

The National Procurement Strategy for Local
Government – Final Report
Towards public service transformation



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Towards public service transformation

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Contents

Foreword	4
Preface	5
Highlights	6
Progress at a glance 2007	7
Chapter 1: Delivering efficiency gains	9
Chapter 2: Towards public service transformation	20
Chapter 3: Milestone progress	31
Chapter 4: Conclusions and next steps	45
Annex 1: Achievements of the RCEs	48
Annex 2: Case studies from procurement beacon councils	60
Annex 3: Technical note	62

Foreword

Over the last few years councils around the country have put in a great deal of effort to secure efficient and effective procurement. The National Procurement Strategy, the Gershon Review and the work of the Regional Centres of Excellence gave this programme an initial boost. Now local government has access to a wide range of project support, guidance, toolkits, regular workshops and events, and standard or tailored management solutions. The aim is better councils and better services for residents – that is what the local government procurement agenda is all about.

We commend local government's achievements so far on the National Procurement Strategy's targets. We believe this positive response results from local government being fully involved in the development of the Strategy and, following the launch in 2003, councils implemented it quickly. On the ground, this has meant a high level of officer and member level buy-in on procurement. They have embraced a strong user focus in the design and delivery of services and taken advantage of collaborative procurement opportunities.

One or two milestones have not been met during the Strategy period. However our expectation is that councils will tackle these targets, including improving performance on e-Procurement, in order to deliver the transformed services and value for money that communities want. This means challenging traditional channels of delivery and rooting out waste, in order to drive efficiency.

The Comprehensive Spending Review 2007 (CSR07) challenges councils to up their game in a tight fiscal environment. Local government is facing rising public expectations and increasing demand for many local services. This calls for strong and innovative approaches to achieving efficiency, including through strategic commissioning and procurement. To support councils, regional support will be more focussed and will be delivered in future through the Regional Improvement and Efficiency Partnerships.

It is clear that there are many challenges for local government over the coming years. We are confident that local government has the potential, resourcefulness and innovation to respond to these challenges. Procurement will need to play its full part.

John Healey MP
Minister for Local Government

Sir Simon Milton
Chairman, Local Government Association

Preface

As we have seen over the last few years, procurement has the power to transform public services, to improve outcomes, to make life better for the people we serve. The *National Procurement Strategy* (NPS) has been a significant driver in the transformation of local government procurement, particularly as a more strategic function, and local authorities must be congratulated on their impressive track record of procurement innovation and efficiency.

Local government is entering into another period of major change. The provisions set out in the *Local Government White Paper* will be implemented and the sector must rise to the challenges laid down by the Comprehensive Spending Review. The pursuit of better, more efficient local government services is relentless.

As this report highlights, the work of the Regional Centres of Excellence has been a critical success factor in this transformation. They have played a key role by supporting local authorities to implement the NPS milestones. And with around 400 live projects and strategies for unlocking cashable savings in the areas of major external spend, the work of the Centres will continue to feature in this transformation story.

Collaboration is at the heart of much of this work. To prosper, local authorities must collaborate in innovative ways and not just with other councils but with other public bodies to procure and deliver citizen-focused services at a cost the public purse can afford. The Centres are uniquely placed to act as catalysts to bring together local authorities and other partners in ways that would not have happened otherwise.

And it's not just in procurement-related areas that the Centres are beginning to excel, but in developing areas such as shared services and business transformation. The merger with the Regional Improvement Partnerships will mean better, more focused support for local authorities in these kinds of activity.

As they develop during the CSR period, this activity can be seen as a legacy the RCEs are creating to enable local authorities, working with other change agents, to address the future with greater confidence, to become powerful agents of place shaping.

Joyce Redfearn

Chair of the Chief Executives' Task Group

Highlights

The National Procurement Strategy (NPS) has been a catalyst for the development of a more strategic approach to procurement in local government and has created a platform for the realisation of efficiency gains and more sustainable procurement.

Local government has risen to the challenge of the efficiency agenda and the growing degree of collaboration among councils and across the wider local public sector has created a platform for the next phase: the transformation of local public services. At the close of the Strategy there are a number of important achievements to record.

Highlights include:

- **£3.1 billion efficiency gains achieved by end 2006/07**, exceeding the target for the spending review period a year early.
- **46% of councils now working with their Regional Centre of Excellence** on improving procurement performance (from 14% in 2004).
- **54% (i.e. more than half of councils) involved in joint commissioning** of services (not including health and social care). This compares with 31% in 2004.
- **38% of councils involved in a shared procurement function** with other councils.
- **24% (i.e. a quarter of councils) involved in sharing of other corporate functions.**
- **65%** of councils have adopted the **Small Business Friendly Concordat**.

But more can be done. Smarter procurement is a fundamental driver for securing better outcomes and even greater efficiency. Indeed the 2007 *Comprehensive Spending Review* (which covers the period 2008–09 to 2010–11) has produced new challenges for the whole public sector as the drive to improve public services continues within a tight fiscal context. As this report shows, there are some important targets that merit focused attention by councils who have not already addressed them.

Progress at a glance 2007

Key

- green generally implemented across the sector
- red not being actively implemented across the sector
- amber being actively implemented across the sector

2004 milestones	2005 milestones	2006 milestones
Providing leadership and building capacity		
G ● councils to adopt a corporate procurement strategy	G ● single tier and county councils to carry out a health check on progress against the NPS and guidance	G ● district councils to have carried out a health check on progress against the NPS and guidance
A ● strategy to be owned by members and senior managers	A ● councils to be involved with an RCE	
Partnering and collaboration		
G ● single tier and county councils to have an approach to partnering in construction and service delivery set out	R ● average time from OJEU notice to contract a ward to be reduced by 10%	R ● average time from OJEU notice to contract award to be reduced by 25%
A ● district councils to have an approach to partnering in construction and service delivery	A ● smaller district councils to be collaborating with others on procurement	
A ● councils to have approach to collaboration set out	A ● councils to identify opportunities to create shared services	
A ● councils to have approach to new trading powers set out		
A ● appraisal of service delivery models included in Best Value reviews		
Doing business electronically		
	A ● councils to have implemented appropriate eProcurement solution	R ● councils to be using an appropriate eMarketplace
	A ● councils to be using Government Procurement Card or equivalent for low value purchases	

2004 milestones	2005 milestones	2006 milestones
Stimulating markets and achieving community benefits		
<p>A</p> <ul style="list-style-type: none"> ● councils to address relationship of procurement to community plan, workforce issues, diversity and equality and sustainability 	<p>G</p> <ul style="list-style-type: none"> ● councils to have signed up to national concordat for SMEs 	
<p>A</p> <ul style="list-style-type: none"> ● councils to address how to encourage diverse and competitive market supply, including small firms, voluntary and community sectors 	<p>A</p> <ul style="list-style-type: none"> ● councils to invite proposals for delivery of specified community benefits 	
<p>G</p> <ul style="list-style-type: none"> ● councils to consult with staff on employment issues in procurement processes and contracts 		
<p>A</p> <ul style="list-style-type: none"> ● councils to build sustainability into strategy, processes and contracts 		
<p>G</p> <ul style="list-style-type: none"> ● councils to conclude a compact with local voluntary and community sector 		
<p>G</p> <ul style="list-style-type: none"> ● councils to publish a 'Selling to the council' guide on website 		
<p>G</p> <ul style="list-style-type: none"> ● procurement processes for partnerships to include an information memorandum to prospective bidders 		
<p>A</p> <ul style="list-style-type: none"> ● procurement processes for partnerships to include invitation to bidders to demonstrate effective use of their supply chain 		

Chapter 1: Delivering efficiency gains

Introduction

This is the third and final report on the *National Procurement Strategy for Local Government 2003–2006*. It summarises the state of play and looks back at achievements over the three-year life of the *Strategy*.

The report concludes with recommendations on next steps in the light of the developing policy context described in Chapter 2, including in particular the *Comprehensive Spending Review 2007* and the *National Improvement and Efficiency Strategy*.

This Chapter looks at progress made by councils on the Local Government Efficiency Agenda. It also picks up on activity across major (and strategically significant) procurement spend areas, concluding with an overview of skills development support available to councils and other public sector bodies.

Local Government Efficiency

By the end of March 2007, councils had achieved a total of £3.1bn efficiency gains, and they are on track to reach 4.2 billion by the end of 2007–08. Altogether, this represents a significant achievement by local authorities with the considerable resources released available for reallocation by councils to help meet local priorities. Their target was to achieve £3.0bn of gains by the end of March 2008, so this has been exceeded one year early.

Year	Efficiency Target (£bn)	Efficiencies Reported (£bn)
2004–05	Nil	0.76
2005–06	1.0	1.93
2006–07	2.0	3.06
2007–08	3.0	4.16 (forecast)

Regional Centres of Excellence (RCEs)

The Regional Centres of Excellence (RCEs) were established to support local government's drive to achieve its efficiency targets and improve service outcomes. Their achievements include:

- Establishing themselves as the lead change agents for local government efficiency by helping local authorities develop and implement best practice in procurement, business process and shared services

- Establishing national level coordination in procurement and market intelligence through national workstreams in major areas of local government spend
- Strengthening relations with strategic partners and other change agents at regional and national levels
- Implementing programmes of work that are responsive to regional needs and sector led
- Sponsoring E-Auctions which have delivered significant savings for local authorities in areas as diverse as IT hardware and wheelie bins. Successes this year include the potential to realise £14 million in cashable savings for local authorities in the South West over the next four years and £10 million in the North West over the same period

Of particular note at a national level, the RCEs commissioned the first and largest study of supplier spend across local authorities ever undertaken and as a result discovered that over 40% of all expenditure is accounted for in third party contracts or procurement.

Further analysis showed that 80% of procurement expenditure was accounted for by contracting in construction commodity goods and services, adult and children care services and environmental services.

The data provides hard evidence to challenge ingrained procurement behaviour and to develop new strategies for key markets. It shows that there is considerable scope to cut costs in key markets. Significant efficiency gains have already been achieved in these areas and much more are expected during the CSR 07 period.

Research by the RCEs has amongst other things found that:

- £42 billion is spent by local government on external contracts
- £12 billion of this is spent on commodities, goods and services
- £13 billion is spent on constructing and maintaining buildings and roads
- £6 billion is spent on adult social care
- £3 billion is spent on waste services

Laying the Foundations for the Future, Regional Centres of Excellence July 2007

See www.rcoe.gov.uk and ANNEX 1 for achievements of individual centres over the NPS period.

Construction

Construction spend is the biggest single area of local authority external expenditure. It follows that getting the procurement of the construction, repair and maintenance of buildings and roads right is likely to bring huge benefits. Benefits such as getting the job done right first time, and delivering it defect and dispute free, also add real value.

Many authorities have discovered that the best way they can secure those benefits is by developing long term relationships with their contractors and the whole supply chain. Whilst they may be quite complex to establish, ultimately they will deliver rewards to those authorities patient enough to set them up.

Framework arrangements, in particular, are being adopted by a growing number of authorities as a way of developing these relationships. They also provide the opportunity for smaller authorities, those without specific expertise, or those who commission works only occasionally, to share in those benefits. Research undertaken jointly by the Local Government Task Force (LGTf) and East Midland Centre of Excellence (EMCE) into the benefits that flow from this type of approach, have estimated savings of £120m from 12 exemplar case studies. (http://www.emce.gov.uk/work_streams.htm#constructionNat.com)

Some authorities, such as Birmingham City Council already have sophisticated arrangements in place which have been delivering very real savings to their communities. Others, such as the innovative South East Centre of Excellence (SECE) sponsored framework, established by Hampshire County Council, and available to authorities in the region, are starting to deliver those same benefits to authorities irrespective of the size of their programmes. (<http://www.sece.gov.uk/page.asp?PageRef=194>)

While frameworks and partnering type arrangements are not the sole solution to improved construction procurement, they are possibly one of the most significant tools that authorities are adopting to get better products for a lower cost.

Adult Social Care

During the SR04 period (2005–08), the Department of Health has helped local authorities to improve their procurement processes through assistance with a number of specific projects. These include:

- Work on commissioning, procurement and contracting processes with the application of commercial tools in the areas of market analysis, tendering, contracting and purchase to pay processes
- Taking up both external and internal services of systems to log electronically the arrival and departure of home care workers
- Development of improved tools for demand forecasting and capacity planning to feed into the development of purchasing strategies

This work has concentrated mainly on older people services, and has assisted councils in delivering their efficiency requirements. However, speed of implementation varies and these approaches also need to be extended into learning and physical disability services.

All of this should help councils towards their overall target for efficiency gains. In the meantime, longer-term work will take place to assess the potential for re-shaping the markets in social care, for example through regional procurement and more use of joint commissioning with health.

The Department of Health with the LGA and the Association of Directors Adult Social Services (ADASS) are putting in place a comprehensive package to help councils and partners improve services in social care. This offer, which is part of “putting people first”, will include access to support for improvement and efficiency.

Children, Young People & Families

In March 2006, the Department for Children, Schools and Families (DCSF) launched the *‘Joint Planning & Commissioning Framework for Children Young People and Maternity Services’*.¹ The framework emphasises that effective joint commissioning is at the heart of improving outcomes for children, young people and families. It highlights the significance of quality needs assessments and collaboration of all local partners to drive commissioning decisions and manage markets – creating diverse and sustainable provision.

In addition to the framework, DCSF has released a range of materials,² including case studies and guidance from local authorities to support localities in implementing joint commissioning approaches. These, together with toolkits, such as *Industry Techniques and Inspiration for Commissioners* and joint funding best practice guidance, provide councils with effective practice guidance. The commissioning framework document, case studies and tools can be found at: <http://www.everychildmatters.gov.uk/strategy/planningandcommissioning/>

In order to up-skill and professionalise the role the commissioner, the Children’s Workforce Development Council (CWDC) and Skills for Care are currently working with the DCSF to develop a set of National Occupational Standards in Commissioning.³ The standards form the basis of a raft of emerging academic and workforce development programmes.

DCSF is also currently funding regional commissioning pilots, specifically to test improvements to commissioning services for children in care, but with a view to considering the broader range of services that might be commissioned at regional level.

DCSF established the Centre for Procurement Performance (CPP) in direct response to the efficiency agenda. As part of the cross government drive for more efficient expenditure of public funds, the CPP has a national focus across the education, skills and children and families system, working closely with the procurement and commissioning community nationally.

In working towards achieving DCSF’s aim to encourage all local authorities and their partners to employ commissioning as a means of improving outcomes for children and young people, the CPP operates a unique peer-support programme. A team of highly skilled professionals consisting of secondees from local authorities and specialist contractors with specific expertise in commissioning work directly with local authorities on an opt-in basis. Working closely with the Regional Offices, the work consists of supporting and promoting local authority and regional commissioning and procurement practices.

1 <http://www.everychildmatters.gov.uk/strategy/planningandcommissioning/about/>

2 <http://www.everychildmatters.gov.uk/planningandcommissioning/>

3 http://www.cwdcouncil.org.uk/pdf/National%20Occupational%20Standards/Information_Sheet_NOS_Commissioning.pdf

In the first two phases of this work, the CPP has been working in over 30 locations nationally. Currently in phase three it is working with around a third of local authorities across England. It aims to:

- Offer councils peer-support on an opt-in basis around joint commissioning to assist them move closer to the broader aims and objectives espoused under the Joint Planning & Commissioning Framework and *Every Child Matters*, and to help to identify efficiency gains
- Develop effective practice materials, examining why these approaches have worked, what process was adopted and considering whether solutions might be applicable in other locations
- The CPP also acts as a vital resource for policy development, providing real-time practical experience to inform policy makers. Current areas of focus include: Connexions, integrated parenting services, integrated youth support, and, commissioning preventative services.

Waste Management

The Department for Environmental, Food and Rural Affairs (Defra) Waste Implementation Programme (WIP) assists local authorities in procuring efficient waste services in line with the aims of the National Procurement Strategy. See <http://www.defra.gov.uk/environment/waste/wip/index.htm>).

WIP does this through direct consultancy support, a range of tools and advice to assist with standardised and collaborative approaches to procurement and operations, and through the publication of generic case studies to which the local authorities can refer for guidance.

In addition, WIP funds the Waste and Resources Action Programme (WRAP) to promote good practice in waste minimisation, waste awareness, and approaches to kerbside waste collection. Defra's Environmental Services Efficiency Programme is also run through WIP. Through this work WIP engages closely with the Regional Improvement & Efficiency Partnerships to promote improved procurement with a specific focus on collection authorities.

To assist disposal authorities, in partnership with 4ps and Partnerships UK, Defra established within WIP a Waste Infrastructure Delivery Programme (WIDP) to support to help speed up the construction of their residual waste treatment facilities. The establishment of the programme occurred alongside publication of the OGC's study of the municipal waste management market, which can be found at: http://www.ogc.gov.uk/the_kelly_programme_second_kelly_market_-_waste_management.asp

WIDP is working to give a better picture of the infrastructure needed to meet the landfill directive, the progress being made, and how the investment process can be accelerated. The programme also provides focused support for major projects and improved tools and best practice guidance to local authorities.

Fire and Rescue Service

The National Procurement Strategy for the Fire and Rescue Service 2005–2008 details the national arrangements for the procurement of major operational equipment for English Fire & Rescue Authorities (FRAs) through the procurement body, Firebuy Ltd. It also examines how regional and local arrangements will be managed.

Firebuy Ltd negotiate call-off contracts for FRAs and take the lead in subsequent contract management and service level monitoring. Firebuy Ltd is a contracting authority for the purposes of the EU procurement rules but ultimately it will remain the FRAs who acquire the assets and matching liabilities. Firebuy Ltd will support FRAs in achieving standardisation and interoperability and work with suppliers to ensure that the goods and services they provide meet the needs of the Fire & Rescue Service. Firebuy Ltd adheres to the principles set out in the 'Transforming Government Procurement' agenda.

The National Procurement Strategy for the Fire and Rescue Service is being revised and a new strategy is expected after April 2008.

Copies of the 2005–08 Strategy are available at <http://www.communities.gov.uk/publications/fire/nationalprocurementstrategy>

For further information on Firebuy Ltd please view their website <http://www.firebuy.gov.uk/>

Social Housing

Communities and Local Government takes the lead in respect of facilitating the achievement of efficiency gains in social housing. This covers four areas of work: new supply; capital works; housing management and maintenance; and the procurement of commodity goods.

In relation to capital works, the establishment of local housing procurement consortia across England is intended to achieve efficiencies by making available to social landlords more effective and economical arrangements for the procurement of goods and services.

A National Change Agent (NCA) was established in 2005 with a remit to set up procurement consortia. The NCA provides support and advice in the early years of the formation of consortia, facilitates the provision of specialist consultant support, and makes recommendations to the Department on bids for grant support from the Efficiency Challenge Fund. The grants provide 75% of the cost of preparation of business plans and implementing the business plan.

The NCA is working with 16 consortia, in varying stages of development. The consortia represent almost a million housing units and a capital spend of £4.3bn to 2010/11. They hope to achieve a collective saving of around £400m. They comprise both local authority landlords, Arms Length Management Organisation (ALMOs) and Registered Social Landlords (RSLs).

By the end of Spending Review 2004 (SR04) period the Department expects gains predicted to be delivered and confirmed. A wide range of collective arrangements for purchasing goods, services and capital works should be in place. There should be widespread engagement in the social housing efficiency agenda, and efficiency will be embedded within mainstream performance management.

Supporting People

The then Office of the Deputy Prime Minister initiated the Value Improvement Pilot programme in 2005, inviting bids from administering authorities to undertake schemes which would not only secure substantial efficiencies through a re-evaluation of procurement, contracting and contract management of Supporting People services, but would also substantially improve the experience of services for users.

The 11 pilots have shown substantial cashable and non-cashable efficiencies, considerably exceeding predictions, producing 11% efficiencies on the contract price and 200% return on investment. The pilot results are applicable to the mainstream LA efficiency agenda and form a model for efficiency gains elsewhere.

The full Value Improvement Programme (VIP) will be overseen by a Project Board which includes representatives from: Providers-National Housing Federation (NHF)/SITRA/Housing Associations Charitable Trust (HACT), Regional Improvement and Efficiency Partnerships (RIEPs), Local Government associations-LGA/London Councils, Communities and Local Government and CSED.

Among other things the Project Board will:

- Ensure improved outcomes for individual service users through the delivery of more efficient, higher quality services
- Encourage authorities to adopt commissioning and procurement strategies that acknowledge individual choice and the value of a diverse market
- Establish, via the National Improvement and Efficiency Strategy, a framework which builds on successes, encourages and supports authorities in developing value improvement projects, provides critical challenge on the formulation of the projects, and provides support and coordination where authorities are undertaking joint or similar projects
- Develop and distribute resource packs on;
 - Engagement with RIEPs & the National Improvement Strategy
 - Needs Analysis, Commissioning & Procurement and
 - Tendering for Providers.

Skills Development

There continues to be a growing demand for skills development throughout the Public Sector.

Chartered Institute of Purchasing and Supply (CIPS)

The new Chartered Institute of Purchasing and Supply (CIPS) qualifications ladder launched in September 2006 is more flexible than the previous one and has been designed to help achieve maximum potential in an individual's professional career development. Each level on the ladder (levels 2–7) is recognised independently – successful completion of each level results in the award of a separate diploma. This means that recognition is given at whatever level of study has been achieved. This recognises that not every individual will want or need to study all the way through to Members of Chartered Institute of Purchasing and Supply (MCIPS). To achieve full membership of CIPS individuals need to study (or be exempt from) levels 4 and 5 and study level 6 – along with 3 years work experience it is then possible to obtain a MCIPS.

CIPS has also been working on some significant wider projects:

- *Public Sector Focus* – it was recognised that public sector procurement professionals, whilst studying for their professional qualification would benefit from some specialist element of learning – relevant to the public sector world. Focused units now cover such topics such as 'The Machinery of Government' and 'Procurement and Managing Contracts in the Public Sector'
- *CIPS Corporate Award scheme* – is an applied learning programme which can lead to MCIPS and includes a series of work-based projects geared towards real data from 'live' organisation projects wherever possible. The work undertaken is thus directly relevant to the organisation and has the potential of delivering tangible return on the training investment
- *The Government Certificate of Competence in Purchasing and Supply* – is offered by the National School of Government and administered jointly by the National School of Government and the OGC, in conjunction with CIPS. The Certificate of Competence caters specifically for the needs of those working in the public sector and gives full exemption from CIPS Level 4 qualification
- *Local Government Certificate of Competence* – developed by the Improvement and Development Agency (IDeA), CIPS and supported by Society of Procurement Officers (SOPO), the programme consists of the CIPS Level 4 Foundation Diploma in Purchasing & Supply and 4 specific local government e-learning modules; 'The World of Local Government', 'Procurement Policy', 'Procurement Practice' and 'Getting Value for Money from Council Services'
- *Public Sector Faculty* – this new club for all procurement professionals working throughout the public sector aims to build a professional procurement community to help raise standards in the sector and promote procurement as a core specialism. Sponsored by the OGC it will have a dedicated area of the CIPS website which will offer members a 'virtual faculty' including news and features, Online CPD, Quarterly E-newsletter, Events and networking. Being part of the Faculty will give PSF members enhanced opportunities to network with their colleagues and peers across the public sector procurement community

The 4ps

Skills for Major Projects

4ps has continued to develop skills to enable local authorities to deliver complex projects more efficiently and effectively. Their skills development team will deliver some 200 events to 2,600 participants in 2007/2008, and has received good feedback from local authorities from the 750 events delivered since the start of the national capacity building programme. 4ps skills development has two overarching objectives:

- Building local authority capacity to deliver large complex PFI, PPP and other strategic partnership projects with the objectives of improving services
- Equipping local authorities with the strategic and governance skills to achieve the key procurement objectives by shaping the service strategy, including improving value for money

4ps skills development portfolio includes the following:

- *Strategic / Governance Programmes* – these events for members and senior managers enables local authorities to shape their service strategy by raising awareness and understanding of national policy in the local context and includes events on developing project bids and expressions of interest, defining their project and programme governance structures and improving value for money
- *Project Level Training* – consists of six modules, tied to the key developmental and procurement stages in a project lifecycle. 4ps aim is to deliver Project Team Training events ‘just in time’ to ensure that 4ps facilitates the development of the next stage of a project, and the local authority project team is well-placed to understand what is required of them as they move forward
- *Network based and Other Group Events* – 4ps has developed a number of courses which concentrate on the specific skills and technical expertise required to deliver successful projects enabling individuals to become informed and intelligent clients. Each course concentrates on raising the capacity of project team members in specialist subject areas as well as improving their knowledge of the latest developments in PFI and PPP such as Advanced Negotiation, Practical Implications of Competitive Dialogue and Project Finance
- *Operational Level* – through its work on the Operational Taskforce, 4ps has developed a programme which is designed to focus on the activities and processes which need to occur, or be in place, to ensure that the works and services for a project are successfully delivered in accordance with the contract and that an effective partnership is developed

There were a number of other key developments for 4ps skills development in 2007/2008, including:

- *Redesign of strategic level programme* – with the move to Local Area Agreements and Local Strategic Partnerships, 4ps will refine its courses for members and senior managers to enable them to shape the service strategies incorporating these new challenges

- *Third Sector Commissioning* – 4ps are consulting with other LGA bodies to assist in the design and development a programme of workshops for local authorities to improve their understanding and awareness of working with the 3rd Sector and to embed best practice leading to better commissioning
- *Standardisation of PFI Contracts* – 4ps are ensuring all project based courses have been redesigned to assist local authorities to manage the practical implications of the changes in the latest version

Gateway Reviews

4ps gateway reviews provide an independent assessment and external challenge for major projects at key decision points throughout their life. The process involves the use of peers (practitioners from local government and the wider public sector) supporting experienced accredited review team leaders. To date over 350 reviews have been performed on projects from over 130 authorities and involving more than 400 local authority officers as reviewers. Reviews have been undertaken in all major services sectors and in a wide range of County, District, Metropolitan and Unitary authorities. The reviews (free at the point of use) have been very well received with strong positive feedback being received from both those reviewed and those participating as reviewers.

4ps has been formally accredited as the provider of “OGC Gateway Reviews” in the local government sector. Further details, including support for major projects, can be found at: www.4ps.gov.uk

eProcurement

Considerable investment has taken place over the life of the NPS in guidance and encouragement for local authorities to modernise their procurement processes as part of the e-Government initiative.

Improving take-up of e-Procurement is an integral part of securing better outcomes and greater efficiency. E-procurement technologies are a vital tool in optimising efficiency in quotation, tendering and contracts management that represent 70%–80% of in house procurement costs. The use of e procurement systems also provides management information enabling effective targeting for further efficiencies to be achieved.

Although progress has been made the main challenge now is to ‘drive out’ the significant cost and efficiency benefits not yet realised by implementing the technology across the spectrum of local authorities’ activities.

The RCE PP supported the biggest ever national survey of e procurement technology take up in local government ever undertaken. Over 70% of the 388 Authorities surveyed responded. Early analysis of the results demonstrated the progress made and highlights the need for more concerted effort in this area throughout the CSR 07 period:

A Summary of take-up of e-procurement technology in local government has shown:

- 34% of orders are raised electronically
- 13% of orders are sent electronically
- 3% of invoices are received and processed electronically
- 34% of authorities use a Marketplace
- 18% of the potential Purchasing card transactions are being used.
- 6% of tenders are transacted electronically
- 3% of Requests for quotation are transacted electronically.
- 5% of contracts are managed electronically.

The use of e Procurement technology is developing and extending into construction, social care, performance management and multi-agency procurement.

Three new guides from the National eProcurement Project (NePP) on effective use of eProcurement have recently been completed and build on the bank of guidance produced by NePP over the life of NPS. NePP plans to roll out these guides during 07–08 through a series of focused workshops leading authorities to develop action plans to address their highest spend categories.

Society of Procurement Officers (SOPO)

The Society of Local Government Procurement Officers (SOPO) has been instrumental in facilitating and communicating good practice to its vast local government membership.

The Society was created by its members for its members, with a direct line of communication to procurement and contracts staff who will deliver the efficiency improvements within authorities. SOPO has become a vital tool in the spreading of good practice through its on-line discussion forum and programme of national and regional events.

While a range of organisations have done some excellent work over the National Procurement Strategy period, including providing tools to develop key skills and competencies, the next phase of improvement is to ensure that there is a structured implementation. SOPO will have a key role in ensuring its members are suitably trained to deliver the efficiency improvements that are required.

Chapter 2: Towards public service transformation

This Chapter provides a description of significant policy developments that affect, and will continue to influence, local authority procurement.

The Local Government White Paper

The *Local Government White Paper – Strong and Prosperous Communities*, was published in October 2006. Its principal aims were to enable effective local services and to create better places, through new relationships and better governance, by:

- Promoting more responsive services and empowered communities
- Advocating a stronger role for local authorities as leaders and place shapers
- Promoting stronger and more stable local authority leadership
- Supporting councillors in their role as democratic champions
- Fundamentally rebalancing the central-local relationship
- Promoting community cohesion
- Developing the economic prosperity of our towns, cities and regions

The White Paper provides a framework to support local authorities that are working hard to improve delivery and efficiency. It offers them new tools and increased flexibility to innovate. It also sets out effective challenges to those councils who are underperforming.

Chapter 7 of the White Paper specifically refers to the smarter procurement as a key driver for securing better outcomes and greater efficiency.

Implementation Plan

The Department has published two Implementation Plans for the Local Government White Paper, the first in January 2007 and the second in November 2007 setting out progress over the last year. These Plans set out how Government is playing its part, and the progress made over each of the five workstreams within the White Paper.

Key Implementation milestones from the latest Plan include the *Local Government and Public Involvement in Health Act 2007*. The legislation was introduced quickly to demonstrate Government's commitment to change. It received Royal Assent on 30 October 2007. Also, a package of guidance and other measures has been published enabling the delivery of a new framework for negotiating LAAs – giving local

government and partners the opportunity to negotiate ambitious plans to meet the needs and aspirations of their communities.

Comprehensive Spending Review 2007

The 2007 *Comprehensive Spending Review* (which covers the period 2008–09 to 2010–11) produces new challenges for the whole public sector as the drive to improve public services continues within a tight fiscal context. The 2007 Budget, published in March 2007, confirmed that the whole public sector – both central and local government – will be expected to achieve at least 3% per annum cash-releasing efficiency gains over the CSR07 period. In October 2007, the Department Published a Value for Money Delivery Plan which set out a route map for facilitating the delivery of 3% efficiencies in local government.

For councils, this increased expectation for efficiency gains will be coupled with a significant reduction of the number of targets and amount of reporting that central government has previously required. For instance, there will be no mandatory efficiency targets for individual councils and only the total sum of gains made will be reported through the National Indicator Set instead of current annual efficiency statement.

The professionalism of councils will be recognised by the new Performance Framework, which will focus on the successful delivery of key outcomes rather than the detail of processes. This should enable councils to really take the lead in developing their own solutions for their local priorities and to be seen as a prime mover in their locality.

Transformational Government

Advances in technology and new investment have generated significant improvements in public service delivery over recent years. But, there are still significant challenges. Many of these are complex, cross-cutting and often local: they cannot be solved by solutions imposed from the centre and the “one-size-fits-all” service models of old will no longer suffice.

Sir David Varney highlighted in his report on service transformation that historically services are delivered through organisations. Each service delivery solution was a child of its time and circumstances, with little over-arching view of the public sector’s relationship with the citizen. Consequently, public sector organisations tend to focus on delivery of their service in a way that meet’s their needs – a purely transactional relationship – rather than delivery of service to meet citizens’ needs.

There is an imperfect understanding of citizens’ needs, the services citizens use and how they want to access those services. Too much resource is consumed in dealing with initial failure demand from service delivery. In addition, councils have clearly said that to deliver the significant efficiency challenge from CSR07 they will need to collaborate with other councils and public sector agencies as they cannot deliver it individually.

To meet these challenges and deliver the transformed services and value for money that communities want, councils will have to challenge traditional methods of delivery. The best councils are already doing this. However, the pace of change needs to increase. This will mean councils and other public bodies working together to overcome administrative boundaries that sometimes act as a barrier to service transformation. It will mean sharing assets, systems, data, skills and knowledge more effectively, and keeping all council activity under review to root out waste and drive efficiency.

Meeting the Efficiency and Transformation Challenge

It follows that to enable more efficiency gains on the expected scale will require councils to innovate and take tough action. There must be a broadening and deepening of professionalism in the planning, delivery, management, and governance of change. Our aim is to work with councils to develop practical tools that will help them to do this.

A key step has been the launch, in March 2007, of the Business Improvement Package. The Package is intended to help councils assess the options for improvement and greater efficiency that exist and decide which are right for them. It is not a static tool, but one that is being enhanced with use, feedback and further development. The key areas included in the Package at the moment are:

- **Business Process Improvement (BPI)**

BPI is an approach that takes an end-to-end view of how every input and output in an entire delivery chain adds value for customers. It should help councils gain a better understanding of their organisation and where there are currently activities in place that do not add value or even distract from the desired focus

- **Service Transaction Costs and Access Channel Management**

There is practical guidance that will help councils better understand citizens' needs and preferences in accessing services, and assess how much it costs to deliver services across different channels. This should enable councils to develop and implement effective customer service delivery strategies that manage service demand and provide a business case for encouraging citizens to use cheaper access channels, including online

- **Shared Services and Collaboration**

Councils are encouraged to explore a partnership approach to service delivery with other local authorities and organizations in the public, private and/or voluntary and community sectors. Shared services and collaboration are seen as a principal option available to councils in seeking to achieve the twin objectives of improved service delivery and reduced costs across a wide range of services

The Government is also aiming to support more joint working at a local level through the improved arrangements for Local Area Agreements, the Performance Framework and the Audit Commission's Comprehensive Area Assessment work. Together, these should facilitate a greater focus for councils and their public sector partners on delivering better – and more efficient – outcomes for local people.

National Improvement and Efficiency Strategy

The National Improvement and Efficiency Strategy is a key part of the new, co-ordinated performance framework. It sets out a shared central-local government approach to supporting improvement and efficiency, which over the CSR 07 period will involve:

- Devolving more central resources as close to the front line as possible, creating space for greater local decision making by councils together with their partners
- Strengthening the lead role of councils working with partners to take greater responsibility for improvement
- Strengthening strategic planning of improvement needs, reflecting greater joint decision making on the use of resources
- Simplifying and rationalising the arrangements for offering improvement and efficiency support

Building on the commitment to make it easier for councils and their partners to access the right support at the right time, the Department and the LGA launched the *Prospectus* on 18 March. This document draws together comprehensively the improvement support that is available to help local authorities and partners meet the efficiency challenge, move beyond competence and importantly, deliver better public services.

Regional Improvement and Efficiency Partnerships (RIEPs) created by the merger of Regional Centres of Excellence and Regional Improvement Partnerships will be at the heart of arrangements for supporting local authorities and local partners. RIEPs have drawn up regional strategies in consultation with local authorities and partners to outline how they intend to respond to local and regional improvement priorities emerging from LAAs and joint challenges set out in this strategy, as well as how they intend to support localities in greatest need and use resources for the 2008/9–2010/11 period.

Commissioning

To support local government's community leadership role *Strong and Prosperous Communities – The Local Government White Paper* set out the need for local authorities to continue to move away from a narrow service delivery to a commissioning role. This mirrors moves elsewhere within the public sector and is designed to support a more strategic local government – delivering community-centred outcomes and working across public interests regardless of their management and funding (ie public, private or community economies).

The difference between commissioning and procurement

Procurement may traditionally be seen as the process involved in identifying and selecting a provider, which may involve, for example, competitive tendering and stimulating the provider market.

Commissioning is seen as a broader and deeper process of meeting needs for whole groups of service users and/or whole populations. It provides for a "whole

system” approach to developing improved outcomes, which links strategic objectives, the intermediate outcomes required from individual services and specific outputs required from delivery arrangements. It involves developing policy directions, service models and delivery capability to meet those needs in the most appropriate and cost effective way; and then managing performance and seeking service improvement through parallel management of various relationships with providers and partners.

This requires a broader understanding and proper consideration of the full range of possible delivery options, providers and partners through contracting, grants, shaping markets, partnerships, behavioural change and co-production with users and local communities.

Commissioning therefore requires a wider range of commercial and strategic skills including procurement and purchasing.

As part of an integrated local performance framework, the Department has now published a consultation draft for the statutory guidance on best value and commissioning⁴. This provides the key policy messages about commissioning and the link to the wider performance framework. The key messages of this draft guidance are that:

- Local Strategic Partnerships should regard themselves as strategic commissioners, turning their sustainable community strategies and Local Area Agreements into reality
- Commissioning is the means by which local authorities achieve positive outcomes for local communities and best value for citizens. This is determined through an active dialogue with local people and stakeholders
- Local authorities should separate their commissioning and delivery roles so that they are able to champion the interests of citizens in the former and to promote service improvement in the latter
- People and Places should be at the heart of commissioning, with users and communities involved at all stages of commissioning. Such involvement should deepen to the extent that local communities become co-producers of the services and outcomes they want to see
- Local authorities should recognise and embrace diversity in the way services are provided by focusing on outcomes. There should be a positive approach to achieving a mixed economy of services in a geographical or interest area
- Local authorities should represent the interests of citizens and service users when faced with under-performing services and where improvement is unlikely, seek new supply arrangements
- Local authorities should be sensitive towards the capacity of both small and medium enterprises and their counterparts in the third sector

⁴ “Creating Prosperous Communities Statutory Guidance: draft for consultation”, Communities and Local Government, November 2007. Consultation closed on 12th February 2008.

The Audit Commission have published proposals⁵ to assess the commissioning capability of local authorities, specifically whether local authorities “...commission and procure quality services that are sustainable, tailored to local needs and deliver better outcomes and value for money.” This addresses in particular whether:

- Commissioning is shaped by [the local authority's] priorities and a good analysis and understanding of local need
- Commissioning includes local people, partners and suppliers in the design of services and the appraisal of options
- The local authority understands the supplier market and seeks to influence and develop the market including building capacity of the third sector
- The local authority evaluates different options to choose the best way of delivering goods and services that are sustainable and provide value for money

The Government has also announced through the National Improvement and Efficiency Strategy that it will seek to invest in strengthening local government’s commissioning capacity and capability. This will include exploiting opportunities to develop and shape the market for strategic services in local government⁶. This encompasses considering ways to:

- Stimulate new markets in order to secure alternative provision and enable both commissioner and user choice in areas of local government which are currently uncontested or not fully contested; and
- Increase the capacity and competitiveness in existing supply markets, including streamlining procurement processes and cutting red-tape.

Third Sector

Communities and Local Government and large parts of the third sector share the same broad vision and aim of prosperous and cohesive communities. The Department’s Third Sector Strategy discussion paper (published June 2007) sets out options for how the Department proposes to improve its relationship with the third sector by:

- Improving ways of working with the sector
- Enabling the sector to be an effective local partner in place shaping
- Moving to a more strategic partnership and funding relationship with the sector
- Supporting sustainable investment in sector through community anchors

The Department’s Third Sector Strategy was in part informed by the third sector review in “The future role of the third sector in social and economic engagement”

5 “Use of Resources 2009, Comprehensive Area Assessment, Consultation”, Audit Commission, November 2007. Consultation closed on 15th February 2008.

6 See:

– Paragraphs 7.46-48 – “Strong and Prosperous Communities – The Local Government White Paper”, Communities and Local Government, October 2006.

– Developing the local government services market to support a long-term strategy for local government, Communities and Local Government, 2006.

which sets the vision for government working in partnership with the sector over the next 10 years.

The third sector has highlighted key challenges it faces in developing its role in public service delivery, in particular, administrative burdens of contracts, access to procurement opportunities, poor funding practices and commissioners' awareness of the capacity and needs of the sector. The work led by Cabinet Office to co-ordinate implementation of *Partnership in Public Services – an action plan for third sector involvement*, plays an important part of Government's work to address these barriers. This plan supports commitment for:

- Commissioners to be better skilled in commissioning from the third sector and a consistent approach to commissioning with the needs of the third sector at its heart
- Significant improvements in procurement practice, with three-year grant funding the norm, fewer burdens and new opportunities for the third sector to access contracts and demonstrate their added value
- Help for the third sector to innovate and support for the best of third sector innovation and
- A stronger role for the third sector in enabling people to hold public services to account

The NPS highlighted the potential role the third sector can play within a commissioning and procurement environment which supported a diverse supplier base and recognised the wider contribution providers can offer across local authorities' broader strategic objectives.

Evidence suggests that the proportion of procurement awarded to the third sector has increased from 6% in 2003 to 18% in 2006. This has been due in part to greater awareness of what the sector can offer, for example highlighting social enterprise in the Small Business Friendly Concordat and the work of sector champions like the North East RCE to influence commissioner behaviour; and, the ability of the sector to gain the skills and capacity to deliver and influence public services through for example financial and infrastructure support delivered by Future Builders and ChangeUP.

The Improvement and Development Agency (IDeA) has partnered with the Cabinet Office to deliver the third sector commissioning programme which will span health, DWP and NOMS as well as local government. Engagement in the design of the programme began in autumn 2007.

Asset Management

Central and local government both recognise that effective asset management plays a major role in delivering better outcomes for citizens, creating a sense of place and generating efficiency gains. Asset management should underpin and contribute to the delivery of the local vision and priorities set out in the Sustainable Community Strategy; the Local Area Agreement and the the Local Development Framework.

In the context of CSR07, a tighter settlement will require local government to consider the most effective use of its assets. This will include considering co-location of services, to improve outcomes; shared use of assets; working closely with community groups to best utilise assets; and reviewing the future of underperforming assets.

The Department recognises the importance of increasing property expertise within authorities and we will also encourage strategic decision making and partnership working particularly at senior management and member level. In particular, the Beacon Councils are carrying out a Peer Review in partnership with IDeA on a small number of authorities, while the North East and the East Midland RCEs have both worked alongside the Institute of Public Finance to pilot an asset management road show. In *'Opening the transfer window'* – the Government's response to the Quirk Review of community ownership and management of public assets, sets out how the government will implement the Quirk Review proposals. This includes improving and strengthening the asset management guidance currently available to local authorities by publishing new guidance early 2008. Work is underway with the LGA, RICS and CIPFA to develop guidance on asset management for local authorities.

The Audit Commission opened a consultation on use of resources for the first CAA judgements in November 2007. Under the proposals CAA would assess how local authorities work with the other local public agencies, the third sector and community groups to identify opportunities for using assets to deliver greater community benefit.

Local Government Trading

As part of a project to evaluate the local government procurement agenda ODPM (now Communities and Local Government) commissioned the Institute of Local Government Studies to conduct research examining local authority trading. The report (available at: <http://www.communities.gov.uk/publications/localgovernment/tradingresearchreport>) found that the authorities that did trade were clear about the benefits which included: making surpluses to invest (86%), providing challenge and avoiding complacency (84%) and retaining and motivating high calibre managers and staff (84%).

However, the report, taken together with other research undertaken by the Department and the LGA, does not provide clear evidence that trading under the new powers in the Local Government Act 2003 have been fully embraced by local authorities. The more enterprising councils will want to consider how they can best make use of the new powers to trade to exploit existing resources and service delivery capacity to realise financial and service quality benefits for their communities.

Reform of the EU Procurement Rules

Changes to Enforcement Regime

Following the adoption in 2004 of the revised Public Procurement Directives, the European Commission has turned its attention to the associated Remedies Directives, which provide a means of redress where suppliers are concerned there

has been a breach of the rules. To address the difficulty of ensuring that a contract award decision can be challenged before a contract comes into effect, the proposal introduces a ten calendar day standstill period to allow for challenges to the award decision before contract conclusion. The UK has already implemented such a standstill period although discussions will centre on how this applies to different kinds of procurements e.g. frameworks. Negotiations are expected to continue through to 2008.

Below Threshold Procurement

The European Commission released an Interpretative Communication in July 2006 to remind Member States of European Court of Justice rulings such as 'Telaustria' (C-324/98) that highlight that contracting authorities letting contracts outside of the full scope of the Directives, must nevertheless comply with the fundamental principles of the EC Treaty. The IC suggests best practice in order to help Member States reap the full benefits of the Internal Market and emphasises the need to encourage open, competitive and transparent award methods. The Office of Government Commerce (OGC) has produced a Procurement Policy Note (see: <http://www.ogc.gov.uk/documents/ProcurementPolicyThresholdProcurement.pdf>) on this issue.

Shared Services

The Government's reform and efficiency agendas have increasingly led public sector bodies to consider shared functions with other authorities. Such arrangements can be complex and require detailed consideration of the applicability of the public procurement Directives. Cabinet Office has published guidance on this, which can be found at: http://www.cio.gov.uk/documents/ss/eu_public_procurement_rules070325.pdf

The European Commission is also planning to release an Interpretative Communication on Institutionalised Public Private Partnerships (IPPPs), arrangements whereby public and private sector partners participate in the control of an entity. Part of this Communication will address how the rules apply to sharing arrangements between public sector bodies.

Equalities and Diversity

Important developments continue to take place in the equalities field. In December 2006 the public sector Disability Equality Duty came into force, followed in April 2007 by the public sector Gender Equality Duty. These join the existing public sector Race Equality Duty. All three duties require public bodies to pro-actively eliminate discrimination and harassment and promote equality and are supported by statutory Codes of Practice and guidance.

Furthermore, legislation prohibiting discrimination in the provision of goods, facilities and services on the grounds of religion or belief and sexual orientation came into force in April 2007 and the new Equality and Human Rights Commission became operational in October 2007.

In June 2007 the Government published "A Framework for Fairness: proposals for a Single Equality Bill for Great Britain" in which it stated the need for straightforward,

practical guidance for public authorities on procurement and the public sector equality duties agreed jointly between the Equality and Human Rights Commission and the Government. The Government also considers that further action is needed to encourage good practice in public sector procurement, simplify processes and explore the scope to develop streamlined approaches which minimise burdens on the private sector and public authorities alike.

By 2006 358 councils in England had adopted the Equality Standard for local government which was developed by the Employers Organisation (now part of IDEa), the LGA and the three equality commissions with significant input from the Audit Commission. Performance on the Standard has been a Best Value Performance Indicator (BVPI) for a number of years and councils cannot achieve levels 2 and 3 without taking on board equalities in procurement.

Level 2 requires that local authorities meet their legal duties on race, disability and gender equality, which includes taking the equality duties into consideration in procurement practices. There are five levels to the Standard. This is driving both interest and a demand for more support. IDEa has established a community of practice (including web tools) in the area. The community of practice (including longstanding procurement, equality, HR and policy officers) will help to improve the dissemination of learning. A national conference on equalities and procurement linked to the Equality Standard was held in June 2007 and further work is underway with the RCEs.

Sustainable Procurement

In *Securing the Future*, the Government reaffirmed its commitment to sustainable development, setting out a long-term strategic framework founded on a series of guiding principles and shared priorities⁷.

The consequences of ignoring sustainable development – of continuing to pursue economic growth without regard to the environmental and social consequences that growth can bring – would be severe. In the words of then Prime Minister Tony Blair:

“Make the wrong choices now and future generations will live with a changed climate, depleted resources and without the green space and biodiversity that contribute both to our standard of living and our quality of life. Each of us needs to make the right choices to secure a future that is fairer, where we can all live within our environmental limits. That means sustainable development.”

And the publication of the recent Stern Report⁸ and the recent work of the Intergovernmental Panel on Climate Change⁹ show that the challenge posed by climate change in particular becomes ever more serious.

7 *Securing the future – delivering UK sustainable development strategy* – 2005 – <http://www.sustainable-development.gov.uk/publications/uk-strategy/index.htm> The five guiding principles are: living within environmental limits; ensuring a strong, healthy and just society; achieving a sustainable economy; promoting good governance; and using sound science responsibly. The four shared priorities are: sustainable consumption and production; climate change and energy; natural resource protection and environmental enhancement; and sustainable communities.

8 http://www.hm-treasury.gov.uk/independent_reviews/stern_review_economics_climate_change/stern_review_report.cfm

9 <http://www.ipcc.ch/activity/ar.htm>

Local government has a crucial role to play in tackling climate change and helping society move towards more sustainable modes of development. It can show leadership in its community, influencing the behaviour of local citizens. It can shape its services and influence those of local partners to create solutions which are joined up, integrating the economic, environmental, and social priorities of local areas to create sustainable communities. Local authorities can also make a real difference in the way that they conduct their own operations – reducing their carbon footprint, and buying goods and services which will promote sustainable development locally and transform the supply chains supporting the national economy.

Many local authorities are already setting a powerful example, not only to other authorities but to central government and the wider public sector too.

But it is vital that all authorities follow the lead set by those authorities who are pioneering sustainable procurement. A sustainable procurement strategy for local government has therefore been developed by a task group led by Roger Latham, Chief Executive of Nottinghamshire County Council, with the support of the RCEs and IDeA. The Strategy was launched on 30 November 2007 alongside the health and social care response. The Local Government Strategy will be followed by a more detailed implementation route-map.

Chapter 3: Milestone progress

Key theme: providing leadership and building capacity

The strategic objective is that there should be a commitment from the top of each council (leader, chief executive, procurement champion) to procurement excellence by managing it strategically and resourcing it adequately.

Achievements – providing leadership and building capacity

Milestone	What councils should be doing	Baseline 2000	INLOGOV 2004	INLOGOV 2005	INLOGOV 2006	Status
<p>Corporate procurement strategy</p> <p>By 2004 every council should adopt a corporate procurement strategy, based on a Best Value or other review.</p> <p>The strategy should be owned by members and senior managers and its implementation regularly monitored.</p>	<p>Demonstrate political leadership of procurement.</p> <p>Demonstrate managerial leadership of procurement.</p> <p>Implement a corporate procurement strategy.</p> <p>Establish a centre of expertise in procurement and project management.</p>	<p>One quarter of English councils (27 per cent) have a written procurement strategy in place.</p> <p>Members reported as being 'strongly involved' in the development of the strategy in 13 per cent of cases.</p> <p>28 per cent of councils have a chief officer on the corporate management team strongly involved in strategy development.</p> <p>Around a third of councils have a 'central procurement unit' (CPU). Most often, the CPU's role is confined to letting and managing corporate contracts and framework agreements for commodity goods and services.</p>	<p>Over two thirds of councils (68 per cent) report having a procurement strategy.</p> <p>In only 45 per cent of cases is the procurement strategy reported to be in full effect; 22 per cent approved but not implemented; 31 per cent in preparation.</p> <p>Councils were asked to rate their strategy is 'owned by political and managerial leaders' and whether it is 'widely understood'. A score of '1' represented 'not at all' and '5' represented 'completely'.</p> <p>62 per cent of councils rate ownership by political and managerial leaders at 4 or 5. The corresponding figure for effective implementation is 40 per cent.</p>	<p>Two thirds of councils (65 per cent) report having a procurement strategy in full effect.</p> <p>A further 22 per cent have approved a strategy but not implemented it.</p> <p>60 per cent of councils rate ownership by political and managerial leaders at 4 or 5. The corresponding figure for effective implementation is 51 per cent.</p>	<p>No comparable data available.</p> <p>57 per cent of councils rate ownership by political and managerial leaders at 4 or 5. The corresponding figure for effective implementation is 41 per cent.</p>	<p>● (Green)</p>

Milestone	What councils should be doing	Baseline 2000	INLOGOV 2004	INLOGOV 2005	INLOGOV 2006	Status
Health checks – single tier and county councils By 2005 every single tier and county council should carry out a health check on progress against this National Strategy and the associated guidance as part of their corporate procurement strategy.		N/A. Introduced through NPS.	Half of all single tier and county councils (52 per cent) completed INLOGOV's self-assessment questionnaire.	89 per cent of councils measure progress against NPS milestones.	100 per cent of councils measure progress against NPS milestones	● (Green)
Health checks – districts By 2006 every district council should have carried out a health check on progress against this National Strategy and the guidance endorsed by it as part of their corporate strategy.		N/A. Introduced through NPS.	A third of all district councils (34 per cent) completed INLOGOV's self-assessment questionnaire.	54 per cent of districts measure progress against NPS milestones.	65 per cent of districts measure progress against NPS milestones	● (Green)

Milestone	What councils should be doing	Baseline 2000	INLOGOV 2004	INLOGOV 2005	INLOGOV 2006	Status
<p>Regional centres of excellence</p> <p>By 2005 every council should be involved with a regional centre of excellence in procurement and project management.</p>		<p>RCEs established in 2004 in response to NPS and Efficiency Review.</p>	<p>14 per cent of councils report having worked with their RCE in 2003–04 to improve their procurement performance.</p> <p>66 per cent have worked with their RCE on joint procurement in 03–04 and 55 per cent plan to do so in 2004–05.</p>	<p>41 per cent of councils have worked with their RCE to improve overall procurement performance.</p> <p>42 per cent have worked with their RCE on developing eProcurement.</p> <p>30 per cent have worked with their RCE on the co-ordination of demand and 35 per cent on joint procurement with other public sector partners in the region.</p>	<p>46 per cent of councils have worked with their RCE to improve overall procurement performance.</p> <p>43 per cent have worked with their RCE on developing eProcurement.</p> <p>31 per cent have worked with their RCE on the co-ordination of demand and 31 per cent on joint procurement with other public sector partners in the region.</p>	<p>● (Amber)</p>

Key theme: partnering and collaboration

The strategic objective of partnering is the delivery of better services to citizens through the creation of sustainable partnerships between councils and suppliers in the public, private, social enterprise and voluntary sectors for the delivery of services and the carrying out of major projects, including construction.

The strategic objective of collaboration is to obtain better value by bringing councils and other public bodies together at local, regional and national levels to combine their buying power and create shared services.

Achievements – partnering and collaboration

Milestone	What councils should be doing	Baseline 2000	INLOGOV 2004	INLOGOV 2005	INLOGOV 2006	Status
<p>Strategy – partnering</p> <p>By 2004 every council's procurement strategy should set out the council's approach to partnering in service delivery and construction projects.</p>		N/A.	<p>Of those councils with a procurement strategy in full effect, more than half (55 per cent) refer to service delivery partnering in general terms in their strategy and 38 per cent mention it specifically with targets.</p> <p>Almost half (46 per cent) refer to construction partnering in general terms in the procurement strategy and 31 per cent mention it specifically with targets.</p>	<p>44 per cent refer to service delivery partnering in general terms in their strategy and 52 per cent mention it specifically with targets.</p> <p>A third of councils (33 per cent) report that their procurement strategy refers specifically to partnering in construction with examples or targets for achievement.</p>	<p>55 per cent refer to service delivery partnering in general terms in their strategy and 31 per cent mention it specifically with targets.</p> <p>44 per cent of councils report that their procurement strategy refer to construction partnering in general terms and 24 per cent cover it specifically with examples or targets.</p>	<p>● (Amber)</p>
<p>Strategy – collaboration</p> <p>By 2004 every council's corporate procurement strategy should set out the council's approach to collaboration (including purchasing consortia, joint procurement and commissioning and shared services), and how it intends to use the new trading powers.</p>		N/A.	<p>Where the procurement strategy is in full effect, most councils (83 per cent) set out their approach to collaboration (but only 37 per cent do so specifically and with targets or examples)</p> <p>29 per cent refer to trading in the strategy. Only 6 per cent do so specifically.</p>	<p>55 per cent of councils set out their approach to collaboration specifically and with targets or examples</p>	<p>40 per cent of councils set out their approach to collaboration specifically and with targets or examples</p>	<p>● (Amber)</p>

Milestone	What councils should be doing	Baseline 2000	INLOGOV 2004	INLOGOV 2005	INLOGOV 2006	Status
<p>Option appraisal</p> <p>By 2004 every Best Value Review or strategic review of a service should include a robust and challenging appraisal of the different service delivery models available.</p>	<p>Carry out a challenging option appraisal.</p> <p>Examine partnering models.</p> <p>Consider uses of the new trading powers.</p> <p>Examine opportunities for collaborative procurement of partnerships.</p>	<p>In most councils option appraisal consists of no more than 'weighing up the advantages and disadvantages of different service models, and of making or buying the service in question'.</p>	<p>Most councils (87 per cent) have published 'make or buy' guidance in a policy, manual or in another way.</p> <p>Where the procurement strategy is in full effect the great majority (84 per cent) cover option appraisal in best value reviews in the procurement strategy, but only half of these do so specifically and with targets.</p>	<p>89 per cent of councils' procurement strategies cover option appraisal in best value reviews but of these only 43 per cent cover it with examples or targets.</p>	<p>75 per cent of councils' procurement strategies cover option appraisal in best value reviews but of these only 32 per cent cover it with examples or targets</p>	<p>● (Amber)</p>
<p>Streamlining the procurement process</p> <p>By 2005 the average time taken from Official Journal of the European Union (OJEU) notice to contract award in a project of more than one year's duration should be reduced by 10 per cent on the 2003 base.</p> <p>By 2006 the average time taken from OJEU notice to contract award in a project of more than one year's duration should be reduced by 25 per cent on the 2003 base.</p>	<p>Follow best practice in the partnership procurement process.</p> <p>Adopt a structured approach to project and risk management.</p> <p>Implement a gateway review process.</p> <p>Streamline procurement processes.</p> <p>Build continuous improvement into contracts.</p> <p>Manage relationships as well as the contract.</p>	<p>N/A.</p>	<p>17 per cent of councils have set targets for the speed of the procurement process.</p>	<p>A third of councils (34 per cent) measure the speed of the procurement process and 24 per cent have set targets for this.</p>	<p>28 per cent of councils report measuring the speed of the procurement process.</p> <p>19 per cent of councils report having decreased the average time from OJEU to award by 0-25 per cent compared to 2003 base.</p>	<p>● (Red)</p>

Milestone	What councils should be doing	Baseline 2000	INLOGOV 2004	INLOGOV 2005	INLOGOV 2006	Status
<p>Collaboration</p> <p>By 2005 smaller district councils without dedicated procurement resources of their own, should be collaborating with others, through the regional centres of excellence, to create shared services for procurement and project management.</p>	<p>Procure and commission jointly.</p> <p>Make best use of purchasing consortia.</p> <p>Open framework agreements.</p> <p>Use eMarketplaces.</p>	<p>Less than half of all councils (43 per cent) report using purchasing consortia.</p> <p>A third (31 per cent) make use of central government frameworks.</p> <p>23 per cent of councils report buying on behalf of another council.</p>	<p>The majority (76 per cent) of councils are involved in using consortia and 19 per cent are considering it.</p> <p>Around a third (34 per cent) reported involvement in joint commissioning of health and social care (11 per cent considering).</p> <p>31 per cent are involved in other joint procurement of services (18 per cent considering).</p> <p>For construction it is 21 per cent (32 per cent considering it).</p> <p>29 per cent of councils share a procurement function with other councils.</p>	<p>73 per cent of councils report involvement in a consortium.</p> <p>35 per cent are involved in the joint commissioning of health and social care.</p> <p>More than half (59 per cent) are involved in the joint commissioning or procurement of other services.</p> <p>21 per cent of councils are involved in the joint commissioning and procurement of construction services.</p> <p>32 per cent of councils share a procurement function with other councils.</p>	<p>71 per cent of councils report involvement in a consortium.</p> <p>27 per cent are involved in the joint commissioning of health and social care.</p> <p>More than half (54 per cent) are involved in the joint commissioning or procurement of other services.</p> <p>27 per cent of councils are involved in the joint commissioning and procurement of construction services.</p> <p>38 per cent of councils share a procurement function with other councils</p>	<p>● (Amber)</p>


Key theme: doing business electronically

The strategic objective are:

- to achieve efficiencies in the procure-to-pay cycle including reduction in cycle time and transaction costs. This will free resources that can be directed into frontline public services.
- to use eMarketplaces to assist councils to access framework agreements and contract.

Progress will be monitored by means of BVPI 157 which includes eProcurement as one of the transaction types that should be carried out electronically by 2006. Take up of National eProcurement Project deliverables will be measured through the Implementing Electronic Government process.

Achievements – doing business electronically

Milestone	What councils should be doing	Baseline 2000	INLOGOV 2004	INLOGOV 2005	INLOGOV 2006	Status
Strategy – eProcurement By 2005 every council should have implemented an appropriate eProcurement solution as part of its eGovernment programme.	Develop an eProcurement strategy. Build a business case for eProcurement, Work with suppliers to promote adoption. Implement the solution that is right for your council.	45 per cent of councils state that they have not/will not address eProcurement in their corporate procurement strategies. 11 per cent report using eTendering.	The great majority of councils (80 per cent) report that their procurement strategy specifically addresses eProcurement (69 per cent in the case of districts). 24 per cent use eTendering. 13 per cent use eAuctions. 59 per cent of councils use online catalogues.	91 per cent of councils' procurement strategies specifically address eProcurement (88 per cent in the case of districts). 17 per cent use eTendering. 33 per cent use eAuctions. 50 per cent use online catalogues.	89 per cent of councils' procurement strategies specifically address eProcurement (same proportion for districts). 31 per cent use eTendering. 35 per cent use eAuctions. 57 per cent use online catalogues.	 (Amber)


Milestone	What councils should be doing	Baseline 2000	INLOGOV 2004	INLOGOV 2005	INLOGOV 2006	Status
Procurement cards By 2005 for low value purchase, every council should be making appropriate use of a procurement card, the Government Procurement Card (GPC) or a suitable electronic alternative.	Use procurement cards appropriately.	13 per cent of councils report using procurement cards.	49 per cent of councils report using a procurement card.	47 per cent of councils report using a procurement card.	51 per cent of councils report using a procurement card.	● (Amber)
eMarketplaces By 2006 every council should be using an appropriate eMarketplace.		N/A	19 per cent use an eMarketplace.	16 per cent use an eMarketplace.	22 per cent use an eMarketplace.	● (Red)



Key theme: stimulating markets and achieving community benefits

The strategic objectives are that councils should:

- engage actively with suppliers
- use procurement to help deliver corporate objectives including the economic, social and environmental objectives set out in the community plan.



Achievements – stimulating markets and achieving community benefits

Milestone	What councils should be doing	Baseline 2000	INLOGOV 2004	INLOGOV 2005	INLOGOV 2006	Status
Strategy – community benefits By 2004 all corporate procurement strategies should address – <ul style="list-style-type: none"> • the relationship of procurement to the community plan, workforce issues, diversity and equality and sustainability. 	Build diversity and equality considerations into procurement processes and contracts, where relevant to contract.	N/A	30 per cent of councils make specific reference to the community strategy in the procurement strategy (56 per cent mention it in general terms). Sustainability is covered specifically by 42 per cent (generally by a further 54 per cent). In 45 per cent of cases there is only a general reference to workforce consultation; specific reference is made by 28 per cent. 34 per cent specifically address equalities (another 58 per cent cover it generally). 58 per cent of all councils have used CRE guidance on Race Equality and Procurement to set standards.	27 per cent of councils see procurement as very important in delivery of community objectives. Sustainability is covered specifically with examples or targets by 46 per cent of councils. In 47 per cent of cases there is only a general reference to workforce consultation; specific reference is made by 30 per cent. 40 per cent address equalities specifically with examples or targets. N/A	18 per cent of councils see procurement as important in delivery of community objectives. Sustainability is covered specifically with examples or targets by 48 per cent of councils 26 per cent of councils measure performance on sustainability objectives In 35 per cent of cases there is only a general reference to workforce consultation; specific reference is made by 27 per cent. 36 per cent address equalities specifically with examples or targets. 28 per cent of councils measure performance on diversity and equality objectives.	 (Amber)

Milestone	What councils should be doing	Baseline 2000	INLOGOV 2004	INLOGOV 2005	INLOGOV 2006	Status
Strategy – contestability and choice By 2004 all corporate procurement strategies should address: <ul style="list-style-type: none"> how the council will encourage a diverse and competitive supply market, including small firms, social enterprises, ethnic minority businesses and voluntary and community sector suppliers. 	Build choice into the procurement process. Promote a diverse and competitive market.	N/A	Where the procurement strategy is in full effect, 17 per cent mention specifically (with targets) the role of the voluntary sector in their strategy and 55 per cent refer to this in general terms.	26 per cent of councils refer specifically (with targets) to the role of the voluntary sector.	44 per cent of councils measure their performance on procurement from SMEs; 18 per cent measure performance on procurement from the voluntary sector.	 (Amber)
Workforce issues From 2003, where relevant, all councils shall consult staff during procurement projects and build employment into considerations into procurement processes and contracts, where relevant to contract.	Consult staff and build employment considerations into procurement processes and contracts, where relevant to contract.	N/A	Where the procurement strategy is in full effect, 28 per cent specifically mention (with targets or examples) staff consultation on employment issues and 45 per cent refer to it in general terms. Around two thirds of councils indicate that they consult the workforce in defining needs, developing the business case and the procurement approach. Workforce matters are addressed in contracts by 69 per cent in the case of services and 52 per cent for works.	Where the procurement strategy is in full effect, 32 per cent specifically mention (with targets or examples) staff consultation on employment issues and 46 per cent refer to it in general terms. Around one third of councils indicate that they consult the workforce in defining needs, developing the business case and the procurement approach. Workforce matters are addressed in contracts by 69 per cent in the case of services and 52 per cent for works.	57 per cent of councils consult the workforce at the needs assessment stage and around one third do so at other stages. 67 per cent of councils involved in transfers report that affected staff were strongly involved. 22 per cent specifically mention (with targets or examples) staff consultation on employment issues and 35 per cent refer to it in general terms. Workforce matters are addressed in contracts by 67 per cent in the case of services and 51 per cent for works.	 (Green)

Milestone	What councils should be doing	Baseline 2000	INLOGOV 2004	INLOGOV 2005	INLOGOV 2006	Status
<p>Sustainability</p> <p>By 2004 every council should build sustainability into its procurement strategy, processes and contracts.</p>	<p>Adopt whole life costs and benefits as your contract award criteria.</p> <p>Implement sustainable design and sustainable procurement strategies and build sustainability into procurement processes and contracts, where relevant to contract.</p>	<p>81 per cent of councils cover environmental issues in specifications and 53 per cent do so in contract conditions.</p> <p>78 per cent consider environmental issues in bid evaluation.</p>	<p>Approaching half of councils with a procurement strategy in full effect (49 per cent) address sustainability when assessing needs. Engagement continues through designing services, shortlisting suppliers, evaluating bids and monitoring performance.</p> <p>36 per cent of councils report that procurement is very important in delivery of sustainability objectives.</p>	<p>Approaching half of councils with a procurement strategy in full effect (42 per cent) address sustainability when assessing needs. Engagement continues through designing services, shortlisting suppliers, evaluating bids and monitoring performance where the percentage of councils addressing sustainability in relation to those matters never falls below 43 per cent.</p> <p>32 per cent of councils report that procurement is very important in delivery of sustainability objectives.</p>	<p>Half of councils address sustainability in all their contracts when assessing needs. Engagement continues through designing services, shortlisting suppliers, evaluating bids and monitoring performance where the percentage of councils addressing sustainability in relation to those matters never falls below 43 per cent.</p> <p>32 per cent of councils report that procurement is very important in delivery of sustainability objectives.</p>	<p>● (Amber)</p>
<p>SME sector</p> <p>By 2005 every council should have signed up to the national concordat for SMEs.</p>	<p>Sign up to a 'concordat' for small and medium sized enterprises in the community.</p>	<p>N/A. National concordat and guidance published in 2005.</p>	<p>N/A</p>	<p>27 per cent of councils report having signed up to the national concordat. A further 37 per cent anticipate doing so before the end of the financial year.</p>	<p>65 per cent of councils report having signed up to the national concordat. A further 25 per cent anticipated signing by the end of the financial year.</p> <p>44 per cent of councils measure the proportion of procurement from SMEs.</p>	<p>● (Green)</p>
<p>Voluntary and community sector</p> <p>By 2004 every council should conclude a compact with the local voluntary and community sector.</p>	<p>Develop a local compact with the voluntary and community sector.</p>	<p>N/A</p>	<p>18 per cent of all councils have an approved compact.</p>	<p>More than half (55 per cent) of all councils have an approved compact. A further 8 per cent have a compact in preparation which they anticipate will be approved in the following year.</p>	<p>Two thirds (65 per cent) of councils have an approved compact. A further 5 per cent have a compact in preparation which they anticipate will be approved in the following year.</p>	<p>● (Green)</p>

Milestone	What councils should be doing	Baseline 2000	INLOGOV 2004	INLOGOV 2005	INLOGOV 2006	Status
<p>'Selling to...' guide and bidding opportunities</p> <p>By 2004 every council should publish a 'Selling to the council' guide on its corporate website together with details of bidding opportunities and contact details.</p>	<p>Publish a 'Selling to the Council' guide.</p> <p>Develop suppliers</p>	N/A	<p>23 per cent of councils publish a guide on the internet alone; another 23 per cent have one on paper as well as the internet. 5 per cent have produced it on paper alone.</p> <p>51 per cent of the councils with a guide report providing information on bidding opportunities and 20 per cent list their prime contractors.</p>	<p>85 per cent of councils report having published a "Selling to the Council" guide, with 45 per cent doing so on the internet, 4 per cent doing so on paper and 36 per cent publishing version on both the internet and on paper.</p>	<p>93 per cent of councils have published information on the internet.</p>	<p>● (Green)</p>
<p>Marketing the council</p> <p>By 2004 procurement processes for partnerships should include:</p> <ul style="list-style-type: none"> ● issuing an information memorandum to prospective bidders setting out the background to the project, the council's objectives and an outline of the procurement process and timetable, with roles and responsibilities made clear. 	<p>Market the council to suppliers.</p>	N/A	<p>40 per cent of councils provide information memorandums to prospective bidders.</p>	<p>41 per cent of councils provide information memorandums to prospective bidders.</p>	<p>54 per cent of councils provide information memorandums to prospective bidders.</p>	<p>● (Green)</p>

Milestone	What councils should be doing	Baseline 2000	INLOGOV 2004	INLOGOV 2005	INLOGOV 2006	Status
Community benefits By 2005 every council should include in invitations to tender/negotiate for partnerships a requirement on bidders to submit optional, priced proposals for the delivery of specified community benefits which are relevant to the contract and add value to the community plan.	Invite proposals for the delivery of community benefits.	N/A	20 per cent of councils include, as standard, issues of community well-being in services and works contracts. 10 per cent do so for goods.	25 per cent of councils include, as standard, issues of community well-being in services contracts and 22 per cent in works contracts. 13 per cent do so for goods.	28 per cent of councils include, as standard, issues of community well-being in services contracts and 23 per cent in works contracts. 13 per cent do so for goods.	 (Amber)
Supply chain management By 2004 procurement processes for partnerships should include: <ul style="list-style-type: none"> • inviting bidders to demonstrate their track record in achieving value for money through effective use of their supply chain, including use of small firms; this should continue to be examined as part of contract management. 	Develop supply chain partnerships.	N/A	27 per cent of councils ask bidders for supply chain frameworks which indicate how SMEs will be supported.	34 per cent of councils ask bidders for supply chain frameworks which indicate how SMEs will be supported.	38 per cent of councils ask bidders for supply chain frameworks which indicate how SMEs will be supported.	 (Amber)

Chapter 4: Conclusions and next steps

Over its three-year life the *National Procurement Strategy* has achieved considerable successes. The strategic approach to procurement introduced by the NPS has become firmly embedded with the support of national programmes and the Regional Centres of Excellence.

The Strategy created a platform first for the realisation of efficiency gains through smarter procurement. Latterly, through the promotion of greater collaboration and sharing of services, it has laid the foundations for the next phase: the transformation of local public services. Communities and Local Government and our partners will work with local authorities to underpin a radical value for money programme to deliver the ambition set out in the 2007 Budget of at least 3% annual cashable efficiencies over the financial years covered by CSR07. Whether delivered through smarter procurement, re-engineering services or any other innovative approaches, efficiency will continue to be a powerful lever towards a better deal for our citizens.

While priority has been accorded to the delivery of efficiency gains, the role of procurement in the promotion of the economic, social and environmental well-being of communities has remained a central feature of the Strategy. In the sustainable procurement arena (this includes, for example, progress by councils in adopting the principles of the Small Business Friendly Concordat) there is evidence of increasing appreciation and commitment to addressing social, economic and environmental issues through procurement. These developments bode well in the context of the key messages of the *Local Government White Paper* – the call to all councils to secure more responsive services and enable empowered communities.

The National Improvement and Efficiency Strategy is a key part of the new, co-ordinated Local Performance Framework. Over the CSR07 period, the Regional Improvement and Efficiency Partnerships (RIEPs) will be at the heart of arrangements for supporting local authorities and local partners. Regional Strategies produced by the RIEPs outline how they intend to respond to local and regional improvement priorities emerging from LAAs and joint challenges set out in this strategy, as well as how they intend to support localities in greatest need and use resources for the 2008/9–2010/11 period.

Work does not cease with the end of the *National Procurement Strategy*. The development of procurement capability has a crucial role in:

- Supporting local authorities to identify and realise efficiency gains, including in their supply base and working with suppliers to control costs¹⁰. There is indeed a strong incentive to improve value for money because of the tight fiscal environment in CSR07 and growing expectations from local service users and taxpayers

10 *“Delivering Value for Money in Local Government: Meeting the challenge of CSR07”*, Communities and Local Government, October 2007.

- Supporting local government’s commissioning role, alongside other disciplines and professions, in helping to provide a range of commercial and market shaping skills to assist local authorities lever capacity a range of partners¹¹ through a variety different forms of relationships – *grants, devolved budgets, contracts, joint ventures, partnerships and shaping markets* to help deliver local area agreements. The National Improvement and Efficiency Strategy identified building commissioning capacity as a priority area to support local government and its partners in community partnership. To meet this aim Communities and Local Government, DCSF and DoH are working together with local authorities and NHS bodies to formulate a strategy to develop such capability across local government. Among other things, this strategy will address providing a common understanding of commissioning for commissioners, partners and providers.

In addition procurement has a role in addressing a number of cross-cutting issues facing local authorities, notably Sustainable Procurement. This includes equalities and diversity and the engagement of the third sector. The Local Government Sustainable Procurement Strategy was launched on 30 November 2007. The Local Government sector is now developing its implementation route-map to support councils implement the Strategy.

Comment on the ‘red’ milestones

At the end of the Strategy period there are a few milestones on which there has been comparatively small take up in local government. These milestones relate to two areas; the speed of procurement processes and using an appropriate e-Marketplace.

1. Average Time taken from Official Journal of the European Union (OJEU) notice to contract award

As the National Strategy took account of the emerging public sector efficiency agenda two milestones were set as potential drivers for swifter (and compliant) procurement processes. While some authorities have reported achievement of the specific targets covering 2005 and 2006, research suggests that the majority have not.

To assist consideration on the performance against these milestones, the Department considered research findings and also asked some experienced practitioners for their view.

It seems likely that there are some potential barriers to reducing procurement timescales. For example:

- OJEU notices tend by definition relate to costly procurements. The greater the cost of the item/service to be procured, the more time the procurement process is likely to take.
- The legal complexity of the procurement Regulations. Some local authority officers see the public procurement regulations as complex and, as a result treat procurement processes for (especially) large projects with caution. This contributes to longer overall procurement timescales.

¹¹ For example, other statutory partners, local businesses, social enterprises and community organisations, other communities of interest and place, alternative service providers from the public, private and third sectors; and in-house service teams.

- Lack of client side capacity and resources may also be an influencing factor.
- There is a need to take account of increasing local authority purchasing through frameworks and consortia.

Moving forward, there are opportunities over the CSR07 period for authorities to secure improvement against the general objective of reducing procurement timescales. Ways councils can support further improvement, broadly, include:

- Good pre-procurement planning (putting in the time and effort before the OJEU), adoption of standard contract documents and streamlined processes, intelligent use of advisers (legal and financial) and good negotiating skills – these elements should help underpin further improvement in this area.
- Local authorities can also take advantage of provisions under the Procurement Regulations. These offer reduced timescales where certain conditions have been met. For example, under the restricted procedure, the 37 days for expressions of interest can be reduced by 7 days where the notice has been issued electronically. Also, the 40 days period for return of tenders can be reduced by 5 days where all the documentation has been made freely available on line. Further opportunities for reducing timescales are also available.

The revised EU procurement rules specifically refer to framework agreements. Local authorities can speed up procurement processes through taking up frameworking opportunities and other approaches to collaborative procurement.

2. Councils to be using an appropriate e-Marketplace

This milestone falls under the NPS strategic objective of 'doing business electronically.'

Although progress has been made by councils in implementing various forms of e-Procurement, this Report earlier noted that the main challenge now is to 'drive out' the significant cost and efficiency benefits not yet realised. This includes implementing e-procurement technology across the spectrum of local authorities' activities.

The data from INLOGOV, which underpins this Report, states that 22 per cent of councils use an e-marketplace. This contrasts with early analysis of the data from the national survey of e-procurement take up in local government, which suggests that 34% of authorities use Marketplaces.

However, the results of both the INLOGOV and national e-procurement surveys point to the fact that more progress can be made. There is a need for more concerted effort in applying e-Procurement throughout the CSR07 period.

To support this, three new guides from the National eProcurement Project (NePP) on effective use of eProcurement have recently been completed and build on the bank of guidance produced by NePP over the life of NPS. NePP plans to roll out three new guides on effective use of e-Procurement during 2007–08 through a series of focused workshops leading authorities to develop action plans to address their highest spend categories.

Work will also continue on developing a multi-agency approach to procurement in the Core Cities together with an analysis of the benefits of using Business Process Improvement techniques to gain efficiencies from redesigned procurement processes.

Annex 1: Achievements of the RCEs

Regional Centres of Excellence Procurement Programme

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Local government procurement is undergoing little short of a revolution as it takes an increasingly important role in the transformation of our public services. The Local Government White Paper set out a number of policy initiatives designed to facilitate greater efficiency gains in the sector. One such initiative is the Regional Centres of Excellence Procurement Programme.

The programme was created to unlock millions of pounds in efficiencies in the circa £45 billion that local government spends annually on buying the goods and services necessary for it to function effectively. The principle behind the programme, which was launched via high profile campaign in Autumn 2006, is simple. Evidence shows that there is considerable scope to reduce the cost of many of these commodities thereby releasing resources to protect front-line services.

A cornerstone of the programme is comprehensive and accurate market intelligence.

Using this evidence, the programme has identified and promoted the very best deals and procurement practice to local government in a host of commodity areas, from energy, postal services and construction materials to temporary staff, ICT hardware and fleet, where significant savings can be made. The programme is also promoting radical approaches to construction which accounts for 30% of all third party contract spend and the use of innovative costing tools to moderate wide price variations in care markets. Another element of the programme is what can be described as the procurement landscape. Currently, procurement expertise is spread unevenly across England's local authorities resulting in a postcode procurement lottery. To ensure that all contract spend in all authorities secures outstanding value for money, the programme has encouraged the greater use of professional buying organisations and the development of procurement hubs to concentrate and strengthen expertise for councils at local, regional and national levels.

The creation of the RCE Procurement Programme also facilitated a new dialogue between the stakeholders with an interest in supporting local government in its efficiency drive. Organisations such as the Office of Government Commerce

and the principal local government buying organisations are working together to promote the best deals and help local authorities migrate spend onto new contracts in key markets. They are opening up their contracts to all local authorities, so that geographical location will no longer be a barrier to accessing outstanding deals.

Achievements of the East of England RCE

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A round of spend analysis data gathering has been completed which has been fed back to authorities at an individual, sub-regional and region-wide level. A variety of projects have been developed based on this data including working with BT on billing efficiencies, training on purchasing cards and exploring a new regional framework for legal services.

The Centre is supporting the North Essex Procurement Hub, which is already providing numerous benefits to its members. Many district councils are simply not large enough to warrant their own procurement units and could miss out on efficiency gains as a result. The procurement hub provides the ideal solution to this dilemma.

Public sector bodies are being encouraged by Government to pursue more collaborative forms of construction procurement in line with the “Rethinking Construction” principles. These principles stress the importance of procurement in improving efficiency. Local Authorities within the Eastern region, the Centre and the Association of Chief Corporate Property Officers (COPROP) have come together to develop a plan for a regional joint procurement consortium, including constructors and materials suppliers, for the procurement of capital works. The result is a jointly owned and managed not for profit limited liability company SmartE East.

The first framework has now been let and a second is currently out to tender. The project was officially launched at the House of Lords in January.

Market forces indicate a trend towards waste service provision by fewer and larger companies thereby setting contract pricing challenges and affecting the potential to achieve efficiency gains. Babergh and Mid Suffolk District Councils came together and, with the backing of the Centre, were able to establish a ground breaking contract for the joint provision of a waste service and create economies of scale in procurement and operations through using a collaborative approach with partner councils. The project subsequently won the 4ps Excellence Award for Joint Procurement.

Achievements of the East Midlands RCE

East Midlands Centre of Excellence

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Providing leadership and building capacity

Building local authority procurement capacity has been a key theme of the East Midlands Centre of Excellence. Seven shared procurement service arrangements involving 26 councils are in place while another is at implementation stage involving a further eight councils. Out of these arrangements and following encouragement from the Centre, the region has seen a steady growth in the number of procurement professionals operating within councils and generating significant cashable savings, for example the Welland Procurement Unit has generated in excess of £1.1m in cashable savings in 18 months, or 50% of its 5 year target.

Partnering and collaboration

The past year has seen a number of successful collaborative procurement exercises in the region which have delivered significant efficiencies. These include:

- a contract for refuse collection vehicles based on an agreed common specification for the Nottinghamshire group of councils
- a temporary staff agency contract for 14 councils, covering three county groups.
- a collaborative procurement project on behalf of all of the Leicestershire and Rutland local authorities for Council Tax Billing, Collation and Delivery
- Leicester City Council and Northamptonshire County Council are collaborating to put in place a framework on a regional/sub regional basis that addresses the need for tier two consultancies

The EMCE sponsored and actively supported the Regional Commissioning Framework. This ambitious project, involved the regional collaboration of a number of agencies, including health, social care, education, voluntary and community organisations. It was coordinated by the Regional Partnership and funded by the EMCE. The framework, which was officially launched in May, consists of a website and a handbook offering resources and materials, and a step-by-step guide to support commissioning. The aim is to provide a consistent approach in the East Midlands by setting out key principles for commissioning, which all regional partners commit to and apply in their work.

Doing business electronically

e-Procurement has also featured strongly in the last year. The Centre has supported an e-auction programme in collaboration with ESPO which has delivered, amongst other things, a national contract for wheelie bins. This has been used by 50 councils and has delivered some £0.5 million in savings. Support has also been provided for a county-wide procurement card adoption programme involving local authorities, schools, the University, NHS and the Police.

Standardising documentation

The Centre has launched a set of standard documents and undertaken an assessment of councils' standing orders against the Sustainable Task Force Flexible Framework so that future resources can be appropriately targeted.

Achievements of the London RCE

London Centre of Excellence

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The London RCE strategy supports a broad range of projects that cater for many demands and priorities but which can be delivered in a planned and co-ordinated way. The projects set out below are linked directly to the NPS.

Procurement training and skills development

The London Borough of Camden has worked with 19 London boroughs to devise a specially commissioned procurement training programme for use by all London boroughs. The contract was awarded in April 2006 to the LondonMet University. The programme, which is CIPS accredited, is designed to meet the training needs of those involved in procurement. This groundbreaking work gives boroughs access to recognised training programmes which can help develop in-house capacity and skills. It can also be adopted by other regions as it is modularised and has since been extended to cover specialist areas including the purchase of consultancy services and energy.

Sustainable procurement

This project has been led by London Borough of Camden and has developed and delivered practical assistance in the context of three specific procurement exercises with London borough contracts. It has tested standard procedures for implementing sustainable procurement and shown that this can be achieved while still reducing costs. The project is developing model specifications in conjunction with suppliers for use across London and will provide training on the methodologies developed.

'Buying a Better London'

Making London boroughs international leaders in the theory and practice of public sector procurement and its social implications are the aims of this project. Following on from work carried out in 2001 with the Office of Government Commerce, London Borough of Haringey has led the project which focused on disseminating and developing good practice on relationships with small and medium sized enterprises and minority ethnic businesses as well as the economic and social implications of public sector supply-chain management.

The project completed in April 2007 and all the products can be accessed from www.lcpe.gov.uk

Other innovative projects which are helping local authorities to deliver cashable savings over and above what they could achieve on their own include the pan-London online Contracts Register Service. This contains details of over 3,000 contracts valued in excess of £4 billion which has been adopted by all London boroughs. It seeks to help local authorities share and exchange information on major contracts which is essential for collaborative working and the promotion of the shared services agenda.

Elsewhere, the Partnerships in Parking project went live on 1st April 2007 and now has twelve members. It has already delivered significant cashable savings and has transformed the technologies now used for on-street parking, including payment by mobile phone.

Achievements of the North East RCE

North East Centre of Excellence

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The North East Centre of Excellence has engaged with all local authorities in the region (and FRS, Police, HE, FE as well as RDA and GO) to establish a programme of collaborative projects designed to support and develop effective and efficient procurement practices across the region. Some key projects are set out below.

Harmonisation of documents

Working with the NW, EM and Y&H Centres of Excellence, the NE Centre has established a project to harmonise contractual documentation. Based on an extensive research programme and consultation with practitioners and the third sector, the project completes in March 08 to provide a consistent, harmonised, more efficient approach for all local authorities procurement in the future.

Spend analysis

The Centre has provided all local authorities in the region with Cognos Powerplay software to provide an analysis of spend. The emerging results, illustrated in a multi-dimensional model, enable authorities to audit spend, engage with service users to challenge and change procurement behaviour and to develop a corporate contract programme which will subsequently provide the baseline for regional collaborative planning.

e-Auctions

Successful e-auctions have taken place in the region over the last year, including a contract for office supplies which is projected to achieve a £6 million over

four years. The regional Collaborative Contract Programme has identified 434 categories and gives an assessment of the complexity and likely success for e-auctions which will inform the future programme.

Capacity and skills programme

A regional training needs analysis has been conducted to inform the development of a training programme. Training initiatives include 55 people enrolling for NVQs in procurement, the delivery of a programme of targeted procurement training which reached 200 officers covering ten different subject areas and training for about 35 gateway reviewers to establish a core of reviewers for low risk projects underway in the region.

Sustainable Procurement

NECE has led on the development of the LG Sustainable Procurement Strategy, endorsed by the LGA and produced in response to the Sustainable Procurement Task Force report, 'Procuring the Future'. A national multi-agency group (including councils) has been convened to identify and highlight good practice, develop understanding and awareness and establish the "route-map" to enable RIEPs to assist LAs and other public sector to recognise and realise their potential.

Achievements of the North West RCE

North West Centre of Excellence

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The North West Centre of Excellence has a programme of 84 projects and initiatives. All 47 authorities are engaged with it.

The Centre has identified or created potential short to medium term efficiencies of £200m per annum. It has committed to help local authorities reach that potential within three years. These initiatives include e-auctions (£15m savings), 100 purchasing agreements, price benchmarking and utilities initiatives. Many councils have invested in their procurement organisations following the NWCE led purchase spend analysis. Other initiatives include 18 councils moving their postal services to TNT. NWCE has created a complete e-procurement suite and is working with authorities to deliver it. It is leading the north west in developing a practical sustainability strategy.

Among the many e-procurement initiatives, the Centre has created The Vault – a contracts register that enables local authorities to see contracts information for other councils in the region. Within two months of launching The Vault, authorities had spotted its collaboration potential and one third of them had already signed up to it and added their own contracts information.

To deliver long term and sustainable efficiencies, NWCE has a programme to transform the management of third party spend in the region, partly through the creation of procurement hubs. One has already been created and 2 more will start by June 2008. The expectation is that this will speed up the implementation of existing initiatives and create further opportunities of at least £100m pa by 2010/11.

The strategic management of procurement should enable an increased proportion of the region's procurement spend to be directed towards local businesses – an extra £300m by 2010/11 and £200m into the third (voluntary) sector. Further initiatives to create at least 1,000 new jobs through service centres are proposed.

The NWCE's national lead on local passenger transport is a five-year project and is on target to deliver efficiencies of £250m pa with improved transport arrangements. In addition, the project is addressing issues of social inclusion, sustainability, accessibility and supporting rural communities.

A key characteristic of NWCE has been a focus on communications and engagement to maximise implementation. It employs a professional communications person, has run over 100 'how to' workshops and seminars, has run 2 'Bargain Hunt' events, each with over 30 workshops, and has a variety of publications including specialist ones for Members and CXs. Its approach has been very hands on. NWCE won an award for its e-procurement communications strategy. In February 2008 it worked with GovNet on a procurement conference in Manchester with nearly 500 delegates. Actual savings made by authorities so far amount to at least £40m and are rising rapidly.

Achievements of the South East RCE

South East Centre of Excellence

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Overview

The Centre takes the view that procurement impacts on all aspects of local authority activity. The most challenging aspect and the greatest opportunity that the National Procurement Strategy offers is market re-shaping, which has been fundamental to the Centre's work streams. Key highlights and successes include:

Framework for major projects

The Centre has created a construction framework for projects over £1 million for use by any public sector authority in the South East in order to achieve procurement efficiencies and share learning. Since its start in July 2006, sixty-five projects worth over £800 million have been allocated to the arrangement. The framework saves the time and cost of tendering projects through the European

Journal which is estimated to cost between £50,000 and £100,000 per project. On this basis, the framework has already delivered £5m in efficiency gains to the twenty-six participating authorities. Ten more authorities in the region are currently expressing an interest in using the framework for a further twenty projects worth approximately £300 million.

Social care cost model

A costing model has been developed by the Centre to reduce costs and improve the quality of services for adults with learning difficulties. It provides a comprehensive breakdown of the costs of individual care packages and accommodation-related costs to enable care commissioners to strike fair and sustainable deals. Six of the 19 authorities are actively using the model and are finding that it generates an average 13% saving on the prices quoted by suppliers. Six authorities have evidenced savings of over £3m while pilot programmes have shown that the model can save up to 30%.

Waste management

The Centre has supported e-tendering in the region including the Mid Sussex District Council waste tender which has achieved a 12% efficiency gain (equivalent to £400,000 a year) against its refuse, recycling and cleansing services. This has been made possible by combining different service contracts into one holistic service and innovative service delivery proposals put forward by the successful contractor. The Centre is also providing project management support for clusters of local authorities looking to either jointly procure their waste collection services or in some cases develop joint services.

Business portal

A business portal for all the region's local authorities has been live since December 2006. By sharing information and providing access to better contracts, immediate opportunities to make savings can be identified. It also provides transparency to suppliers by removing some of the burden of working with local government. It is expected that the portal will enable councils to deliver £25 million in cashable savings. The portal is currently used by 64 of the 79 local and fire & rescue authorities.

Achievements of the South West RCE

South West Centre of Excellence

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The South West Centre of Excellence is due to deliver £26.5 million in procurement related savings by 2010, of which £2.6 million is already delivered. Procurement activities supported include e-auctions, procurement card implementation, a procurement helpline, e-marketplace development, and support for sub-regional strategic procurement partnerships, online spend analysis, skills development, and contract evaluation. Major areas that are already delivering benefits to local authorities are set out below.

Spend analysis

Of the £1.9 billion of spend identified in the Centre's spend analysis, around 50 categories account for 80% of total spend in the region, and about three quarters of this is with a largely sub-regional supply market. Local authorities have been able to compare their spend profile across the region and the South East and have used this information to help focus their procurement activities on supporting projects which will deliver substantial efficiency gains.

e-Auctions

Thirty-six local authorities, police forces and health trusts in the South West are set to realise almost £14 million in cashable savings by 2010 as a result of e-auctions supported by the Centre.

Sub-regional projects

The Centre is supporting five sub-regional projects that are due to deliver at least £5 million in cashable savings as a result of collaborative procurement activity. The projects are skills development in Avon, e-marketplaces in Devon and Dorset and shared procurement capacity in Gloucestershire and Cornwall.

Procurement card projects

Seven South West Fire and Rescue Services are due to make £1.23 million of cashable savings over five years by shifting 57,000 transactions a year to procurement cards. This is just one of a number of procurement card projects being supported by the Centre.

Procurement helpline

The Centre has set up an e-procurement helpline to assist authorities implement e-procurement tools. The helpline is currently delivering efficiency gains of £25,000 every year.

Skills development

Some 350 local government officers have attended training courses organised by the Centre in the last 18 months. The Centre has also developed an MBA module training course with the University of Bath and the South East Centre of Excellence aimed specifically at the public sector.

Achievements of the Yorkshire and the Humber RCE

Yorkshire and the Humber Centre of Excellence

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Overview

Most of the region's 22 authorities have performed well against NPS 2006 targets as evidenced by a survey carried out last year. In the main, those authorities that possess a corporate procurement function have performed best, while the Centre is working with a small group of authorities that because of size do not employ a dedicated procurement resource to identify ways of boosting their capacity. Further work is underway to increase capacity within the region and proposals have been drafted for a regional procurement strategy

Supplier and Contract Management System (SCMS)

The Centre's flagship project, the SCMS provides a solution to e-sourcing and collaboration for the region's councils. It consists of three distinct modules – a supplier module, e-tendering and e-contact management – and was introduced in two phases, the first phase going live in June 2006 and the second phase in October 2006. Further developments have taken place to improve the functionality of the SCMS and money has been allocated for further enhancements to meet the regions demands.

Smarter Procurement

Along with local authorities within the region the YHCoE has recently been developing a regional strategy to increase capacity within the region and deliver significant savings across the region. The introduction of the SCMS has provided the platform for further radical thinking with a view to the development of a progressive regional strategy. The strategy is currently out for consultation within the region. Other tools that have been developed that will go hand in hand with the SCMS and provide a total package that is available through out the region.

Improving procurement capacity

The Centre has worked with six district councils to enhance their procurement capacity and increase the amount of collaboration. An arrangement has been

made with an external procurement partner to carry out their procurement which is expected to deliver significant cashable and non-cashable efficiencies and achieve many of the outstanding NPS targets. A single marketplace provider has also been agreed across the North Yorkshire Sub-region leading to greater efficiencies.

Sustainable procurement

A number of sustainable procurement projects have been funded by the Centre, including:

- A joint project carried out by Kirklees and Barnsley councils on the procurement of fresh food delivered direct to schools.
- The promotion of fair trade produce and products across the region. Led by Leeds City Council, the project provides support for fair trade producers and identifies suitable fair trade products and produce.

Achievements of the West Midlands RCE

West Midlands Centre of Excellence

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The West Midlands Regional Improvement and Efficiency Partnership, formally West Midlands Centre of Excellence, has continued to work hard to build procurement capacity across the region and has achieved a number of notable developments which are set out below.

Following negotiation of a regional deal with consultants, six authorities have researched the savings that can be made from more effective and efficient postal services and regional forums are now up and running to share best practice and capacity to support this work. Similarly, commodity working groups have been established for insurance and agency staff, home to school transport, telecoms, energy, stationery, postal services, print services and cash collection to ensure that savings and best practice are rolled out. These groups are seen as key tools to deliver greater impact upon market management across the region.

The procurement hub has been in existence for over a year now. It features a contracts database with over 190 contracts to make direct transactional savings for councils, it actively searches for the best deals around and ensures that all authorities in the region aware of them. It also offers a range of bespoke procurement documents as well as a procurement support facility for councils with projects and procurement development.

A number of opportunities are arising for e-auctions and four authorities are carrying out auctions for taxi services for home to school transport following

WMRIEP support. Over the last year, the Centre has been running the bravosolution e-sourcing project and several councils have trailed e-tendering for the first time. Take up of e-procurement across the region has been light, several authorities have been active users of the Bravosolution e-sourcing tool, and e-auctioning of taxi services routes has now commenced, this is still a major development area for the West Midlands. Stoke also use the EGS Marketplace, this was offered to the region but proved cost prohibitive. Most authorities now send OJEU adverts electronically via the TED Website or via the SIMAP site.

WM RIEP will support the councils over the next three years via a wide range of best deals, initiatives and products to drive forward change and savings opportunities under the efficiency agenda.

A series of events are scheduled to take place during 2008 to build capacity in the SME community to engage with councils on a range of levels. The most recent development that will be of benefit to this sector is the launch of a regional Pre Qualification Questionnaire (PQQ) which is now available for use and downloadable from the procurement hub and will be formally launched to the region at the next SME event in April 2008.

Annex 2: Case studies from procurement beacon councils

Leeds City Council

NPS Vision

Leeds City Council has led the implementation of a regional supplier and contract management system (SCMS). The system has been funded by the Yorkshire and the Humber Regional Centre of Excellence and is available to all 22 Yorkshire and the Humber authorities. The introduction of the system has provided a vehicle for delivering the National Procurement Strategy vision.

The 22 Yorkshire and the Humber authorities are exploring ways to use the regional e-procurement solution to support greater collaborative working and to share 'back office' processes. Such 'back office' processes include a single supplier support desk and shared approved list management arrangements. The opportunities for partnership have been embraced through use of the SCMS, and we have entered into joint contracting arrangements with other authorities through this facility. The future of joint contracting will be one which is easier, as the system provides the function for publishing details of existing contracts and will promote future joint procurement as a result.

The SCMS does also provide additional benefits for the mixed economy of service provision and includes the functionality for each supplier to identify its own categorisation. The options available to suppliers include third sector categories such as voluntary, community and faith sector and social enterprise, and the SME sector. This increased level of information-gathering combines well with the development of increased information-output to suppliers. It provides the opportunity to contact all companies who are third sector, or SME, with details of particular procurement opportunities. The support and development of the mixed economy is central to the Leeds Vision and the 'narrowing the gap' agenda. Procurement plays a clear role in reaching this vision.

Wakefield Council

Stimulating Markets and Achieving Community Benefits

Wakefield Council has developed a comprehensive supplier engagement programme focused on all sectors of the business community including small and medium sized enterprises (SMEs) and voluntary and community sector organisations (VCOs).

This included:

- A series of events for businesses to identify barriers, improve our understanding of the different sectors and encourage participation in e-procurement.
- Work with a range of agencies to deliver the engagement programme. Business Link, Federation of Small Businesses, Voluntary Action Wakefield District (VAWD) and Social Enterprise Support Centre (SESC) contributed to the strategy all helped to deliver events including marketing and administrative support.

750 businesses attended the Council's third Meet the Buyer event in 2006. It gave them the opportunity to meet with council buyers to explore potential business opportunities. Organisations could register on the Supplier and Contract Management System (SCMS), an electronic tender and supplier management system used by all 22 councils in the Yorkshire and Humber region.

The Council is addressing Socially Responsible Procurement through a range of activities including a form sent with every request for quotes or tenders. It is not mandatory but asks, if the supplier wins the contract, what added value it will bring to the district in terms of social, economic and environmental benefits, in order that the council can improve its understanding of the wider benefits that many contracts bring to the district.

The Council secured a grant from the Regional Centre of Excellence to develop a self-sustaining directory to enable us to map voluntary sector provision across the district and allow organisations to share information about their activities and services.

To ensure we are engaging effectively, we undertake Geographical Information System mapping to identify gaps in our engagement activity. This enables us to market events more effectively and use appropriate venues.

Annex 3: Technical note

Technical note

ODPM (now Communities and Local Government) commissioned INLOGOV to carry out a four-year evaluation of the local government procurement agenda. One part of this evaluation is an annual survey of local authorities.

The results of the 2004 survey were published by ODPM in August 2005. For that 157 local authorities responded (40%). In the 2005 survey (published in full in autumn 2006) the response rate was 35% (135) authorities. Although a smaller sample, the 2005 results were more representative of councils than those of 2004.

The response rate for the 2006 survey was again 35%. The 2006 response somewhat under-represents districts and marginally over-represents counties and unitaries. However, in comparison with the population as a whole, the response is broadly representative of councils by type.

The INLOGOV survey is sent to every local authority in England. It was sent to named officers wherever possible or to local authorities Chief Executives. Chief Executives were briefed about the research before the survey questionnaire was despatched.

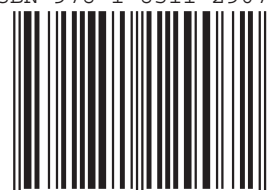
The procurement evaluation is a four-year programme of research comprising –

- Annual surveys of all local authorities in England.
- Semi-structured in-depth interviews and workshops with key people in government, local authorities and with other stakeholders.
- Longitudinal case studies with 15 local authorities.
- A panel of twenty to thirty member authorities used to validate and test findings from the in-depth case studies.
- Additional surveys for specific elements of the research programme. These are conducted according to the appropriate technical and ethical procedures to ensure validity and generalisability of results. Telephone surveys, email surveys, and postal surveys are used as appropriate.
- Research and policy conferences at key stages to discuss and clarify the emergent findings of, and recommendations from, the research.

Whilst survey data has to be treated with a degree of caution, it has value as an indicator of local authority performance and can complement other data through triangulation, and as a source of questions for case study work.

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