



**East Midlands Centre of Excellence**

**Construction Conference 2006**

**Excellence in Construction**

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# Introduction

- Introducing the RCEs
- Potential for savings
- East Midlands RCE
- Case studies

# What are the Centres of Excellence?

- Formerly Centres of Procurement Excellence – now repurposed as **lead change agents for local government efficiency**
- Supporting local government to achieve the £6.45bn target for efficiency savings (Gershon) **and** improve service outcomes (c£243M East Midlands)
- ODPM funded (2004/2008)
- Nine RCEs covering England
- Hosted by a local authority with local, accountable management boards

# The role of a Centre of Excellence

- First point of contact for local government
- Pro-actively identify efficiency savings
- Provide support to achieve savings - funding, project management expertise, governance
- Encourage local authorities to work collaboratively and facilitate good practice
- Ensure a consistent approach across the region – save time re-inventing the wheel
- Improvement partnerships (EMIP)

# National workstreams

- Each Regional Centre leads on one or more national workstreams:
  - Commodities, goods and services
  - Construction
  - Culture and sport
  - Environmental services
  - Productive time
  - Social housing
  - Voluntary and community sector
  - Education
  - Childrens services
  - Adult services
  - Supporting people programme
  - Local public transport
  - Corporate and transactional services
  - Fire and rescue

# Interpreting the Gershon agenda

## Drivers

- Efficiency savings for LG
- Recycle resources into the frontline
- Incentives to join up better
- CPA to measure results
- SR07



## *Shared Services*

## Opportunities

- Corporate and transactional services
- Procurement
- Productive time
- Construction
- Social care

# Measuring efficiencies

What is an efficiency gain?

- Reduced inputs (money, people, assets etc.) for same outputs ) cashable
- Reduced prices (procurement, labour costs etc.) for same output )
- Additional outputs or improved quality (extra service, productivity etc.) for same inputs ) non cashable
- Improved ratios of cost/output (unit costs etc.) )

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## B.COMMITMENTS

	£K
<input type="checkbox"/> 23 grant aided projects	1,765
<input type="checkbox"/> EMCE running costs (4 years)	1,700
<input type="checkbox"/> Block grants sub regions 2006/08	1,100
<input type="checkbox"/> Capacity building	575
<input type="checkbox"/> 7 small projects	70
<input type="checkbox"/> National project pot	50
<input type="checkbox"/> TOTAL	5,260

# East Midlands Centre of Excellence

## Case studies

### □ PROCUREMENT

- **Supplier spend analysis/procurement strategy – potential saving £25M**
- **E auctions – initial programme (7) £22M – potential saving £500K**
- **E-procurement projects (Leicestershire/Lincolnshire)**
  - procurement savings
  - transactional savings
- **Source East Midlands (contracts register) NPS milestone**

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## Case studies

### □ SHARED SERVICES

- **Doing it for Mrs. Barker (Northamptonshire Councils)**  
**4 collaboration projects**
- Savings greater than 2.5% of addressable expenditure for recycling to priority service areas
- Comprehensive improvement plans, efficiency and quality of services
- Shared learning/new ways of working

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## Case studies

### □ SHARED SERVICES

- **3 North Derbyshire District Councils. Potential for joint working units in Internal Audit, Building Control, Procurement and Corporate Services**

#### Outcomes anticipated

- Joint service delivery units
- Improved customer service
- Efficiencies (ROI)
- Sharing best practice
- Capacity development

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## Case studies

### □ SOCIAL CARE

- **Strategic approach to supporting living for people with learning difficulties**
  - Agreed models of supported living (all stakeholders)
- **Efficiency gains anticipated**
- **Reduction in unit costs of social care**
- **Increase in adults receiving direct payments**
- **Decrease in admissions to long-term residential/ nursing care**
- **Increase in the number of people with LD in paid employment/voluntary work**

**EM wide saving c£4.0M**

# East Midlands Centre of Excellence

## Case studies

### □ CONSTRUCTION – NATIONAL LEAD

- Research into exemplar framework contracts for construction of buildings, highways, housing and performance measures.

#### Anticipated outcomes

- sound, workable principles of good partnership working
- robust performance measures
- win win, open book accounting
- supply chain management included
- skills/training addressed
- National Conference 9 May
- anticipate 5% savings on conventional construction procurement (tendering each job) £700m nationally.

# Regional Centres of Excellence Contact Details

- London Centre of Excellence 020 7934 9967
- East Midlands Centre of Excellence 0115 9773 875
- East Centre of Excellence 01603 704 014
- North East Centre of Excellence 0191 433 2257
- North West Centre of Excellence 0161 343 4080
- South East Centre of Excellence 01622 696 317
- South West Centre of Excellence 01305 757 230
- West Midlands Centre of Excellence 01527 839 200
- Yorkshire and Humberside 0113 247 5252