



CABINET REPORT

Report Title	Appointment of Value for Money Partner
---------------------	---

AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	05 August 2009
Key Decision:	NO
Listed on Forward Plan:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	Environment & Culture
Accountable Cabinet Member:	Trini Crake / Paul Varnsberry
Ward(s)	Non-specific

1. Purpose

- 1.1 To seek approval from Cabinet for the appointment of a value for money partner to work with the Directorate of Environment of Culture and with other council directorates, other councils and partner agencies, if opportunities arise.

2. Recommendations

- 2.1 That Cabinet agrees to appoint Northgate Kendric Ash (via its partner AMTEC) to be a value for money partner to the council for a period of two years from 1st September 2009.
- 2.2 That Cabinet notes that there is no cost commitment at this stage directly arising from agreeing to appoint a value for money partner and that the financial implications of the appointment are likely to be significant if the value for money partner is successful in achieving high value savings.
- 2.3 That Cabinet notes that, in consultation with relevant portfolio holders, a work programme will be developed to establish a programme that will deliver service improvements, efficiencies and better value for money.

3. Issues and Choices

3.1 Background

- 3.1.1 The purpose of the value for money partner is to identify opportunities to achieve service improvements and efficiencies and to see such opportunities through to implementation. As Cabinet members know, the Environment and Culture Directorate provides a broad range of frontline services to the people of Northampton. Subject to Cabinet agreement, our proposed partner will be invited to assess the services provided within the Directorate of Environment and Culture to identify and deliver customer focused improvement, with a strong emphasis on achieving significant cashable savings.
- 3.1.2 The focus of activity is likely to be waste, street care, car parks, markets and town centre operations. As well as commercial expertise and knowledge of best practice in all sectors, our proposed partner has demonstrated a strong track record of delivery in the same and similar environments.
- 3.1.3 Our proposed partner operates a robust commercial risk model that means 100% of its fees are dependent on the realisation of cashable savings. Fees are capped at an agreed level so as to protect the council from cost escalation that might otherwise arise if savings achieved are higher than predicted.
- 3.1.4 Subject to Cabinet approval, key tasks for our proposed partner will be as follows:
- Feasibility study of all services to assess key opportunities for improvement, savings and efficiency gains
 - Development of a work programme, comprising a range of individual improvement projects that will better meet the needs of customers
 - Dependent on establishment of robust costs/benefits, agreement and implementation of approved projects

3.2 Procurement process

- 3.2.1 Procurement of the value for money partner was undertaken through the Buying Solutions Organisational Consultancy framework.
- 3.2.2 Three proposals were received and robustly evaluated in order to identify the organisation that was the best fit against pre-determined criteria in respect of quality and cost.
- 3.2.3 The process followed is consistent with national best practice and the council's own procurement policy.

3.3 Choices (options)

- 3.3.1 Cabinet could choose to agree to enter into an agreement with the recommended supplier so that a programme of work can be developed that will improve customer satisfaction, enhance services, reduce costs and achieve efficiencies.
- 3.3.2 Alternatively Cabinet could choose to use only internal resource to drive improvement, although this approach would mean progress would be slower and the opportunity to use commercial expertise and to draw on national best practice would be significantly diminished.

4. Implications (including financial implications)

4.1 Policy

4.1.1 There is no direct impact on policy arising from this report.

4.2 Resources and Risk

4.2.1 There are no costs arising directly from this report. Financial implications may be significant if the value for money partner is successful in achieving high value savings.

4.2.2 Care will be taken to put in place robust governance and tight monitoring arrangements around the work programme to ensure the council obtains maximum value throughout its relationship with the value for money partner.

4.2.3 The shared risk and reward model that will be operated will minimise the risk to the council and reduce the need for invest to save funding.

4.2.4 Introduction of a value for money partner will bring additional capacity to the council and will be used to augment internal resource so that improvements can be implemented at a faster pace.

4.3 Legal

4.3.1 This procurement process has been undertaken in accordance with procurement regulations and council policy.

4.4 Equality

4.4.1 There are no equality issues directly associated with this report. The council has stringent standards in relation to equality and any changes introduced will be fully consistent with these standards.

4.5 Consultees (Internal and External)

4.5.1 Appropriate consultation will be undertaken with relevant stakeholders as the work programme is developed and throughout its implementation.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 The proposals contained in this report will contribute to the priority outcome of 'a well managed organisation that puts the customer at the heart of what we do'

4.7 Other Implications

4.7.1 None

5. Background Papers

5.1 None

Julie Seddon, Director of Environment & Culture, ext 7379