

A Targeted Approach to Managing Third Party Expenditure

Background

All public sector organisations face problems in obtaining comprehensive and consistent third party expenditure information to support future planning and to help achieve efficiency and cashable savings (and the production of Annual Efficiency Statements for councils). Gaining easy access to this information is essential for producing evidence based business plans and identifying areas where collaborative working is likely to deliver the best results.

Producing expenditure analysis is something that many organisations typically depend on consultants to do for them as they find it difficult to do in house. This can cost as much as £50,000 and is invariably seen as a one off exercise. However, it is actually relatively straightforward to do once an organisation understands what they are trying to achieve, where the data is held and how to interpret it.

The London Regional Centre of Excellence has been running a series of extremely popular programmes addressing this subject entitled *Expenditure Analysis Made Easy*. This one-day programme is suitable for all local authorities and any public sector organisation that wishes to gain the knowledge and skill sets to undertake their own third party expenditure analysis. It shows delegates how to take invoice data from their finance systems, manipulate, analyse and interpret it and develop a list of projects with the potential to deliver efficiency, cash or cost avoidance savings.

However, many delegates attending have told us that it would be even better if we could:

- Base the programme around their own organisation's data rather than a fictitious organisation
- Deliver the programme on site, so that more people can attend from a single organisation
- Spend more time analysing the data and developing an evidence based action plan

So here is the new programme, designed to deliver what you want! That is high quality skills transfer with authoritative and independent interpretation of your third party expenditure all in one go.

(Note that dates and prices of the original public courses are available on the London Regional Centre of Excellence web site (www.lcpe.gov.uk) or from debbie.williams@alq.gov.uk.)

Programme Content

This is a management programme based around understanding and analysing your third party expenditure. It requires no technical or procurement knowledge and is designed to enable organisations put together multi-disciplined teams who are capable of extracting, manipulating and interpreting expenditure data. The programme covers practical advice on how to undertake a spend analysis, the issues that will be faced and how the information derived can be used to improve performance. The agenda includes:

- Understanding the importance of third party expenditure to the planning and efficiency process
- Locating where the right information is held in financial and procurement systems
- Dealing with potential obstacles and objections
- Extracting and summarising expenditure data
- Interpreting your data to improve services, reduce costs and measure performance
- Providing you with an evidence based check list of what you can do now to make cashable and efficiency savings as well as improve the quality of services received

Target Audience

This programme is specifically designed for:

- Chief officers and service managers responsible for performance management and the delivery of efficiency improvements and cash savings
- Internal auditors who need to monitor adherence to policy, contract and value for money
- Finance and budget managers wishing to understand how they can achieve more for less

Strategic Procurement Services



www.strategicps.co.uk

A Targeted Approach to Managing Third Party Expenditure

- Procurement specialists who want to know how to get at spend data and how to interpret it
- Financial and procurement systems implementers who need to understand how to set up IT systems to generate the information requirements needed to support the 'Gershon streams'

Benefits for Individuals Attending

The programme will help representatives to:

- Undertake their own third party expenditure analysis, quickly and very effectively, without the need for external consultancy support
- Provide the basis for identifying potential areas for delivering savings including the 2.5% cashable and efficiency savings required by ODPM between 2005/6 and 2007/8
- Help improve the quality of Annual Efficiency Statements and identify areas for improvements that could make a direct impact on council tax levels
- Identify where collaboration on a regional or sub-regional basis is likely to improve the quality of services and/or reduce costs immediately and in the longer term
- Brief Members and Chief Officers on how overall performance and services can be improved using existing resources

Benefits to Employing Organisations

The programme will enable public sector organisations to:

- Have a full understanding of their supply base and the range of categories of products and services that are being acquired by service departments
- Develop appropriate strategies for managing and improving all third party expenditure
- Identify cultural and other business issues that will be faced in carrying out this work
- Provide a baseline from which effective and straightforward key performance indicators (KPIs) can be set to measure the impact of any changes
- Improve the implementation of financial and procurement systems (including e-Procurement)
- Support an evidence based approach to improving CPA ratings, delivering savings and efficiency improvements and implementing the National Procurement Strategy

Costs and Requirements

This programme will be delivered at your own organisation to no more than 12 delegates. We will ask you to provide an extract of invoice details from your finance system 4 weeks before the programme is scheduled to allow time for pre-analysis and customisation of materials.

You will be expected to provide an appropriate room with screen, projector and flip charts and refreshments for the day. We will post handouts to you in advance.

The cost of this programme is £3,500 (inclusive of all expenses) discounted to £2,700 if we have already undertaken spend analysis for you in the current financial year.

What to Do Next

Contact Alison McCreath to discuss your requirements further. Alison can be contacted on 07887 573445, alison@strategicps.co.uk.

Strategic Procurement Services



www.strategicps.co.uk