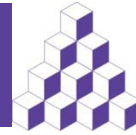


APSE 7th July 2010



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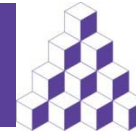
David Langley – Service Lead

AGMA

Vehicle Procurement Management & Maintenance (VPMM)



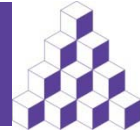
David Langley – A brief history



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- Started this new post in April 2010
- Worked with Greater Manchester Waste Disposal Authority since 2003
- Prior to 2003, many years as an operational manager in front line services including:
 - Highways
 - Landscapes
 - Construction and Civil Engineering
 - Refuse collection and Street Services
- Spent the last three years finalising negotiations for the 25 year Waste PFI Contract
- Worked with all the Greater Manchester Councils in the formalisation of an Inter Authority Agreement for waste services
- No stranger to the challenges in getting cross border collaboration

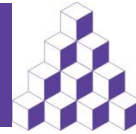
Who or what is AGMA?



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- AGMA is the **A**ssociation of **G**reater **M**anchester **A**uthorities who are working in a number of collaborative areas within the AGMA CEP (Collaborative Efficiency Programme). This is managed by AGMA CSG (Collaborative Services Group) and supported by the AGMA Programme Office and AGMA Procurement Hub

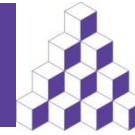
What is VPMM?



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- An idea that goes back several years, but gained new energy in late 2008 and delivered options for change paper in July 2009, which was the catalyst for where we are now
- Overwhelming need to collaborate and achieve economies of scale, improved efficiencies and utilisation
- Ties in with other AGMA projects, such as Social Transport and Insurance

Who is in the AGMA VPMM project?



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Bolton
Council

Salford City Council

Bury
COUNCIL

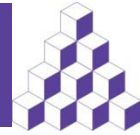


www.tameside.gov.uk
Great lives, excellent services



Other partners are Trafford, GMPTE, GMP and GMF&R

Drivers for change

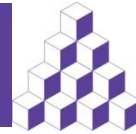


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- Working collaboratively contributes to the Government's Transformational Agenda
- To deliver CSR07 efficiency savings, there is a need for all AGMA LAs to be committed to collaborative working and sharing of services
- Development of the Manchester City Region Project and New Commissions
- Very recent budget announcements and expected cuts to LA funding



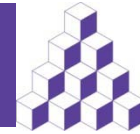
The Project (1)



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- The project will be delivered in stages with initial focus on quick wins
- AGMA CSG have 10 specific tasks within a 100 day plan to put in place strategic enablers that were identified in the Stage 1 report. The tasks in the 100 day plan include:
 - Agreed Terms & Conditions for an initial ‘shell’ TMU organisation with legal status to “trade”
 - A senior manager acting as **change champion** in each LA
 - Protocols for an Invest to Save Fund
 - Commitment to use procurement tenders based on medium term cost savings. (e.g. LAs using the same procurement framework when existing contracts expire so that volume discounts can apply, rather than seeking individual quick wins)

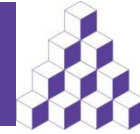
The Project (2)



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- A detailed benefits realisation model has not yet been developed, but the high level benefits identified are:
 - efficiencies from increased utilisation of assets including vehicles and workshops
 - cost savings, expected from procurement leveraged using standardised specifications and tenders including frameworks
 - the sharing of best practice and aggregation of common services such as driver training are expected to deliver additional savings and service improvements.
 - from Year 3 annual savings of up to £2m by collaborating on identified 16 delivery options laid out in the Stage 1 report. (Transport departments across AGMA have a revenue expenditure of £48m (2008/09))
 - quick wins in fuels, tyres and lubricants & greases (the delivery options were prioritised for initial further investigation of potential prioritised at the 16 March 2010 project launch) The quick wins are required to give the initial confidence to LA senior management that the collaborative approach can deliver cashable savings

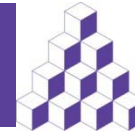
Enablers to be in place



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	Action	Priority
1.	In each LA nominate VPMM change champion	High
2.	Set up single set of Terms & Conditions	High
3.	Set up "Shell" Transport Management Unit	High
4.	Set up Pecuniary interest register	High
5.	Set up Inter-authority agreement	High
6.	Provide interim procurement specialist	High
7.	Procurement protocol	High
8.	Standardisation agreement	High
9.	Agree adoption timetable for Fleet management software	High
10.	Set up Invest to Save Fund	High

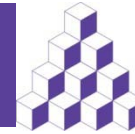
The MONEY bit!!! (year 1 potential)



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Ref	Benefits	Value
1	<i>Reduced vehicle expenditure</i>	<i>£200 -350k</i>
2	<i>Improved vehicle utilisation</i>	<i>£161k</i>
3	Short term contract hire	£101k
4	Procurement savings with Motor Insurances	£84k
5	Procurement savings with vehicle replacement parts	£53k
6	Procurement savings with tyres and associated services	£27k
7	Training	£7k
	<i>Total Year One</i>	<i>£633 - £783k</i>

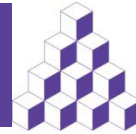
The MONEY bit!!! (year 2 potential)



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Ref	Benefits	Value
8	Procurement savings with motor fuels and other fleet related services	£435 – 744k
9	<i>Savings with vehicle tracking systems</i>	<i>£299k</i>
10	Reduction in expenditure of use of sub-contractors	£104k
	<i>Total Year Two</i>	<i>£383 – 1147k</i>

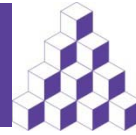
What's new and what's changed?



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- New government – new financial challenges
- Potential for LAs may become introspective
- Change in priorities – could lead to a move away from collaborative working due to resource pressures
- Need for financial efficiency should be a driver behind a collaborative approach and not a barrier
- Changes to the supply/demand ratios

The end



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- Any Questions?
- David.langley@salford.gov.uk
- 0161 793 3277

