1 None.

REPORT TO: Business Efficiency Board

DATE: 8 November 2006

REPORTING OFFICER: Strategic Director, Corporate & Policy

SUBJECT: Comprehensive Performance Assessment

WARDS: Borough-wide

1.0 PURPOSE OF THE REPORT

- 1.1 One of the duties of this Board is to “oversee the Council’s preparations for any Comprehensive Performance Assessment (CPA) or subsequent corporate assessment process”. This report outlines for members the current CPA framework and arrangements for the 2006 assessment. The next Corporate Assessment will take place in March 2008 and will be the subject of a report to a later meeting.

2.0 RECOMMENDATION: That

- (1) Progress with the 2006 CPA assessment be noted and approved.
- (2) A further report be made in due course in preparation for the 2008 Corporate Assessment.

3.0 BACKGROUND

- 3.1 The CPA process was introduced in 2002 and then substantially revised in 2005. It aims to provide a single assessment of performance and improvement in all single tier authorities and county councils once a year.
- 3.2 The judgements are now published as a star rating (from 0 to 4 stars) together with a statement about direction of travel (the extent to which services to local people are improving). In December 2005, under the new “Harder Test” CPA, Halton Borough Council was rated as 4 star, improving well.

4.0 THE CPA MODEL

- 4.1 The overall Council rating is based on a balanced score card which takes into account the performance of individual services, the Council’s use of resources, and our capacity to improve as assessed through a corporate assessment, normally once every three years. This is illustrated in the diagram at Appendix 1 and there will be further explanation in a presentation to the Board.

1. Service Assessments - are based on scores produced by annual performance assessment of children's services, adult social care and benefits by external bodies; and scores for environment, housing and culture and leisure are produced by the Audit Commission based on performance indicators.
2. Use of Resources - an annual assessment by our local external auditor (the Audit Commission) of our financial reporting and management and the extent to which we provide value for money.
3. Corporate Assessment - a two week inspection to look at our ambition, priorities, performance management, achievement and future plans. We were assessed in June 2002 and again in February 2005 (prior to being re-designated as "Excellent") under the old system. The newer corporate assessments are much more testing than those Halton has undergone to date and will focus particularly on how we are achieving improved outcomes for local people, value for money, and to which extent we are closing the gap between the worst off and the rest of Halton. This assessment will be held concurrently with the Joint Area Review of Children's Services (JAR) which will look at all services to children and young people in Halton (not just Council services).

5.0 PROGRESS IN 2006

- 5.1 The annual assessment is normally published in mid December. however, for 2006 this has been put back until February 2007 to allow up to date user satisfaction data to be taken into account. The Best Value User Satisfaction Survey is conducted by every local authority every three years and the 2006 survey results will be available later this year.
- 5.2 The results of the annual service assessment for children and young people and adult social services are expected over the next two months. The use of resources assessment has been completed following a self assessment and a number of interviews with members and officers. The score will not be published until next February. The Direction of Travel assessment will be conducted in November.

6.0 CORPORATE ASSESSMENT IN 2008

- 6.1 The next corporate assessment will not be for nearly 18 months. However, if there are any areas in which improvement is required, we need to identify them and address them now to ensure that there is evidence of tangible impact on outcomes by March 2008.

7.0 POLICY IMPLICATIONS

- 7.1 The CPA process is an assessment of the effectiveness of the Council in delivering its policy objectives.

8.0 OTHER IMPLICATIONS

- 8.1 There are no other direct implications. The financial implication of CPA is that as a 4 star authority we receive fewer inspections and so our external audit fees are reduced.

9.0 RISK ANALYSIS

- 9.1 The main risk to the Council is a lower CPA rating. The risk management for service scores is through the performance management arrangements which provide regular monitoring of performance. The risk treatment measure for the corporate assessment is to prepare a clear action plan in preparation. This will be reported to a subsequent meeting.

10.0 EQUALITY AND DIVERSITY ISSUES

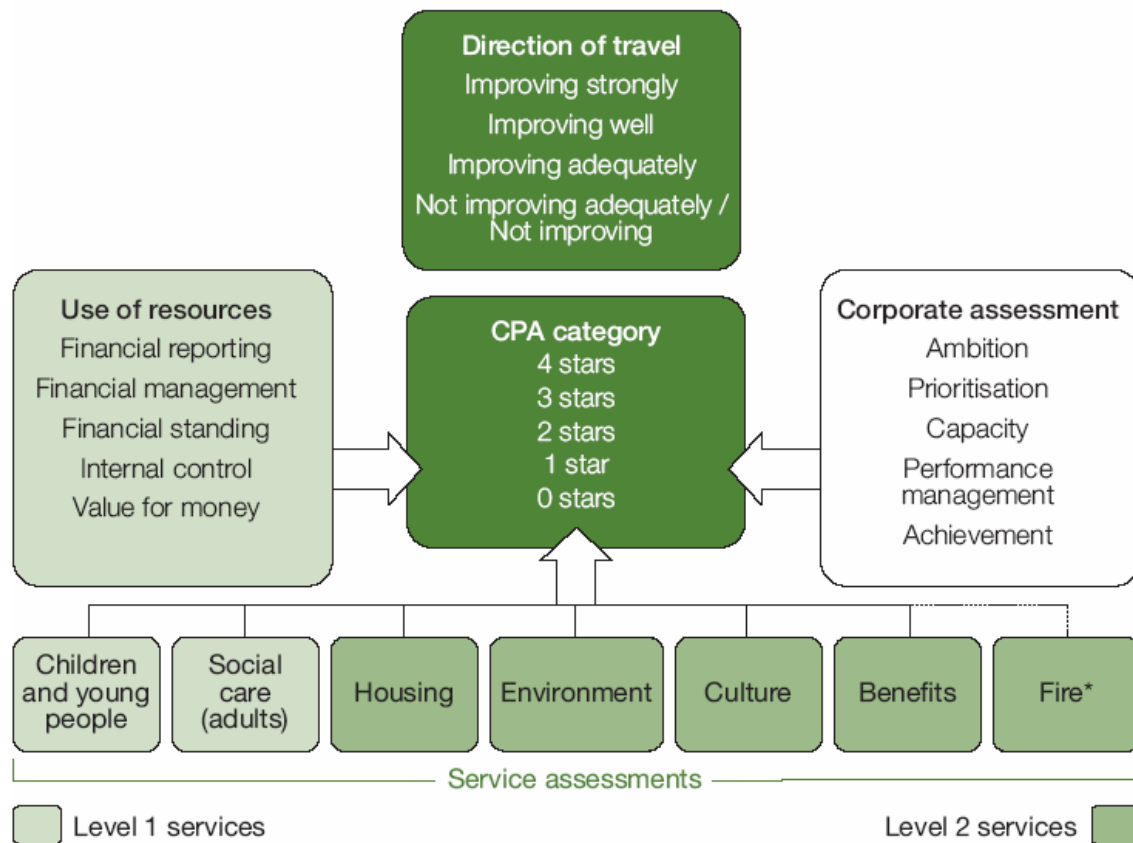
- 10.1 There are no direct implications from the report for diversity and equality. However, in both service and corporate assessments it is important to be able to demonstrate success in addressing diversity and equality.

11.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
CPA the Harder Test framework for 2006 (the Audit Commission)	2 nd Floor Municipal Building Widnes	Rob Mackenzie
CPA Scorecard for Halton 2005	2 nd Floor Municipal Building Widnes	Rob Mackenzie

APPENDIX 1

Figure 1
CPA framework for 2006



***Note:** Fire and Rescue service assessment – applicable to those 16 councils with responsibility for fire and rescue.

Source: Audit Commission

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