



Document Name	EMSCU – Management Information Report
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Author	Ronnie Adams

Introduction

The purpose of this paper is to update on progress against EMSCU efficiency activities specific to Nottinghamshire for 2014/15 and in particular against the efficiency saving target of £1.207m that was set for EMSCU for the year.

This paper has drawn from a number of sources to present details of supplier segmentation, contracts management in Crystal, inflation forecasts for contracts, potential areas for savings and procurement savings made. For ease of reading this paper has five sections listed below:

1. Key indicators
2. 2014/15 Completed Nottinghamshire activity
3. Ongoing activity to achieve savings
4. Strategic suppliers
5. Supply chain development

Section 1 – Key Indicators

There is an average saving of 19% when EMSCU procures, this is supported by the findings of the Local Government Partnership (LGP) review.

EMSCU has worked with ICT to identify rolling contracts and these are being reviewed with a view to cancel/extend/retender.

Supplier services are working closely with budget holders to review performance and recover costs where service levels/requirements do not match contracts.

EMSCU cannot influence timing of revenue/capital split for procurement requirements and whilst EMSCU will always deliver savings, there remains a challenge in how these are removed from budgets.

The challenge to recognise EMSCU savings across budgets is shown in the table below:

EMSCU Activity	Budget stream	Savings Achieved	Budget Impact
Tendering	Revenue	£493,988	£77,190
Tendering	Capital	£320,369	-
Ongoing activities	Capital	£9,200	-
Ongoing activities	Revenue	£82,890	£82,890
Ongoing activities	Cost avoidance	£8,307	-
Interventions	Revenue	£574,000 (estimated)	£400,000 (estimated)
Renegotiations	Revenue	Ca. £90,000 potential	£22,500 pro rata
Supply chain	Revenue	£120,000 potential savings not yet realised	£30,000 pro rata
TOTAL	Revenue	£1,369,185	£612,580
TOTAL	Capital	£329,569	-

There is no budget impact relating to capital savings or cost avoidance savings as the cost was not included in the revenue budget.

The budget impact on revenue savings is the impact on the year in progress and so where the savings have started after April 2014, only the proportion relating to the financial year 2014/15.

Section 2 – 2014/15 Completed Nottinghamshire Activity

Item	Saving Description	Capital Saving	Cost Avoidance Saving	Revenue Saving
Uniform Recycling	Savings to end October	-	-	£37,353

Travel costs	New framework in place	-	-	£3,000
OPEX software	Software replaced with a cheaper contract reducing cost from £15k to £8k pa	-	-	£7,000
Experian contract	Removal of RPI inflationary factor	-	-	£834
PHS Rebate	Rebate on 13/14 spend	-	-	£510
Biffa Waste Services Ltd	Reduce demand on collection of General Waste & Dry Mixed Recycling	-	-	£16,618
Derbyshire PCC	2/3 cost of J Parsons redundancy never charged to Derbyshire	-	-	£17,575
GPS Tagging	Against 14/15 capital budget	£9,200	-	-
Hays	Reduction in cost of transferring contractor to payroll	-	£8,307	-
TOTAL		£9,200	£8,307	£82,890

These figures are included in the summary table in section 1 under Ongoing Activities.

Section 3 – Interventions to achieve savings

URN 94: PFI Contract Savings (Target = £125,000)

Local Government Partnerships have been conducting a review of the Venson's contract in conjunction with EMSCU. This review has highlighted a number of possible areas of savings as well as the need to manage the contract better and to challenge the charges.

At present, work has been done to stop the force buying any new cars – EMSCU have prevented the purchase of 11 new vehicles which would have cost £1m over

4 years without any adverse operational impact as the Force is making better use of the existing fleet.

With regards to the PFI contract for Riverside, LGP are now reviewing it with the Finance Business Partner in order to verify that charges are correct and to maximise contract optimisation opportunities.

URN 107: 3% uplift on contract renewals (Target = £94,000)

Following a review of the Nottinghamshire IS contracts, LGP have estimated that Nottinghamshire could make savings of 15-20% of the value of the top 10 contracts. This would lead to possible savings in Q4 14/15 and then ongoing in to 15/16 which could release ca £200,000 over the next 12 months.

EMSCU has recognised the potential significant savings on contracts year on year for the life of the contract and as such has included contract and supplier managers in the new structure to focus in the key business areas of ICT and Estates.

URN 102: Energy and Utilities (Target = £10,000)

AMR loggers have been procured from Severn Trent Water and are going to be installed this month. They will enable the force to assess where there may be leaks/wastage in order to reduce costs.

There is also a capital saving as Estates had budgeted for these loggers and EMSCU negotiated for them to be free.

An energy review has not highlighted any immediate savings in the way that the force is billed, but discussions are currently ongoing with Inspired Energy in order to generate greater value in the way that we buy our energy. There is a potential saving of £45-65k pa to be made as well as the potential for income from a framework that would be set up in conjunction with Inspired Energy.

URN 106: 5% saving on current spend (target = £750,000)

We have negotiated a £133,000 equipment fund from our mobile provider. We are also in discussions with them regarding £180,000 of outstanding invoices due to concerns about whether contractual obligations have been fulfilled.

Vision software : we have only paid half of the bill so far this year as we do not agree with the amount that we have been charged.

Car servicing : Nottinghamshire Police currently service the car fleet more frequently than is actually necessary. Venson's are in agreement that there is the potential to save approx. £300 per car per year if the service intervals were lengthened. We are in discussion with the Fleet team and we would expect this to equate to approx. £40k saving for this year.

URN 122: Regional Stores Project (target = £5,000)

The Uniform framework is already established with three other forces signed up to it and the possibility of others joining. It is still to be determined exactly how much income this will mean for EMSCU.

URN 123: Setting up frameworks that others can access (target = £20,000)

The Body Worn Video framework is currently going through the ITT process and should the 5 East Midlands forces use it, EMSCU would receive approx. £26k in

income. Should other forces throughout the country use it, there would be an increased level of income based on a 1% management fee.

Section 4 - Strategic Suppliers

Using the EMSCU contract register, June 2014, we can estimate the 3 Forces have 519 'ICT' contracts. The vast majority of these are 'completed' meaning they may be either being extended or in progress of being re tendered. The top ten value contracts logged as 'active' are approximately £31.5 million.

As part of the ongoing work with LGP, EMSCU have started to engage with two strategic suppliers, Capita and Northgate to try and combine and co-terminate the contracts across the region in order to negotiate discounts on annual spend. The combined value of contracts between the two suppliers is approximately £8.9 million. Work will focus on savings opportunities for Nottinghamshire / Northamptonshire and a three Force collaboration in order to evaluate where the most value to Nottinghamshire is.

Nottinghamshire spend approximately £620,000 per annum with the two identified suppliers on current contracts. There are potential procurement opportunities for either or both suppliers in the future and they need to recognise our approach to achieving annual savings, value for money and innovative contract management post award.

Further negotiations are planned with Airwave and Vodafone.

Section 5 - Supply Chain Development

A number of activities are being carried out which will deliver efficiencies and/or generate income. Note these are potential savings and Supplier Services are limited in terms of what can be achieved without the buy in from other departments.

Budget	Savings by Type	Description	Value of potential savings	Notes
Fleet – telematics	Saving	Reduction in fuel usage	>£100k	Installation issues have meant Notts has not benefitted from the system as early as expected despite it working well in other forces e.g. Northants, who have saved over £70k on fuel
Estates - energy	Saving	Usage of more energy efficiency lighting in new builds/refurbs	Unknown	Recommend we become a member of Efficiencies East Midlands (EEM) and use their frameworks. Currently EEM proposing some benchmarking savings
Facilities – Cleaning consumables	Savings	Rationalise range of cleaning products	£20k	Notts spend approx. £45k pa vs Derbys £15k due to the wide range of products Notts purchase.

Estates – repairs and maintenance	Savings	Peer review	Unknown	To establish whether another organisation with more expertise in this area would be able to deliver repairs and maintenance at a lower cost
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