

Capital Ambition Programme

annual report 2012/13



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01 foreword

Welcome to our fifth Capital Ambition Annual Report, covering the strides made in 2012/13.

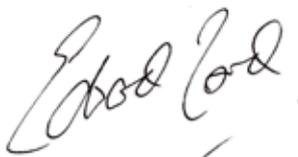
Last year we emphasised our pioneering work with local authorities to deliver improvement and efficiency for a better deal for Londoners in the face of national austerity. This year we are pleased to report that the core programme has gone from strength to strength: savings made and forecast are better.

Through past and on-going Capital Ambition projects enhancing collaborative procurement, creating shared services and supporting service redesign and improved productivity, London authorities have realised efficiencies of more than £98 million. Furthermore, forecast efficiencies from the programme are expected to increase to £374 million by March 2016. This represents a return on investment of around 9.4:1.

However, the major focus for Capital Ambition this year has been the future – ensuring the successful development and establishment of London Ventures – a new model service stimulating transformation and innovation in London public service - in collaboration with commercial entrepreneurs and investors.

Under the supervision of the Capital Ambition Board, EY (formerly Ernst & Young) has worked closely with local authorities and private sector businesses to develop and deliver this leadership support service, creating a first generation of 15 project concepts, with five becoming active projects in 2013 and a second generation underway. A key aim is for London Ventures to become self-sustaining, drawing in a return from efficiency deals brokered and enriching public-private service relationships and adding public value in London on an on-going basis.

This year we emphasise the significance of the London Ventures approach. Reading the examples in this report, you will get a sense of the potential London Ventures offers us. If the Board had one key message, it would surely be – get involved with London Ventures and help transform and innovate for the best public services we can offer London.



Edward Lord, OBE JP

Chair of the Capital Ambition Board



02

introduction



This is the fifth annual report of Capital Ambition, particularly focussed on two main highlights from 2012/13. Firstly, the introduction of London Ventures – Capital Ambition’s latest initiative and a significant model for further improvement, efficiency and innovation in London public services over the next five years. The first section of the report details London Ventures’ aims and activities since its launch in February 2013.

Secondly, the further achievements from our core Capital Ambition programme, with sections outlining: the established programme priorities and activities over the past year; key headlines from across the programme; and some exemplar case studies of successes from the Capital Ambition portfolio.

Origins and role

Capital Ambition was established in 2008 as the regional improvement and efficiency partnership for London. Capital Ambition has led and supported London local authorities in realising greater efficiency, performance improvement, innovation and new ways of working together to delivery local public services in the boroughs.

Capital Ambition secured and directed annual grants towards this mandate of more than £39 million from the Department for Communities and Local Government. By March 2013, Capital Ambition had invested £34 million in improvement and efficiency projects, with further commitments of nearly £3 million to on-going work. Grants ceased in 2010/11.

Within this framework, Capital Ambition worked to meet the challenges and opportunities for London authorities in a dynamic economic and policy context. The resulting Capital Ambition programme developed a rich and broad-ranging portfolio of 280 individually-funded projects, part projects and discrete pieces of work. Many of these acted as pump-priming or demonstration activities, helping instigate transformational activities within local authorities.

It also included the Leaders' Committee decision in 2010, to mainstream key areas of Capital Ambition activity to London Councils' core work. With the national recognition that local government was best placed to understand its performance, self-regulate and continuously improve, the Self-Improvement Board was established under the auspices of the London Chief Executives of London Councils. Growing out of Capital Ambition, this work continues to deliver performance benchmarking and a package of peer support and challenge, tailored to the particular needs of London authorities. Work has also been done to meet changes to the national regimes for Children's Services and Adult Social Care.

A second area to be mainstreamed concerned local government procurement. The London Procurement Strategy Board works to draw together finance and procurement officers to enable a consistent approach to procurement across London. Within this, work has been done to provide an analysis of contract and third party spend data, helping develop a category management approach and identify the opportunities for further collaborative working. London Councils also works closely with the LGA to ensure that the package of support on offer in the capital brings together a complementary balance of the national programme, enhanced by London-specific elements. This work has helped maximise the benefits for member authorities and avoid duplication of effort.

Although no longer receiving government grant monies to support this work, Capital Ambition has adapted and is meeting this challenge by investing its resources in a new and unique iteration – the enterprising London Ventures initiative – a model for improvement and efficiency into the future. More information about London Ventures' progress can be found in the next section.

“ London Councils has refused to let the downturn dampen their ambitions for London. They are not just embracing innovative ideas, they are doing so in a manner that itself is highly innovative by forging exciting partnerships that are good news for us as ventures, good news for London councils, and good news for Londoners. ”

Chris Gourlay, CEO, Spacehive

“ The London Ventures programme is truly a partnership way of working. The work to date has enabled us to engage with a diverse range of organisations in a non-traditional way, and have new commercial discussions that will drive benefits. The process encourages both sectors to be innovative in responding to the economic challenges and maintain a continued and strong focus on improving services. ”

Cllr Stephen Alambritis, Leader, London Borough of Merton

03

London Ventures

Commissioned in February 2013, London Ventures is the latest restatement of Capital Ambition. Developed by EY, the service responds to Capital Ambition's priorities by offering a brokerage service that brings together innovative companies, investors and enterprising London authorities in creative and commercially successful partnerships to support London's improvement and efficiency agenda and add public value for London residents.

In the past, Capital Ambition has focussed on direct funding for partnerships of local authorities, awarding grants to truly innovative and collaborative borough-led projects. As the range of examples later in this report demonstrate, many of these projects have already transformed local authority services and are realising recognisable savings and benefits. The lessons are encouraging and being keenly absorbed. As a result of this investment, London authorities are better placed to respond to the many challenges faced.

Now, Capital Ambition is re-focussing, to target its remaining resources to best effect. Through London Ventures, Capital Ambition is taking the bold step to build partnerships between London authorities and private and third sector organisations. The overarching intention remains the same – to ensure a better deal for Londoners – but by leveraging opportunities for greater public value from private enterprise, the scope is considerably broader. The expectation is that London Ventures will grow into a successful and self-sustaining future model for delivering improvement and efficiency projects among the capital's public services.

EY has been contracted to run London Ventures for at least three years, with options to extend the term. However, the expectation is that through a modest return from successful projects and savings, London Ventures will become self-funding and perpetuate positive local outcomes among the boroughs.

“This is a challenging time for London's Local Authorities. The London Ventures programme is an example of where London boroughs are seizing the opportunities presented by the challenging financial climate to drive innovation. Strong cross sector partnership working is essential for us delivering now and in the future.”

Rob Leak, Chief Executive, Enfield London Borough Council

“This programme has transformed the way in which we engage with the public sector, it has opened up new opportunities for us to grow our business across London in partnership and ultimately support the programme's objectives to deliver benefits and improve service delivery.”

Alastair Bathgate CEO, Blue Prism Ltd

How London Ventures works

Reporting to the Capital Ambition Board, and in high-level consultation with council leaders, executives and chief officers, London Ventures developed a cycle of brokerage activity. Focussed on councils’ expressed priorities, London Ventures sought innovative commercial partners to derive a first generation of 15 project concepts.

Evaluated by the Capital Ambition Board for strategic fit and commercial attractiveness, five of these concepts were selected to be developed into outline business cases and agreed as commercial deals between respective delivery partners, to enable these projects to become a reality and help make an impact.

Strategic fit

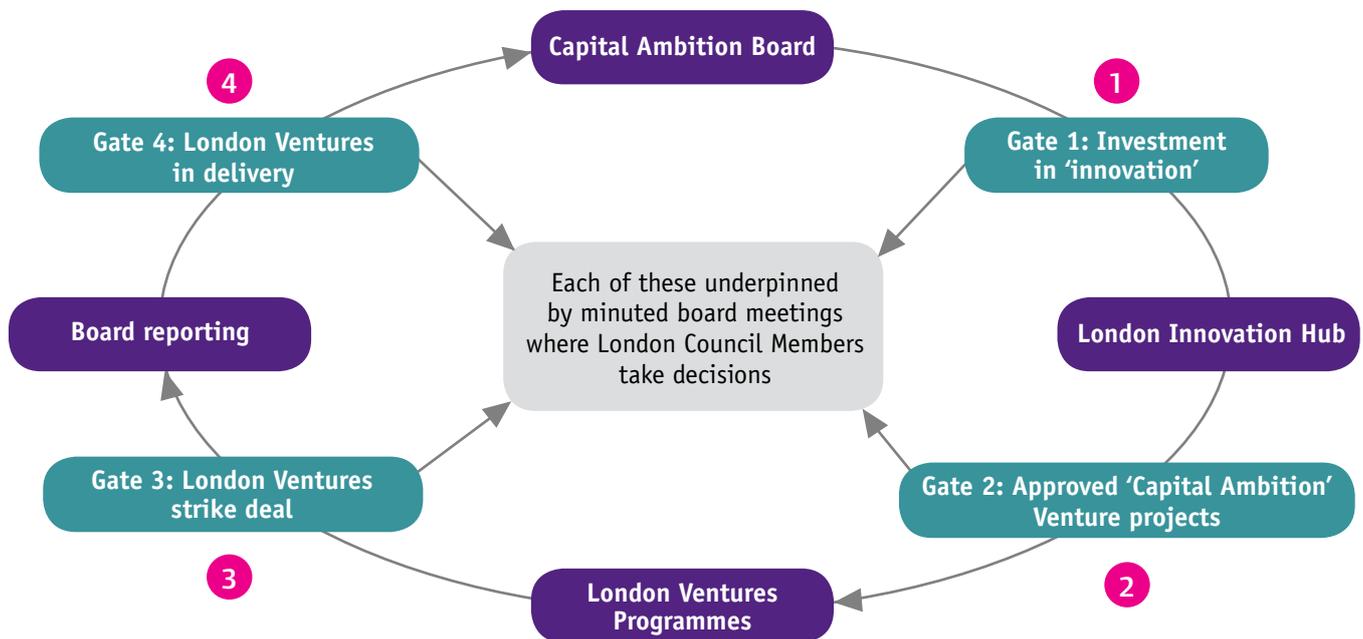
- Cross-organisational/cross-sector working (including ‘supra borough’)
- Investment in public services
- Better outcomes for Londoners

Commercial attractiveness

- Revenue/cost reduction for boroughs
- Revenue for partners
- Revenue for London Ventures

Concurrently, with so much interest expressed by commercial partners with innovative concepts, London Ventures has already developed a second generation of a further 19 concepts.

The London Ventures Process



1 EY works with the Capital Ambition board to identify priorities for the London Ventures Programme.

2 Having identified providers and investors, Capital Ambition board shortlists Venture concepts and agrees outline business cases. EY facilitates this process.

3 EY facilitates commercial discussions where roles, activities, deliverables, investment and income are agreed for delivery. Once commercial deals are agreed, individual local authorities comply with their own procurement processes to underpin the deal.

4 EY reports back to the Capital Ambition board on progress and development of each of the ventures.

First generation projects

In May 2013, the Capital Ambition Board evaluated 15 first generation project concepts, prioritising five to be developed into outline business cases. Concepts were assessed for strategic fit and commercial attractiveness, in terms of viability for all project stakeholders and the potential to realise satisfactory rates of savings and a return.

The first generation projects prioritised by the Board include:

1. London Care Brokerage Service – a centralised care brokerage service, for adult social care services.

The London Care Brokerage Service will involve establishing a new organisation to provide councils across London with a centralised service for sourcing adult social care. A website and call centre will provide both local authorities and self-funding service users with high quality, independent advice about the care options available from Care Quality Commission approved providers, including reviews of the services by users.

The project will provide service users with more personalised care and greater choice and control, stop providers varying charges between councils, and provide more up-to-date information on the care market than many councils now use.

It will also work with providers to help them adapt their businesses to meet the demands for services coming through the brokerage company.

The user groups who will be supported initially include older people, older people with dementia, mental health service users, people with physical disabilities and people with learning disabilities.

Key partners in the development of this work have been the six boroughs of the West London Alliance, namely Barnet, Brent, Ealing, Harrow, Hillingdon and Hounslow. Similar schemes have worked for Oxfordshire and Hampshire county councils and Brighton and Hove City Council. In the longer term, the plan is to extend this approach to children services and healthcare.

2. Blue Prism Robotic Software – automating manual or inefficient back office data processes through robotic software

Robotic automation is best understood by thinking of a software robot sitting in an office system and using existing software packages just like a person would, but at a fraction of the cost. They are 'trained' by the in-house staff, not by IT contractors, to handle repetitive tasks.

London Ventures is working with Blue Prism to use its robotic software to substantially improve process efficiency. The robotic software runs on a laptop, so it is cheap and easy to deploy.

It will be used to re-engineer and automate back office processes, integrate systems across public services, and enable new ways of working, such as on mobile devices. All this means that staff costs absorbed by repetitive tasks can be redirected to where people need to work directly with customers.

This venture has involved setting up a commercial partnership between London Ventures, EY and Blue Prism to provide a tailored set of robotic automation packages to London authorities, three of which are expecting to pilot the systems.

London Ventures will be responsible for promotion and sales and will take a return on the number of sales generated. EY will help councils work out the best way to use the technology, and Blue Prism will be responsible for implementing the solution.

Based on previous uses for this software in organisations as varied as hospitals and banks, London Ventures expects councils to improve data sharing, management and processing and improve the experience of customers. Data will be collected and used more quickly, securely and accurately, entire processes will be automated and overheads will be cut.

This solution provides a way to integrate IT systems without building an expensive and complicated additional system to do it.

3. Children's Social Care Risk Analytics – using predictive analytics in social care risk management

London Ventures is developing a predictive risk model for young children to help social workers intervene early when they are in danger of being harmed.

It uses data from a variety of agencies to predict, for children under two years-old, the likelihood of them being neglected or abused by the age of five. It includes an information sharing platform, a secure alert system which pushes escalated risk scores to social work teams, and tools to support the engagement of families as risks begin to escalate.

The effectiveness of the model is enhanced by timely data from the vulnerable families themselves and others with whom they are in contact, and uses mobile phone and web technology. The entire system is used to support the professional judgment of social workers, not override it.

In the longer term, it should help more families have greater independence from intervention, improving their quality of life whilst cutting costs.

The partnership is with technology firm Xantura and is aimed at strengthening safeguarding across London's local authorities. London Ventures is supporting the advocacy and recruitment of the pilot sites, while local authorities signing up should expect all the benefits of being early adopters. A proportionate share of income from the scheme will be invested in further London Ventures work.

The London boroughs of Enfield and Southwark are currently involved in the development of a domestic violence risk model. Predictive analytics has already been used successfully by the NHS, Department for Work and Pensions, London Fire Brigade and London Borough of Croydon's Drug and Alcohol Action Team.

4. London Fraud Prevention Hub – drawing together fraud detection and prevention intelligence across London

The London Fraud Hub is a pan-London data exchange being led by London Borough of Ealing to ensure local government is making maximum use of its own records to fight fraud such as procurement deception, council tax evasion and illegal council housing tenancy sub-lets.

It matches data with records held throughout the capital to prevent fraud and identify losses for investigation and recovery.

EY is supporting a bid to the European Commission for some of the £31 million available this year for project grants under the Crime Prevention Programme. London Ventures will identify a private sector partner to deliver the technology and will explore and define innovative commercial models for service delivery.

The amount of money boroughs and communities stand to gain from fraud recovery and prevention are considerable. A data matching pilot carried out by Ealing Council increased annual council tax revenue by £1 million. Housing will be made available through recovery of illegally let homes, and people will be prevented from making fraudulent claims across multiple boroughs for money or services. Individually, some councils use a similar approach, including the London boroughs of Harrow and Hillingdon.

5. Crowd-Funding Civic Projects – enabling civic projects by helping individuals and companies contribute to costs

Nationally, annual spending on civic projects is estimated to have dropped from £3 billion to £600 million as government funding for councils has been cut. But the website Spacehive has succeeded in attracting new sources of investment.

It is a platform that allows individuals and companies to pledge funds to support civic projects, such as a new park or playground. It aims to unlock new sources of investment and creativity for regeneration projects whilst helping communities take the lead in improving their environment.

The crowdsourcing platform will be used to seek ideas from people or organisations for regeneration projects across London. Local communities use the site to promote their ideas whilst investors such as corporations – often as part of their corporate social responsibility work – pledge funds and other support such as volunteers.

London Ventures will retain a proportion of any new revenue sources it unlocks. Communities themselves are also able to pledge funds, and members of the public can pledge help.

A particular role for London Ventures in this partnership will be launching projects involving more than one borough.

Spacehive has so far enabled 16 projects to be delivered, including raising £792,000 to build a community Centre in Glynch, South Wales, £330 to turn derelict land into a garden in Northgate, West Yorkshire, and £101,000 for the Rochdale Feel Good arts festival. Hundreds of volunteers have got involved.

Second generation project concepts

The second generation of 19 project concepts is being worked up by the prospective lead commercial partners together with London Ventures. Two first generation concepts are to be revisited, but for example, new concepts include ideas around:

- accelerating payment processes
- optimising sports facilities bookings
- rationalising available educational materials
- improving debt collection
- enabling safeguarded home-sharing options for older people
- improving security for supported housing tenants
- enabling single education, health and care plans
- developing equity finance support for small businesses
- rationalising specialised transport
- supporting people on welfare with financial management.

By March 2014, London Ventures expects to have struck commercial deals with a number of partners, enabling the three new project ‘ventures’ to be launched.

04

core programme



While London Ventures offers an emerging future for transformation and innovation in London, Capital Ambition remains proud of its past and on-going efforts and achievements from the rest of its core programme. The demonstrable impacts in savings and benefits for local authorities from this work continue to go from strength to strength. This section outlines the priorities that have guided Capital Ambition, followed by headline efficiency savings and a range of case studies from the core programme.

Funding priorities

Capital Ambition maintains its five strategic priorities that have provided the architecture for underpinning improvement and efficiency work across the programme for the last five years. These priorities are:

- 1. Enhancing collaborative procurement** – local authorities in London spend around £8.9 billion on third party procurement. Within this priority, projects aim to coordinate procurement activities in pursuit of sustainable cashable savings. This can help protect frontline services and has tended to be through improved procurement policies and practices, such as coordinated category management; synchronised buying among boroughs; developing supplier and market management tools and techniques, such as management information systems and e-auctions.

- 2. Developing shared services** – boroughs sharing services always sounds good in theory, but needs careful consideration in practice. Within this priority, projects aim to realise savings by: choosing the right services to share for the right reasons; building sound business cases; developing scalable and replicable shared service models; creating the legal, financial, organisational and ICT frameworks to implement transition and service reconfiguration.
- 3. Supporting service re-design and improving productivity** – efficiencies and improvements can result from radical transformations of service processes. Within this priority, projects aim to make savings a reality through: improving the tools and resources available for staff to engage with business process re-engineering and new models for co-design, co-production, social enterprise and self-service.
- 4. Workforce planning and productivity** – clearly employer-employee relationships are critical for realising improvements and efficiencies. Within this priority, projects aim to develop comparative workforce data and benchmark policy and practice, for example use of agency staff; improve workforce skills and productivity; create the right terms and conditions for staff; understand how staff are deployed to best effect, for example using flexible and mobile working; and establishing rational management models towards these.
- 5. Supporting major policy programmes** – policy initiatives can reduce or indeed incur costs. Within this priority, projects aim to stimulate collaborative learning and action on major policy initiatives, such as youth violence, community cohesion and health and wellbeing; they also provide support to the development of more detailed reform and change propositions or support local tailoring vis-à-vis services.

By way of supporting criteria, Capital Ambition has particularly sought projects in which at least two boroughs are engaged and which might be scalable to a wider area of London or pan-London. They have scrutinised projects for a clear business case, milestones, deliverables and demonstrable outcomes; and Capital Ambition has also insisted on evidence of support from participating boroughs' political and senior leadership. Other criteria for efficiency projects include a minimum threshold of 5:1 for saving returns to be delivered by 2015.

programme achievements



This year, work tracking savings and benefits from projects showed 19 projects have realised efficiencies to March 2013 amounting to **£98.6 million** in cashable savings and cost avoidance. This represents a return on Capital Ambition investments of around 2.5:1 and shows good progress on last year, when 14 projects reported efficiencies of £75.9 million.



Furthermore, forecasts have improved as well. This year showed 26 projects forecasting efficiencies to March 2016 amounting to **£374.5 million** in cashable savings and cost avoidance. This represents a return on investment of around 9.4:1 and again, is progress since last year, when 24 projects forecast efficiencies of around £357.3 million to March 2016.



This compares favourably to the minimum threshold the Capital Ambition Board set for funding efficiency projects: a representative return of at least 5:1. This year the cashable savings forecast alone represents a return of **8.7:1**.

06

case studies



Over the past few years, Capital Ambition has funded a breadth and depth of activity, with 280 projects, part projects, workstreams and discrete pieces of development support. By way of some examples, this section outlines a selection of case studies.

In some cases, such as the London Energy Project or Love Clean Streets, Capital Ambition funding ceased in previous years and with the evidence of success, work has been taken forward by local authorities through mainstream resources. The news here highlights improvement and efficiencies sustained; the on-going nature of these initiatives; and the latest in savings and benefits accruing from the good investment of effort.

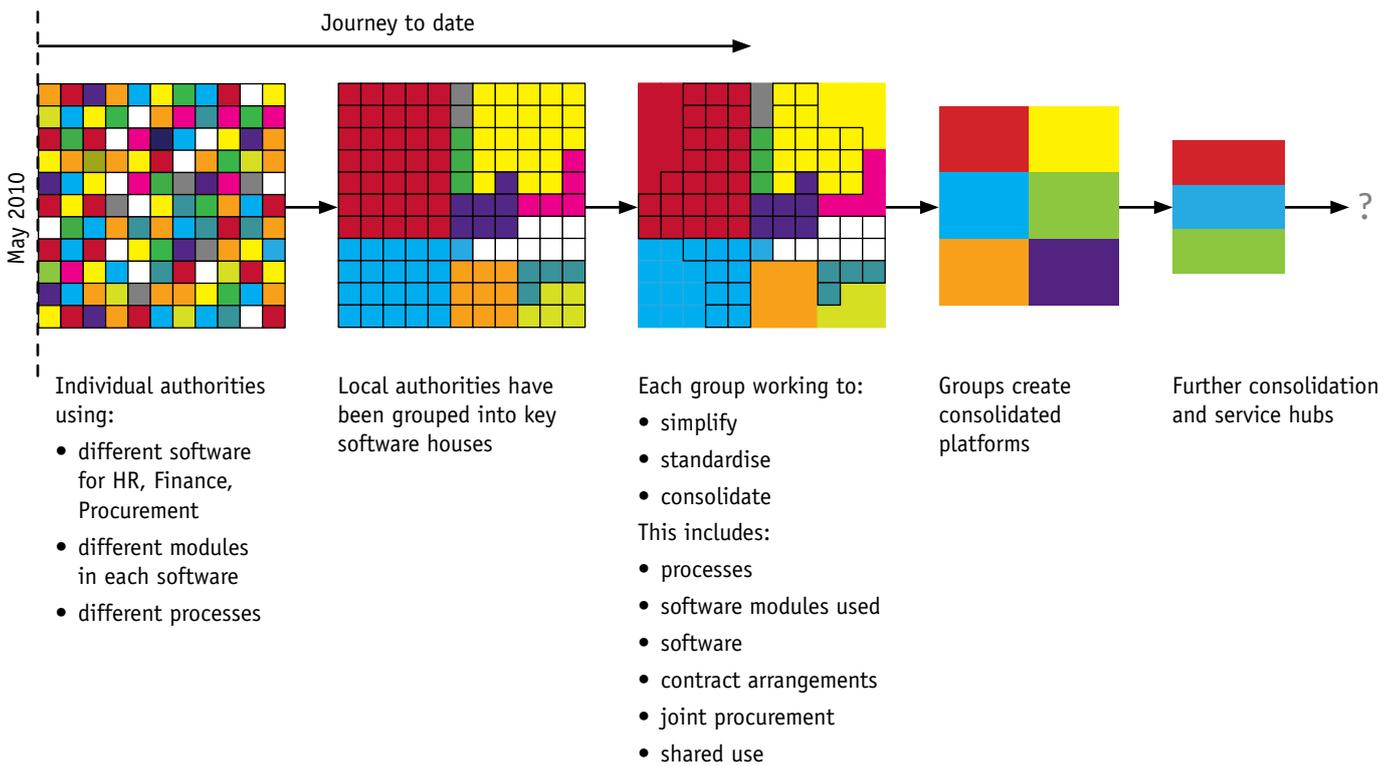
In other cases, like Programme Athena and the London Procurement Strategy, Capital Ambition funding will have ceased or will be coming to an end. The case here is to highlight the strong blueprints and foundations these initiatives have laid, lending councils direction to push on and build further benefits out of the work. Here the emphasis is on the proof of concept and the legacy arrangements to support London authorities in realising transformation and innovation towards forecast savings and benefits.

Programme Athena

When Capital Ambition launched Programme Athena in 2010, across London there were four ICT suppliers providing 28 finance systems; four providing 23 procurement systems; and four providing 29 payroll and HR systems. To deliver common services, some councils use identical systems; others used the same modules, but differently; and often the full potential of systems was inconsistent. Similarly, each borough would have different processes associated with those systems and few were benefiting from fully integrated ICT solutions.

In the past three years, Programme Athena has focussed on creating shared solutions for London’s public sector organisations with a view to: reducing systems and system costs; generating flexible solutions accessible to all boroughs; sharing back office systems; and enabling shared back office capacities. This has included systems for finance, procurement, payroll and HR. Towards this, the work has sought to drive and facilitate efficiencies through collaboration, particularly through ‘clusters’ of boroughs with common ICT suppliers; realise joint procurements; explore system convergence opportunities; and understand the potential for fully integrated shared services.

Programme Athena – The Journey



Four main 'cluster' projects were developed through Capital Ambition and were mainstreamed by the participating boroughs. These include:

1. One Oracle – working on implementing a single shared solution across six boroughs, with 10 additional boroughs named on the OJEU notice (the six participating boroughs are: Barking and Dagenham, Brent, Croydon, Havering, Lambeth, Lewisham)
2. Managed Services project – implementing a single shared solution across three boroughs, with a further 17 named on the OJEU notice (the three participating boroughs are: Kensington and Chelsea, Hammersmith and Fulham and Westminster). Forecasts from letting the initial lots indicate anticipated efficiencies of £6 million by March 2016.
3. One Cedar – in which three boroughs progressed work towards a single finance solution
4. One SAP – in which two boroughs scoped out a possible shared solution, but were able to determine an "as is" solution with options around upgrades and enhancements.

Further significant projects within Programme Athena have worked to establish a clear way forward for:

- One Agresso – towards a finance system for five boroughs (Ealing Hounslow, Kingston, Sutton and Tower Hamlets)
- One Northgate HR system
- One Midland Trent HR system



On the foundation Capital Ambition has supported, Programme Athena has worked hard in 2013 to ensure that legacy arrangements are mainstreamed among the boroughs. The overarching business case still stands, forecasting the potential for efficiencies of **£43 million** by 2017 if boroughs follow through on the actions.



The networks of expertise are there and the momentum to grow the individually seeded work streams is encouraging with collaboration now considered as a first option. By taking forward shared back office arrangements, project experience indicates each borough could generate savings of around **£750,000** every year.

London Procurement Strategy

In delivering good public services, councils in the capital are estimated to have collectively spent over £8.9 billion each year on third party goods and services. Knowing that services cost, councils have been determined that every penny should add value for London taxpayers. Together, councils have recognised the potential to get better value for money by creating collaborative procurement opportunities and since its inception Capital Ambition has been at the forefront of this work. It has led and coordinated efforts to ensure savings are not missed now or in the future.

In 2009, Capital Ambition drew authorities together around a London Procurement Strategy and, by June 2011, the commitment of finance directors and heads of procurement enabled a London Procurement Board to drive the collaborative procurement agenda forwards, under the auspices of the Society of London Treasurers.

Underpinning this success were the Capital Ambition projects that helped to make the case. One example has been starting online expenditure analysis, using the procurement classification system (Proclass), helping boroughs breakdown and categorise spending for consistent and comparable information on spend activity. Another example has been generating and maintaining the pan-London contracts register, so boroughs can track and potentially coordinate their procurement processes towards efficiencies. Recognising the value of these initiatives, London Leaders determined to maintain both these successful initiatives through core subscriptions from 2011.

With further Capital Ambition support, the London Procurement Strategy Board has been able to push forward with the strategy throughout 2012/13, embedding and implementing coordinated activity among the boroughs, towards identifying and realising sustainable efficiencies in several key areas of procurement.

Highlighted at the London Procurement Summit in July 2013, the legacies of Capital Ambition's approach are helping councils transform the way they think about and operate public procurement. The work has been a strategic 'game changer', demonstrating real savings for replication and lessons via exemplar projects and establishing a procurement infrastructure on which to build, that continues to support boroughs for the foreseeable future.

Some key areas of collaborative procurement supported by Capital Ambition in 2012/13 included the following activities:

Adult social care – faced with growing and changing demands for services from an aging population using personalised budgets, the West London Alliance has led work on this category. Building on their development of the Capital Ambition-funded Careplace management information system, the emphasis has been on rolling-out take-up of the tool and building capacity for collaborative market shaping and management in care placements. Pioneering the approach, the six West London boroughs demonstrated significant savings in adult social care spending in 2010/11, set against widespread cost increases across the rest of London. By adopting Careplace and collaborating, London authorities are increasingly able to realise savings and avoid costs using real-time intelligence, spend analysis, bench-marking and sourcing mechanisms.

Children's social care – understanding spending is critical to managing costs and the main focus of this work has been in developing and refining existing Proclass categories. For example, in the previous system, one broad Children's category has masked spending of £85 million. Through this work, the spend data breakdown and resulting analysis can be much more sophisticated and intelligible, enabling London authorities to better manage the costs of care.

Construction – reducing construction costs through collaborative procurement was recognised early in the procurement strategy process. Through the Capital Ambition support, the London Procurement Strategy Board has been able to sponsor a London Construction Programme, self-funded through framework levies and exhibitor fees at events. The Programme facilitates a network of partner organisations willing and able to procure pan-London construction frameworks using agreed OJEU standard notices and post-award support over the lifetime of those contracts. Examples include an asbestos surveying and removal framework, one for major works, others for electrical, mechanical and landscape architecture services, started in March 2013. Interest in the Programme has gone beyond London, with discussions drawing in adjacent authorities in the south-east and south-west.

Information and Communications Technology – the collaborative procurement work by London authorities in this category has radically changed the ICT landscape in London. The latest success has been to lever coordination and resources from the Government Procurement Service to ensure this category is supported in London beyond Capital Ambition support. Some of the successes from the work have included:

- Running two e-auctions, led by London Borough of Enfield, which have released over £12 million in efficiencies to March 2013.
- Holding a collaborative competition involving 16 councils, to award concessions to use street furniture for wireless telecoms infrastructure, generating between £10-20 million over 10 years.
- Coordinating a strategic approach to councils' data centre consolidation.
- Developing and managing collaborative approaches to strategic relationships with principal suppliers, resulting in several service level agreements achieving improved prices and services.
- Establishing an online portal to enable secure sharing of commercial information and procurement and project documents.

Temporary agency staff – work in this category has enabled a joint procurement by 16 London boroughs, using the MSTAR framework to result in lower mark-ups and a reduction in duplication in the strategic procurement of temporary agency staff.

Transport Efficiencies Project

Thousands of Londoners rely on their local authorities to provide transport to meet their everyday social care needs. This is a lot of journeys every year, many of which cross local authority boundaries. Just among the West London Alliance boroughs, 76 'out-of-borough' routes were identified as being used by two or more member authorities.

Using Capital Ambition funding, five West London boroughs have realised better coordination and efficiencies through a collaborative approach to transport. The programme set out to achieve a single transport service and work strategically with existing council-based transport services, across four key service areas: passenger transport, fleet, concessionary travel and independent travel.

The programme has established a single transport bureau working well across two boroughs initially and helping all five to coordinate collaborative work towards their efficiency targets. A notable success has been in jointly arranging and procuring transport and route optimisation among participating boroughs. On this, the bureau's initial work for Ealing and Hounslow has demonstrated savings of around 15 per cent and it is expected the approach could replicate similar savings in other London boroughs.

Other achievements have included the establishment of two regional framework contracts that are open to all London boroughs. One is for mobility assessments and helps cut the need for an expensive GP assessment process. The other is for contracted passenger transport services and is already being considered for adoption by the Tri-borough authorities as well, for £2.5 million of their business. To further reduce procurement duplication and realise economies of scale, the work has encouraged the use of collaborative mini-competitions and e-auctions.

Collaboration stimulated by this project has acted as a central point for sharing information, guidance and best practices, for example successfully implementing a common eligibility policy for assessing the transport needs of children and developing a similar policy for adults' needs assessments. The work has been concerned with all scheduling and assessment processes and is helping to support greater personal independence, service personalisation and choice e.g. through independent travel and working with the Blue Badge scheme and London Councils' Freedom Pass and Taxicard.



The five London boroughs currently participating are Barnet, Brent, Ealing, Harrow and Hounslow. By March 2013, they had already saved nearly £600,000, with the expectation that this will grow to around **£6.4 million** by March 2016. Further potential opportunities exist around developing the bureau, continuing with route optimisation and joint procurement, consolidation of infrastructure, such as fleet, depots and in growing relationships with partners like the NHS.

London Energy Project

capital Ambition's
initial investment

£825k

The London Energy Project has accrued efficiencies of over £43 million in savings and cost avoidance to March 2013. Advocating strategic cooperation on energy and carbon management, the LEP has worked with London local authorities to ensure collective benefits beyond what could be achieved by any one borough in isolation. This has been a 50:1 return on Capital Ambition's initial **£825,000** investment.

Funded by Capital Ambition for the first four years, the London Energy Project amply demonstrated the improvement and efficiency values at the heart of the Capital Ambition programme and year-on-year results to match. So much so, that last year 28 London authorities and several outside the capital chose to mainstream the project beyond Capital Ambition's seed funding. Hosted by Haringey Council, the London Energy Project is now funded directly by authority subscriptions and operates on a cost-recovery only basis under collective governance.

supply cost reductions

£29m

Participating authorities have cooperated to aggregate their energy demands and aim for a common energy category strategy for the London region. By coordinating London's approach to the market, each authority benefits from improved energy supply contracts and services and LEP's introduction of value for money benchmarking has provided tangible evidence that supply costs have been reduced by around **£29 million**.

Through such collective leverage, the London Energy Project has developed as a strong sector-led voice, helping to challenge and shape policy and supplier relations. This has included: changes to Carbon Reduction Commitment regulations, enabling efficiencies of around **£8 million**; persuading the Distribution Network Operator to change their approach to street lighting contracts, enabling cost avoidance of £4 million; helping reduce back office costs among suppliers through changes to invoice processing; and lobbying to help participants resolve contractual disputes (one school being refunded £75,000).

efficiency savings

£8m

A further £100,000 annual saving has been achieved by jointly procuring annual Carbon Reduction Commitment audits at 50 per cent of the price individual authorities were paying the previous year. While, the London Energy Project's Carbon Reduction Commitment service has saved nearly a year's worth of borough officer time through compliance coordination and sharing best practices.

East London Solutions

Given their determination to achieve greater value for money for residents from across the breadth of their services, six east London boroughs grouped together to realise potential improvements and efficiencies by sharing more services. Granted £338,000 towards the work in 2009, Capital Ambition was able to support the leadership, coordination and development of business cases to underpin sound decision-making towards the right shared services.

Faced with the growing pressure to make government cuts, over the two year programme East London Solutions focussed on the do-able, emphasising a pragmatic approach to eight areas of services common to all six boroughs. They brought together the responsible executives and officers from all six boroughs and looked for meaningful opportunities within procurement services, Children's and Adults' services, back office support and ICT, customer and regulatory services and transport services.



In that time, and where the case was sound, groupings of those boroughs were able to implement a number of shared solutions and identify goals going forwards. By March 2012, they had already realised efficiencies of £2.8 million and were forecasting that around **£6 million** could be achieved annually moving into the future by recognising the value of the work and mainstreaming key activities, such as collaborative procurements. The success achieved through the Capital Ambition seed funding has meant that the boroughs have jointly contributed to funding the core costs themselves since April 2012.

Particular areas of success and progress have been in joint procurements, adults' services, children's services and in ICT support. These four key areas of work remain the priorities for East London Solutions into 2013/14. Notable examples of improvements and savings realised and identified through better collaboration include: services for people with learning disabilities, special educational needs, provisions of independent fostering agencies and temporary accommodation, banking services and off-site storage, as well as occupational health provisions. Some shared services have also been created, including the East London Consortium of Educational Psychologists.

East London Solutions comprises the London boroughs of Havering, Barking and Dagenham, Newham, Redbridge, Tower Hamlets and Waltham Forest.

Community Equipment Services

Simple and complex community equipment services are vital to support disabled and older people's health and social care needs in the community and represent a significant gateway to independence for millions of people. For instance, over 126,000 complex aids and packages of simple aids are provided in London each year, costing around £48 million in procurement, logistics, equipment repairs and minor adaptations.

Capital Ambition has funded two discrete projects towards improving and rationalising existing systems operated by social care authorities and hospitals. Firstly for simple aids, each typically costing under £100, such as walking sticks, Zimmer frames and commodes; and secondly, for larger or more specialised complex aids like profiling beds, hoist baths and pressure relieving mattresses.

Both projects have been sponsored by the Association of Directors of Adult Social Services, the Department of Health and London's Joint Improvement Partnership, as well as participating local authorities and health partners.

Transforming Community Equipment Services (Simple Aids to Daily Living)

Representing a step change in thinking, this project has developed and implemented a 'retail model' of service delivery in London over the two years to September 2012. Where simple aids were previously only available from social care services or hospitals, people are now able to get equipment through local accredited third parties, like their high street pharmacist.

People assessed as meeting fair access criteria are issued with a prescription for equipment, which is fulfilled by their local outlet. Non-state funded users are also able to access simple aids through these retailers and anyone can pay the difference to upgrade their equipment, beyond what has been prescribed.

Coordinated and rolled out in four waves over two years, across twenty-nine London boroughs and their respective health partners, the work has developed a London-wide network of nearly four hundred retailers. They have been trained to National Accreditation Standards to conduct simple assessments and fit and install the right equipment properly. By early 2013, retailers had handled over 48,000 prescriptions.



At the same time, councils have been able to rationalise assessment processes, supply chains and communications with hospitals, exceeding expectations by realising cashable savings of nearly £6.5 million by March 2013 and now forecasting cashable savings of **£28 million** by March 2016.

The new service model has been seen to help the 40 per cent of people with conditions, who previously had little or no access to equipment that could prevent their further deterioration e.g. by a fall. It has also proved popular with the local retailers, helping support their business viability.

Delivering Complex Community Equipment Service (Complex Aids to Daily Living)

From February 2011, the approach to complex aids has been different, involving the creation of an integrated procurement hub. Commissioned from and led by the London Borough of Croydon and working across four pilot boroughs, the project has begun to address the variegated service models found in London. In some areas in-house equipment stores exist, while in others single boroughs outsource to a single supplier and others again operate in consortia outsourcing to suppliers.

The project has generated a scalable framework contract with the 36 'best value' suppliers. There is now a standardised equipment catalogue and online ordering systems, together with a whole life-costed hire charge model, which saves around 15 per cent on costs. Added to which participant boroughs have been able to collectively optimise their warehouse storage for equipment.



Following the first pilot wave and the addition of Sandwell Metropolitan Borough Council, five further London authorities are negotiating to join, as well as a large county council. The aim is to involve further participants from across London, creating a mixed economy for complex equipment, rationalising supply chains and maximising the consolidation of logistics and overheads. Cashable savings realised are currently £2.46 million to March 2013, while forecasts are expected to be around **£47 million** by March 2016, with the possibility of £209 million by 2021.

Transforming Highways

With responsibilities for the services maintaining and improving around 90 per cent of London's road network, the London boroughs are keenly aware of the need to ensure Londoners get the best deal from suppliers.

Through this project, Capital Ambition has responded to these needs by supporting boroughs to team up with Transport for London to review and rationalise the one hundred existing contracts; coordinate sharing expertise and ICT packages; volume purchasing and collaborative procurement through major framework contracts; and help staff developing the capacity to work together to achieve.

For example, a flagship element of this work has been the London Highways Alliance Contract awarded from 1 April 2013 for eight years. Depending on the rate of take up by boroughs in that time, savings from this work are expected to exceed the initial 10 per cent projections and could reach 30 per cent.

Other elements have included work on supplier relationship development, ICT packages used by boroughs and on e-auctions (e.g. street lighting services). Beyond efficiencies, the work also anticipates real improvements in the quality of materials and works, stock controls and better practices and coordination among agencies to minimise disruptions on London roads.



Currently, 12 boroughs are involved in the frameworks, working in geographical clusters and there is an expectation more will join as their existing arrangements expire. Based on previous and existing contract values, this work is forecast to realise efficiencies in the order of £51 million by March 2016 and up to **£450 million** by the end of the framework period in 2021.

New models

As well as impressive efficiencies realised through the Capital Ambition programme, there has been an emphasis on finding new ways of working and testing models of delivery. Examples of some of these improvement projects are outlined below:

Health and Wellbeing Boards – councils are now squarely at the centre of new statutory duties for strategic health care, social care and wellbeing in line with the Health and Social Care Act 2012. Responding to these major new responsibilities, Capital Ambition has supported a programme of work throughout 2012/13, to help boroughs implement necessary changes in governance and prepare for the challenges.

Run by London Councils, in conjunction with the Adult Social Care Joint Improvement Programme and NHS London, the programme has developed networks and a range of products to help London boards share experience, knowledge and best practice. The programme facilitated and strengthened relationships between a wide range of partners to make local health and wellbeing boards a reality for each borough. Work has focussed on roles and responsibilities; strategy and implementation; finance and resources; systems, governance and ways of working; and partnership-working and communications. Operational health and wellbeing boards were up and running in each borough by April 2013.

Enterprise Solutions – as alternative models for public service delivery, there has been a lot of interest in ‘spinning out’ local authority services as, for instance, mutuals and social enterprises. This Capital Ambition project tracked four real-time local services being considered for spinning out and sought lessons to share from the experiences. The cases studied included:

- *London Borough of Lambeth* – a spin-out communications and public relations services to create better networking and development opportunities and realise efficiency savings. The spin out is currently at an early stage and is developing its business case.
- *London Borough of Lewisham* – a partial spin-out of library services to make savings by looking at alternative ways of delivering services in five of their 12 locations. Four library buildings were transferred to the community and one library collection was re-sited within a local organisation. Additional services and activities are now offered by one charity, one community group and one social enterprise in the five ‘community hubs’. The local authority retains responsibility for the library service including book stock, professional support and ‘self-issuing’ terminals for the hiring of books. The partner organisations provide PCs and ICT that the public use for continued free of charge access to the internet.
- *London Borough of Richmond* – spinning out services in adult social services, in particular focussing on employment integration and training services for adults with learning disabilities. The proposed spin-out is now not going ahead and the services in question are going to be commissioned out through a tender that is open to private and third-sector organisations.
- *Royal Borough of Kensington and Chelsea* – youth support and development service staff spinning out to form an employee-led mutual that would provide a range of services to young people under contract to the council. The spin-out process is on-going.

Care Proceedings Pilot – the individual complexities and multiagency challenges typical of each child care legal proceeding has meant cases taking around fifty weeks to complete. Cases require a number of tailored assessments and considerable supporting evidence from social services and care providers, as well as legal review, judicial deliberation and judgement in the courts. Yet, local authorities recognise at the heart of each proceeding is a child and the impact of a year’s legal proceedings for a decision can have serious consequences.

Capital Ambition has funded this pilot to prove ways such care proceedings can be speeded up and improved. Led by the Tri-borough, work across 20 London authorities has looked at each agency involved, each part of the system and at the system as a whole. The pilot rationalised aspects of assessment and evidence gathering processes (e.g. running them simultaneously) and frontloaded cases with evidence to ensure the best information upfront for good decision-making and faster resolution in the courts. Process management between agencies and in timetabling courts has also helped and identifying a case manager to see cases through enabled much better monitoring and management of each case. While the quality of social work assessments improved in alignment with the needs of individual cases.



Tracking 90 cases over the year, the pilot was able to demonstrate that the time for proceedings could be nearly halved, to around 26 weeks, also helping reduce the costs of proceedings. Cashable savings from the work in the pilot boroughs is expected to amount to over **£2.4 million** by March 2016. Finding outcomes were meeting the recommendations in the Family Justice Review the pilot has stimulated national interest as well as that within the capital.

The pilot directly involved the London boroughs of Hammersmith and Fulham, Kensington and Chelsea and Westminster, along with support for similar implementation of the success elements for 20 other London boroughs. Close collaboration in the pilot came from the judiciary (e.g. district judges and magistrates), court services (e.g. Inner London Family Proceedings Court and Principal Registry of the Family Division), the Children and Families Court Advisory Support Service (Cafcass) and other key stakeholders. With the experience of the pilots and legacy guidance materials, it is expected that all agencies are encouraged to ensure the improvements have a lasting impact on the efficiency of children's care proceedings.

Love Clean Streets – ensuring street scene issues are reported and addressed in the most efficient and effective way is a serious business for London authorities. Using cloud-based technologies and smartphone apps made available to everyone, councils are pioneering new models for tackling environmental problems in localities. Through this Capital Ambition-funded project, the Love Clean Streets app was developed so that residents, staff or contractors spotting a problem out and about, are able to report it to their local authority simply by uploading a smartphone photo.



By 2011/12 the Capital Ambition funding and development was complete and results since have been very positive. In Lewisham, for example, around 4,000 reports per month have been handled through Love Clean Streets, but with casework costs cut by around 80 per cent compared to conventional telephone reported issues. Estimated savings have been in the order of **£150,000** each year and casework complaints were reduced by around 21 per cent. While all boroughs have access the system, several have been looking at branded versions in their localities and versions tailored for use by their operatives and contractors in the field.

Operatives and contractors have also been impressed with the value of immediate visual reports by photo, being able to see clearly the job in hand. Work is going on to improve the system to include things like gritting, grass cutting and information about bin collections and road closures. Even the Mayor of London adopted the system for a Love Clean London campaign timed with the Olympics.

Appendix 1

Capital Ambition Board membership in 2012/13

The Capital Ambition Board reports to the London Councils Leaders' Committee. The Board comprises of five elected members, advised by three London borough chief executives, alongside one representative from each of the: Society of London Treasurers, London Fire and Emergency Planning Authority, Local Government Association and the Chair of the Procurement Strategy Board.

Board members

Deputy Edward Lord OBE JP – Chair of the Capital Ambition Board and elected member of the City of London Corporation

Cllr Stephen Alambritis – Deputy Chair of the Capital Ambition Board and Leader of the London Borough of Merton

Cllr Ruth Cadbury – Capital Ambition Board member and Chair of the Planning Committee in the London Borough of Hounslow

Cllr David Simmonds – Capital Ambition Board member and Deputy Leader of the London Borough of Hillingdon

Cllr Michael White – Capital Ambition Board member and Leader of the London Borough of Havering

Advisors

Representatives from the Chief Executives of London's Councils: Rob Leak, LB Enfield; Mike More, City of Westminster; Martin Smith, LB Ealing

Representative from Society of London Treasurers: Jane West, Finance Director, LB Hammersmith & Fulham

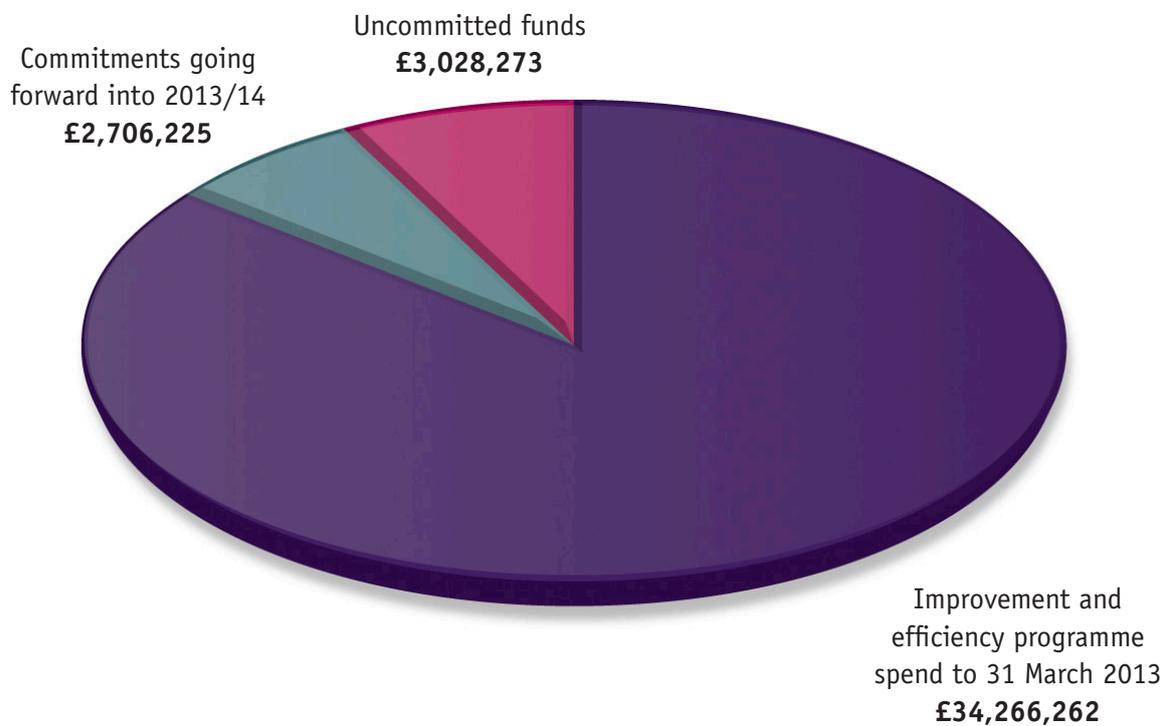
Representative from London Fire and Emergency Planning Authority: Rita Dexter OBE, Deputy Commissioner

Representative from Local Government Association: Rachel Litherland, Principal Advisor

Chair of the Procurement Strategy Board: Mike O'Donnell, Finance Director, LB Camden

Appendix 2

Capital Ambition finances 2012/13



This chart demonstrates the financial position at the end of 2012/13. The Capital Ambition programme fund totalled £40,000,760 as at 31 March 2013.

Around 86 per cent of the fund has been spent in support of improvement and efficiency work.

A further 7 per cent of the fund has been committed to further projects, while the Board has retained a reserve of about 7 per cent of funds uncommitted: around £1.45 million revenue and £1.57 million capital.

appendix 3 CA efficiency projects (generating savings and cost avoidance)

Name	Lead organisation	Local authority participants (no. of...)	CA grant (£s)	Project status	Cashable (£) savings realised	Cost avoidance realised (£) (to 31/03/13)	Efficiencies realised (£) (to 31/03/13)	Cashable savings forecast (£) (to 31/03/16)	Cost avoidance forecast (£) (to 31/03/16)	Efficiencies forecast (£) (to 31/03/16) cashable savings and cost avoidance
London Energy Project	LB Haringey	28	£779,341	●	£28,825,000	£14,600,000	£43,425,000	£87,355,579	£ -	£87,355,579
Postal Services Project	LB Camden	17	£107,754	●	£-	£-	£-	£2,100,000	£ -	£2,100,000
Commercial Vehicles Fleet Project	LB Bexley	4	£241,700	●	£-	£-	£ -	TBC	£-	£-
Transforming Highways	TfL	12	£327,090	●	£-	£365,000	£365,000	£50,800,000	£721,000	£51,521,000
National Adults' Care Funding Calculator	LB Merton	32	£147,543	●	£10,600,000	£-	£10,600,000	£10,600,000	£-	£10,600,000
Out of Hours Contact Service	LB Ealing	7	£250,428	●	£80,697	£-	£80,697	£484,182	£-	£484,182
Legal Alliance for Shared Professional Services	LB Hammersmith & Fulham	12	£227,845	●	£1,832,332	£158,333	£1,990,665	£4,402,248	£458,333	£4,860,581
Shared HR Service for Sutton and Merton	LB Sutton	2	£40,000	●	£1,200,000	£-	£1,200,000	£1,800,000	£-	£1,800,000
East London Shared Solutions	East London Solutions	6	£338,000	●	£1,600,000	£1,200,000	£2,800,000	£1,600,000	£1,200,000	£2,800,000
Transforming Community Equipment Services	Joint Improvement Partnership	29	£1,928,000	●	£6,475,000	£-	£6,475,000	£28,000,000	£-	£28,000,000
Love Clean Streets	LB Lewisham	9	£86,376	●	£500,000	£-	£500,000	£500,000	£-	£500,000
Programme Athena	LB Croydon	32	£945,000	●	£-	£-	£-	£43,000,000	£-	£43,000,000
North London Strategic Alliance Cashable Savings Project	North London Strategic Alliance	7	£160,000	●	£1,200,000	tbc	£1,200,000	£3,500,000	£4,500,000	£8,000,000
LoGo Cloud Project	LB Merton	5	£465,646	●	£-	£329,500	£329,500	£-	£824,500	£824,500
Mainstreaming Assistive Technologies	Joint Improvement Partnership	17	£406,269	●	£1,334,000	£11,179,000	£12,513,000	£1,334,000	£11,179,000	£12,513,000
Cultural Improvement Programme	Museums Libraries & Archives Council	26	£424,000	●	£1,295,235	£-	£1,295,235	£5,882,000	£-	£5,882,000

Name	Lead organisation	Local authority participants (no. of...)	CA grant (£s)	Project status	Cashable (£) savings realised	Cost avoidance realised (£) (to 31/03/13)	Efficiencies realised (£) (to 31/03/13)	Cashable savings forecast (£) (to 31/03/16)	Cost avoidance forecast (£) (to 31/03/16)	Efficiencies realised (£) (to 31/03/16) cashable savings and cost avoidance to 31/03/16)
ICT E-Auctions	LB Enfield	16	£210,850	●	£12,000,000	£-	£12,000,000	£12,300,000	£-	£12,300,000
Adult Social Care Efficiencies Programme - Careplace MIS	West London Alliance	6	£372,347	●	£-	£-	£-	£316,000	£764,000	£1,080,000
Property & Asset Management Programme	West London Alliance	5	£716,688	●	£420,000	£-	£420,000	£6,879,000	£3,918,000	£10,797,000
Children's Services Market Management Programme	West London Alliance	9	£223,533	●	£-	£-	£-	£1,461,000	£2,713,000	£4,174,000
Delivering Complex Community Equipment Services	Joint Improvement Partnership	5	£198,450	●	£2,464,000	£-	£2,464,000	£47,200,000	£-	£47,200,000
Children's Care Funding Calculator	LB Merton	12	£111,800	●	£-	£-	£-	TBC	£-	£-
Shared Processing Centre	LB Lambeth	6	£500,000	●	£-	£-	£-	£12,138,000	£-	£12,138,000
Preferred Partner Shared Services	LB Waltham Forest	2	£750,000	●	£140,000	£-	£140,000	£8,541,852	£-	£8,541,852
Self-Service Council Tax & Parking Permits Project	LB Bexley	3	£500,000	●	£222,000	£-	£222,000	£3,258,000	£-	£3,258,000
Tri-Borough Corporate Managed Services	Westminster City Council	3	£500,000	●	£-	£-	£-	£6,000,000	£-	£6,000,000
Transport Efficiencies Project	West London Alliance	5	£305,430	●	£591,724	£-	£591,724	£6,359,897	£-	£6,359,897
Tri-Borough Care Proceedings Pilot	LB Hammersmith & Fulham	20	£150,000	●	£-	£-	£-	£2,430,000	£-	£2,430,000
Totals			£11,414,090		£70,779,988	£27,831,833	£98,611,821	£348,241,758	£26,277,833	£374,519,591

Project Status Colour Key

- Local authorities mainstreamed work (CA benefits monitoring only).
- CA funded work ongoing.

CA enabling projects (enabling service improvements and unquantified efficiencies)

Name	Lead organisation	Local authority participants (no. of...)	CA grant (£s)	Project status
Service Transformation Academy	LB Lewisham	5	£374,348	●
Health and Wellbeing Boards	LB Croydon	33	£56,548	●
Enterprise Solutions	LB Lambeth	4	£84,000	●
London Procurement Strategy - Category Management	LB Camden	33	£204,796	●
Totals			£719,692	

Project Status Colour Key

- Local authorities mainstreamed work (CA benefits monitoring only).
- CA funded work ongoing.

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