

Select Panel 3 - Procurement



BASSETLAW
DISTRICT COUNCIL
NORTH NOTTINGHAMSHIRE

February 2010

**Scrutiny is an Independent, Councillor-led
Function, Working with Local People to Improve
Services.**

Foreword

When I was asked to be part of this panel in Autumn 2009, my first thought was “What is Procurement?” I have since been on a journey of discovery and found that Procurement is a fascinating subject, many of my fellow panel members did understand the subject and I hope, learned more about how our Council deals with Procurement.

My thanks must go to all our officers who have given their time and expertise at our meetings, to the scrutiny officer and finally to the entire panel.

Our findings are in the Recommendations in this paper, we hope that they will be of help to Procurement in the future. My final thought is to say that, at Bassetlaw, we already have a very good approach to Procurement with systems being run more and more efficiently, in fact in some areas, we are the lead council in the county and that is credit to the Procurement Officer and her team.

Councillor Mrs Elizabeth Yates (Chairman)

February 2010



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1. Executive Summary

1.1 Summary of Findings

This report presents the findings of a Scrutiny Review of Procurement. To achieve the objectives of the review the Panel considered the existing policy statement and process, the role of the Regional Improvement and Efficiency Partnership and how Bassetlaw links into the Nottinghamshire Procurement Forum. It also reviewed where it sits in the organisation and how other authorities carry out procurement.

The Panel also considered national legislation and the impact of the Equality Bill, they also heard from officers responsible for ensuring effective and efficient procurement in the authority. The Panel welcomed proposed changes to make procurement more efficient and robust. These include centralised purchasing, reviewing the contractual and procedural rules and financial regulations, and the contracts database.

They found that the Council had successfully met efficiency targets set by Central Government and was moving towards a more robust approach. The Panel welcomed the excellent work led by Bassetlaw District Council in joint commissioning and shared projects in fleet vehicles and refuse freighters which has resulted in some big savings for the Council and other authorities in the East Midlands.

The Panel identified areas that would benefit from some action, these were around training members and staff about the Council's approach to procurement and the new practices, an emphasis on Buy Local - encouraging local businesses to tender for contracts, maintenance of the Contracts Register and reporting expenditure outside of the register.

1.2 Scope of the Review

The Panel undertook a scoping exercise and the following points arose:

- Tendering
- Current Practices at Bassetlaw District Council
- How Bassetlaw District Council can get better value for money
- The bigger picture of procurement
- The implications of the new Equality Bill on procurement practices.

1.3 Membership

The following Councillors who were appointed to Select Panel 3 carried out the review:

- | | |
|---|-----------------------------|
| • Councillor Mrs E .M. Yates (Chair) | • Councillor J.W. Ogle |
| • Councillor Miss. M. Stokes (Vice-Chair) | • Councillor R.A. Simpson |
| • Councillor C. Entwistle | • Councillor A.A.D. Tromans |
| • Councillor S. Greaves | • Councillor Mrs. C. Troop |
| • Councillor Mrs S. Isard | • Councillor G. Wynne |
| • Councillor I. Jones | |

1.4 Summary of the Recommendations

	Recommendation	Responsible Officer	Financial Implications	Delivery Timescale	Risks to delivery/ Officer Comment
1.	That the Council maintains membership of Nottinghamshire Procurement Forum as a minimum and looks to develop future joint projects	Principal Procurement and Central Support Services Manager	Nil Budget Implications. Officer Time	Ongoing	Membership is an ongoing commitment. A substitute would be arranged if Procurement Manager unable to attend.
2.	That a training programme is delivered to all relevant staff initially in the next 12 months and then when appropriate, so that the Council's approach to procurement is understood and implemented. In addition that this aspect is included in the annual member training programme for 2010/11 and also be delivered to all new members as part of induction, post election This would be delivered internally at Members Induction, post election.	Principal Procurement and Central Support Services Manager	Officer Time Costs associated with the production of training materials will be charged to cost code 3151-0062, and will be contained within existing budgets.	February 2011	Programme to be incorporated as part of annual work programme. A full list of members requiring training is required from Democratic Services.
3.	That the refresh of the Procurement Policy includes a particular emphasis on Buy Local.	Senior Manager Support Services	Nil Budget Implications. Officer Time	September 2010	This will require joint working with the Economic Development Team Leader, to ensure effective roll-out and buy-in to the process with local businesses

	Recommendation	Responsible Officer	Financial Implications	Delivery Timescale	Risks to delivery/ Officer Comment
4.	That consideration is given to the identification of additional capacity and resources available across the Council as part of any future review of administration arrangements in order to support improved delivery of the procurement service.	Director of Corporate Services	Officer Time The review will be contained within existing staffing budgets	March 2011	Responsibilities within the Procurement and Central Support Unit are currently under review to ensure workload is distributed in a manner that creates additional capacity. Negotiations regarding any wider arrangements across all the Council's administration functions will be determined at a later date.
5.	That once the revised set of Financial Regulations and Contract Procedures has been approved by Full Council, a robust training programme is delivered to all staff to ensure they are complied with.	Head of Finance and Property/ Principal Procurement and Central Support Services Manager	Officer Time Costs associated with the production of training materials will be charged to cost code 3151-0062, and will be contained within existing budgets.	January 2011	This will be developed jointly by the two responsible officers and can be mainstreamed as part of the annual training programme in conjunction with Community Engagement & Performance Service who lead on Member Development.

	Recommendation	Responsible Officer	Financial Implications	Delivery Timescale	Risks to delivery/ Officer Comment
6.	That the Contract register is updated on a quarterly basis and exception reporting of expenditure outside of the register is reported to the Performance Improvement Scrutiny Committee.	Principal Procurement and Central Support Services Manager	Nil Budget Implications. Officer Time	September 2010	This can be integrated in to the work programme of the Procurement and Central Support Unit. Require clarification from the Performance Unit regarding the format of the Report to be submitted to PISC.
7.	That efficiency savings made through the contract procurement process are reported to the Performance Improvement Scrutiny Committee on an annual basis.	Senior Manager Support Services	Nil Budget Implications. Officer Time	September 2010	This can be integrated in to the work programme of the Procurement and Central Support Unit. Require clarification from the Performance Unit regarding the format of the Report to be submitted to PISC.

2. Background

2.1 Current Service delivery and policy/strategy operated to

Efficiency and Value For Money have been key drivers by Central Government throughout the last decade. This has brought about a change in how local authorities procure. Bassetlaw District Council has subsequently been involved in joint commissioning with other local districts and Counties through the Nottinghamshire Procurement Forum. The Council has managed to make efficiency savings as well as lead on several key projects that have made substantial savings for a number of authorities in Nottinghamshire as well as Derbyshire and Lincolnshire County Councils that have been able to be involved in some of the joint projects. Bassetlaw District Council currently spends over £39.2m a year on goods, works and services.

The Overview and Scrutiny Committee decided to review procurement in July 2009. Bassetlaw District Council currently has a Principal Procurement and Central Support Services Manager, for the purpose of this report this function will be referred to the Procurement Manager. This post has a dual role and therefore up until recently the main focus has been on the large contracts, joint commissioning and providing advice. Service Heads also procure; they are able to negotiate goods and services out of their budgets if this meets the Financial Regulations. The introduction of a central purchasing system is an attempt to centralise day-to-day purchasing across the Council and to make further use of the contracts in place to ensure efficiency. The proposed changes as a result of the Equalities Bill provided an opportunity to revisit the approach to Procurement in Bassetlaw and refresh the Financial and Contract Procedural Rules.

2.2 Policies that relate to procurement

Procurement is defined as the whole cycle, from identification of needs through to the end of a service contract or the end of the useful life of an asset. It refers to goods, works and services (IDeA). In October 2003 the National Procurement Strategy for Local Government in England was launched and highlighted streamlining, working in partnership and pooling buying power to cut costs and to achieve best value. It also set out the policy context for local authorities in England.

The Government set up the Office of Government Commerce (OGC) in 2000. It is an independent office of the Treasury and its aim was to improve efficiency and value for money for Government spending. It succeeded in making billions of pounds of savings. It has also used a variety of approaches to maximise its value through Public Sector spending. It has championed collaboration and made the procurement process more efficient through the use of frameworks and e-procurement tools.

The IDeA has taken a lead role in providing guidance for Local Government in good practice and strategic practice. In this event they have provided a procurement toolkit called Procurement Essentials. It has also published a set of information sheets for Members on procurement in conjunction with the Local Government Association and the Regional Improvement and Efficiency Partnerships.

European Law is also significant and has had an impact on procurement. The free movement of goods and services across the European Community began in 1957 following the signing of the Treaty of Rome. The World Trade Organisation developed the procurement process further in 1996. There have been further additions to the legislation around procurement in the form of EU Directives these have included utilities, transport and communication all procured through public contracts. Contracts for goods and services over £139, 893* and for works over £3,497,313* have to go through the Official Journal of the European Union this process is to ensure fairness, transparency and equality.

More recently amendments to the Public Contracts Regulations 2006, which implement the new EU Remedies Directive in the public sector, have now been put in place. These Directives have been implemented into national law in the UK by Regulations.

Local Authorities frame their priorities within a policy and legal context. In Bassetlaw there is a Procurement Strategy, Contract Procedural Regulations and Financial Regulations which link into the Constitution. The Contract Procedural and Financial Regulations are currently being reviewed to take into consideration some of the changes required by the introduction of the Equality Bill and to ensure the procurement process is robust.

The Council has a duty to ensure that public money is spent wisely and continually seeks to improve services not only in economic terms but also in the efficiency and effectiveness. In procurement best value is “The optimum combination of whole life costs and benefits to meet the customers’ requirements”. These include community well-being, sustainability, health and safety and diversity and equality.

*(Total for the life the contract)

3. Method of Review

The review was carried out using several approaches. The panel invited a range of witnesses to present at meetings as shown below, there was also an audit of other local authorities regarding where Procurement sat in the organisation. The Panel also looked at examples of best practice.

3.1 Summary of Review Meetings

Meeting	Witnesses	Evidence Gathered
Meeting 1		Scoping Meeting
Meeting 2	Sandy Williams – Principal Procurement and Central Support Services Manager, BDC Howard Lane – Corporate Procurement Manager, Nottingham City Council	Current Bassetlaw process and projects. Joint working Overview of the County and how Nottingham City procures. Nottinghamshire Procurement Forum.
Meeting 3	Steve Brown – Senior Manager Support Services	Equality and Procurement
Meeting 4	Andrew Foster – Regional Improvement and Efficiency Partnership for the East Midlands	The role of the Regional Improvement and Efficiency Partnership.
Meeting 5	Mike Hill – Head of Finance and Property	Energy procurement
Meeting 6	Ros Theakstone – Director of Corporate Services	How Procurement has evolved at Bassetlaw
Meeting 7	Neil Taylor – Director of Resources	Overview of Procurement
Meeting 8		Draft Recommendations

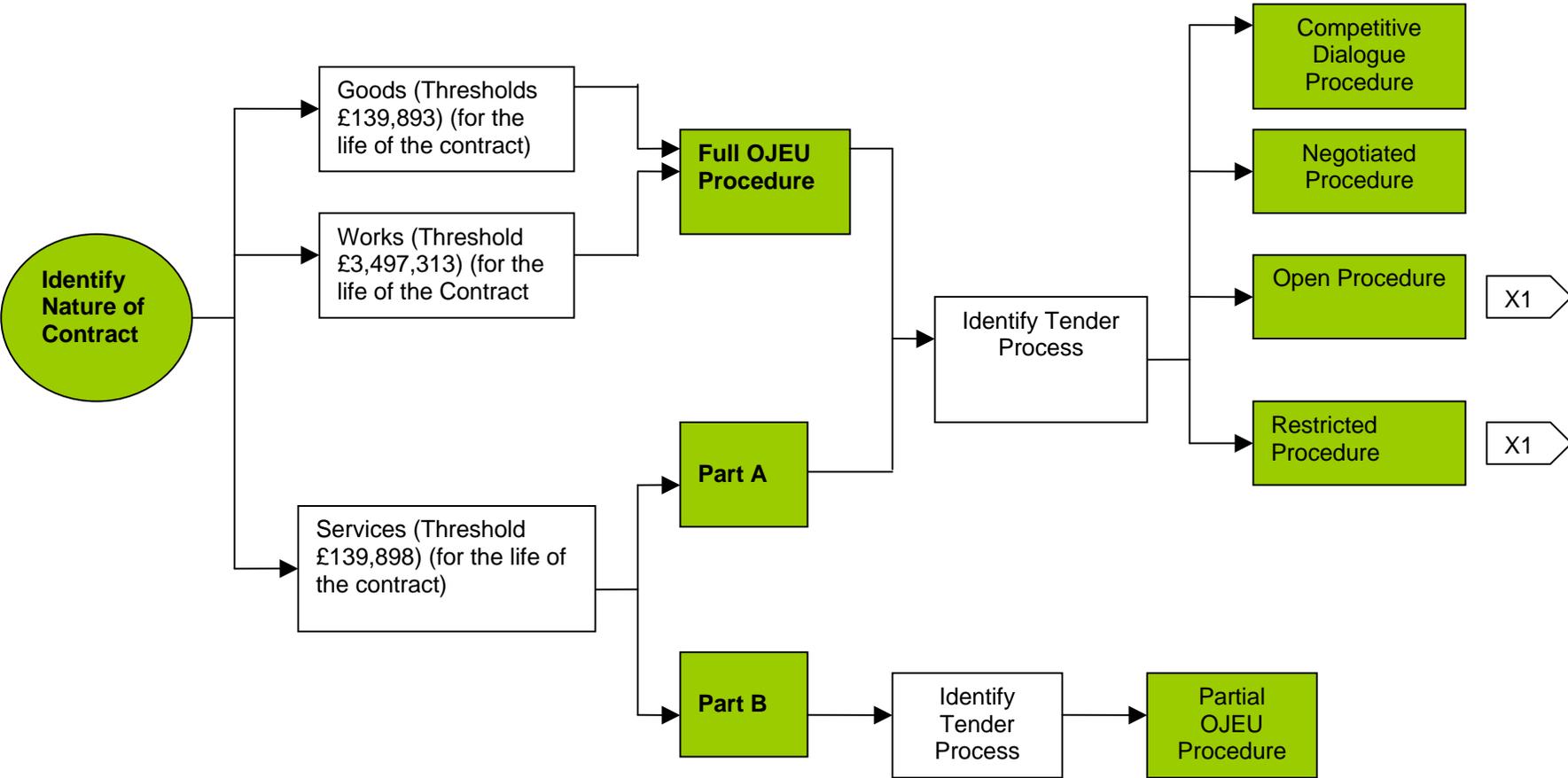
4. Addressing the Scope: Evidence Gathered for Recommendations

4.1 Tendering

As a local authority, there are regulations at a European, National and Local level which the Council has to follow when procuring goods, services and works and when establishing approved tender lists. The Council has its own financial regulations and however small the contract each one is looked at on its own merit and using a chosen process that satisfies financial and legal regulations. This could include using an existing framework, or inviting expressions of interest. Whilst quotations or tenders are not required where the value of any goods, materials, services or works is less than £15,000, it is necessary to ensure value for money by testing the market on a regular basis. In the case of all goods, materials, services or works whose value is estimated to be £15,000 or greater but less than £50,000 there is a requirement of written quotations from at least three different contractors. Contracts over £50,000 are subjected to competitive tenders and are advertised, tender lists can be restricted. For contracts for goods and services over £139,893 and for works over £3,497,313 (these figures are the total for the life of the contract) The Council have to go through the Official Journal of the European Union. This process is to ensure fairness, transparency and equality. Whatever path taken it is important that every process must be transparent.

For tendering contracts there needs to be planning time, the process is dependant on the value of the entire life of the contract and not just the cost per annum (see the diagram below). Once the process is identified, it determines the length of time it will take. Most contracts going through the Official Journal of the European Union (OJEU) process take a minimum of 6 months process. There are three processes that are used open, restricted and competitive.

Contract/Tender Preparation



The Open Procedure

An open procedure is open to all. The Service procuring agrees the specification criteria scoring and the weighting. This is not the role of the Procurement Officer, as it requires the specialist knowledge of the Service to ensure the specification is correct. This is done in advance and before the process starts, as it cannot be changed once the documentation has been issued and advertised. A timetable is agreed and then the Tender opportunity is advertised, this is usually on the Source Website:

<http://www.sourcenottinghamshire.co.uk>

For contracts over £50,000, these are also advertised in at least one local newspaper and a professional journal. The next step is to issue the Invitation to Tender (ITT) documents. Once the deadline passes, the ITT documents are evaluated using the pre-agreed criteria scoring and weighting as declared in the advertisement. Once this is completed a preferred supplier is identified. Participants are then notified of the intention to award. There is a 10-day standstill period. Confirmation of the award of the contract is made provided no appeals have been received within the statutory period.

There is then a debrief for all those who applied; this provides an opportunity for applicants to get feed back and advice on how to improve their tenders in the future, The contract can then commence.

The Restricted Process

This process is similar to the Open Process that the specification and criteria scoring and weighting is agreed with the relevant service and that the documentation cannot be changed once it has gone for advert. However, the difference is that the process has a pre-qualification round, which allows the process to restrict some participants to be invited to tender.

The Competitive Process

This process is rarely used, as it can be long and complex, it is useful in large complex contracts. It involves opening a dialogue with prospective contractors. The competitive process begins with a short list of candidates, which is gathered from a pre qualification process. A dialogue is opened about aspects of the project and the possible solutions. This continues until the Contracting Authority has one or more solutions that meets its requirements. The dialogue stage is then closed and final tenders are invited. At this stage only limited discussion and clarification is permitted.

This process is complex and the Panel were keen to see how Buy Local would fit into the process. The Council is currently exploring this area and has commissioned a piece of work from Spike Cavell. There has been a 'Meet the Buyer' event where local businesses could find out about how to tender for contracts, where they are advertised and the necessary criteria required. This was a joint event across the County and proved successful, so more have been planned for the future.

To help small businesses the Council has set up a quick guide on the web site, a more substantial paper document and a leaflet to give out to their staff. We want to promote small businesses and new companies. It has also put together a set of templates for them to use.

Recommendation:

- **That the refresh of the Procurement Policy includes a particular emphasis on Buy Local.**

4.2 Current Practices at Bassetlaw District Council

Currently the procurement process involves identifying the need for procurement this is usually done by budget holders within the different services. It can also be identified by the Contract database, which alerts Officers if a contract is coming up for renewal. However if the Procurement Manager is not aware of contracts existing or expiring this means that the necessary planning time can be implemented, therefore it was essential that this information was captured.

We have recently introduced centralised ordering for all orders including stationary, travel tickets and other one off purchases. These are ordered by email to the Central Support Unit. This has meant that orders now go through Central administration to ensure that every day items are bought through existing contracts. This will provide more control over procurement.

The procurement function can provide budget holders with advice about how and where to access goods and the existing frameworks. However the specification of goods, work or services is the responsibility of the Service Head, if there are no existing frameworks that can accommodate the specified requirements, the Procurement Manager can provide guidance in the tender process. Historically this advice has not always been accessed, however by raising Staff awareness this has begun to change with more contracts being completed in conjunction with the Procurement Manager.

The structure diagram shows how procurement is incorporated into the role of the Central support Manager and assistants. The Principal Procurement and Central Support Services Manager oversee the tendering process and contracts. She prepares documentation for the contracts that are ratified by the Council Solicitors to ensure they are compliant. There is also a Procurement Group that meets up once a month to discuss matters relating to procurement.

Procurement and Central Support Services Structure

Principal Procurement and Central Support Services Manager

Workshop
Caretakers

Retford
Caretakers

Print Unit

Procurement and Central
Support Services Supervisor

Town Hall
Superintendent

Town Hall
Superintendent

Print Manager
(1 *fte)

Mail Room
Unit

Procurement
and Central
Support Unit

Caretakers
(4 *fte)

Caretakers
(1.5 *fte)

Cleaner
(0.5 *fte)

Design
Technician
(1 *fte)

Print/Design
Technician
(2 *fte)

Post
Room
Assistants
(2 *fte)

Procurement
and Central
Support
Services
Assistants
(4 *fte)

Courier
(0.6 *fte)

* = Full time

As part of this comparison, a small audit of Councils was undertaken to see what the resources were and where in the organisation procurement sat.

The results showed that procurement can be located in a variety of directorates and the resource level varies. Included in that were examples of shared resources included such as Broxtowe and Gedling and the Welland Partnership. The Procurement function of those Councils audited, mostly sat either in Finance or Corporate Services. At Bassetlaw, Procurement sits in the Corporate Services Directorate, but works in tandem with the Director of Resources and the Head of Finance and Property. The Panel considered if Procurement was well placed in the organisation and the general consensus was that procurement was not just about finance, but also about processes and therefore was in the right place.

The Procurement Group meets on regular basis to discuss current procurement matters and future planning. This group consists of the Director of Resources, Head of Finance and Property, Senior Manager of Support Services and the Principal Procurement and Central Support Services Manager. This group works well and provides the necessary input from finance along with procurement updates and knowledge of the processes.

During the review it became apparent that a Contract register or database was an important mechanism for procurement planning. It not only provided information about the contract and its life. It was a way of keeping information about contracts for each Service together. In the beginning it had been difficult to set up the register, as not all contracts were not known, and information was sometimes difficult to obtain. During the collection of this information some contracts that had expired but had continued to be supplied as though it was a live contract, came to light. Once these were identified these contracts could be renegotiated or opened up for tender. Previously there have been barriers to collecting this information, so through the Procurement Group a new approach was taken by the request for information being made by the Director of Resources. This has proved successful during the recent update of the register. This is a type of task that once it is done it becomes out of date almost immediately, so a periodic update will be necessary.

The introduction of procurement cards is intended to change habits with regard to credit cards, which restricts what can be bought on them and has a transactional limit. The Council hopes to introduce E-invoicing, currently we receive 15,000 invoices per year, this means they require a lot of storage. E-invoicing means officers will not have to physically handle invoices; they will be scanned and matched. 93% will be dealt with in this manner making it more efficient with no storage costs.

Comparison Data Gathered

Council Name	Resources	Directorate
Wokingham Borough Councils	8 Procurement Officers Centrally	Business Directorate
Leicestershire County Council	15 Procurement Staff + 7 Category Managers outside of their Unit	Corporate Resources
Welland Procurement Partnership (East Northamptonshire, Rutland County Council, Melton Borough, Harborough District, Borough of Oadby & Wigston and Blaby District Councils)	Three procurement officers Hosted by Melton Borough Council and paid for by dividing the costs between each Council.	Head of Service reports to the Director of Corporate Services at Melton. They then report to Welland Procurement Board, which is made up of Chief Executive from Harborough and Senior Officers from each of the participating Councils. The Board reports to a Members Committee, this feeds into the Welland Partnership
Local Councils		
Bassetlaw District Council	Principal Procurement and Central Support Services Manager	Corporate Services
Newark & Sherwood District Council	One Officer	Finance
Rushcliffe Borough Council	50/50 shared with Gedling Day to day purchasing done by departments	Rushcliffe – Finance Gedling – ICT Efficiency
Mansfield District Council	One procurement Officer but responsibility also sits with individual managers.	Finance

Council Name	Resources	Directorate
Nottingham City Council	Corporate Procurement team has 4 Officers + support staff. Education and Social Services have their own teams	Resources

There were discussions about whether there should be a full-time Procurement Manager, but the Panel identified that there was a wealth of expertise in the Council and that this was recognised by other authorities in the County, through the joint initiatives that Bassetlaw has led on. The Panel recognised that this expertise needed to be supported where necessary and fostered. Bassetlaw District Council has achieved cashable savings and has commissioned some work that will help identify other possible areas of savings, or possible new ways of working. In future years it may require specialist expertise to identify areas of savings so it is important that resources are made available for such expertise to be brought in.

4.3 How can Bassetlaw District Council get better value for money?

Value for money has always been important for the Council, however the recent economic climate has highlighted it further. The Government has been driving value for money and efficiency, providing guidance and frameworks to achieve targets. This has been achieved through establishing the Office of Government Commerce and the Regional Improvement and Efficiency Partnerships.

Regional Improvement and Efficiency Partnership for the East Midlands

The Department of Communities and Local Government established the Improvement and Efficiency Partnerships in 2008. The purpose is to act as a hub linking the improvement landscape between Central and Local Government. RIEPs are member-led partnerships of Councils, Fire Authorities and other local services, which coordinate and support improvement; innovation and efficiency work at a regional and often sub- regional level. Each Partnership has a devolved funding package of £185m over a three-year period 2008-11.¹

The East Midlands Partnership consists of all 46 Local Authorities and 5 Fire and Rescue Authorities in the region. The partnership provides funding for improvement and efficiency projects through the five Sub- Regional Partnership. This creates opportunities for shared learning, facilitate joint working, collaboration and support Councils in difficulty.

Nottinghamshire Procurement Forum

The Nottinghamshire Procurement Forum (NPF) formed in 2003 and includes seven District Councils, Nottingham City Council and Nottinghamshire County Council. There is also a representative from Nottinghamshire Police and East Midlands Improvement and Efficiency Partnership. This Forum feeds into the Nottinghamshire Sub-- Regional Partnership, which has standardised documentation and shares practice as well as collaborates in shared projects. Bassetlaw leads the Transport Group, and is presently preparing contracts for Tyres and Associated services and CPC training across the County. Previously the Transport group negotiated a £3.5 million contract framework for Panel Vans saving £28,000 and a £10 million Refuse Freighters contract saving £8,000 on every vehicle.

¹ Regional Improvement and Efficiency Partnerships- A Councillor's Guide

This review highlighted the need to continue to work in Partnership with other authorities in order to capitalise on the savings available when joint commissioning. Bassetlaw District Council's membership of these Partnerships enables us to benefit from shared contract frameworks but also allows us to explore future opportunities. BDC work closely with Newark and Sherwood District Council and this collaboration has been extremely successful.

It was also recognised that value for money and efficiency could also be achieved by ensuring all staff complied with the new approach to purchasing through the Centralised Purchasing System. The Panel believed further training would help achieve this and that expenditure outside of the Contracts Register should be reported to the Performance and Improvement Scrutiny Committee.

A Trading Account was set up with a target of £25,000, this account is where cashable savings are collected, this means that rather than returning the savings to individual Services the savings are accumulated in one account. This has been most successful with the target nearly met for this year.

Recommendation:

- **That the Council maintains membership of Nottinghamshire Procurement Forum as a minimum and looks to develop future joint projects.**
- **That once the revised set of Financial Regulations and Contract Procedures have been approved by Full Council, that a robust training programme is delivered to all staff to ensure they are complied with.**
- **That the Contract register is updated on a quarterly basis and exception reporting of expenditure outside of the register is reported to the Performance Improvement Scrutiny Committee.**
- **That efficiency savings made through the contract procurement process are reported to the Performance Improvement Scrutiny Committee on an annual basis.**

4.4 The bigger picture of procurement

The Panel wanted to get a wider perspective of Procurement, so looked at examples of good practice. As previously mentioned the RIEP is also part of the bigger picture, providing support at a regional and County level. The examples below show different kinds of working.

Welland Partnership

The Welland Procurement Unit was established as a shared service and serves 6 small authorities across Leicestershire Rutland and Northamptonshire. It is hosted by Melton Borough Council and has 3 Officers. However the operation is able to offer each Council a level of experience and skills at a reduced cost. The Procurement Unit sits next to a shared audit Service at Welland. They ultimately report to a Joint Committee consisting of elected Members from each of the Partnerships Councils. An Officer Board sits below this. The team works flexibly, which includes remote working. Use of emails and conference calls allows the team to be accessed. This does not include process efficiency savings, inflation avoidance or savings connected with new procurements. They have also conducted two collaborative insurance tenders for districts and boroughs. This has opened up new links with councils outside of the partnership. This model has been successful in generating potentially over £5 million in savings. It has also developed a framework through OJEU processes, which has been made open to all Councils in England. Those participating can save 10% or more on externally sourced training, without any constraint on the trainers used. This potentially could save Local Government £10 million each year ².

Leicestershire County Council

Leicestershire County Council has made efficiency savings using category management. It was one of the first Councils to adopt the practice, which is used in the private sector. Category management is simply a way of managing buying by grouping together related products and mapping them on to a supplier market. Decisions are based on a category-by-category basis with a view to optimise quality and maximise savings across the Council. It enabled the Council to move from having pockets of procurement activity to a more strategic approach. It has involved working closely with partners and the East Midlands Improvement and Efficiency Partnership.

² East Midlands Improvement and Efficiency Partnership – Shared Service for small Councils

The approach enabled £9.58 million of net cashable savings to be made by 2009/10. It has also raised the profile of procurement and the Council won an Outstanding Achievement in Procurement Award from the Society of Purchasing Officers (SOPO) as well as being commended in an IDeA Peer Review³.

Office for Government Commerce

The economic downturn has once again focussed on making savings through procurement. The OGC has been working on procurement capability review programme as part of the Government's operational efficiency programme, which aims to achieve £5.7bn by 2011-12. These reviews have resulted in a range of robust improvements including management boards that look closely at procurement and commercial issues and recognition across all departments for the need to improve the collection of information to assist in more strategic decision-making and performance management.

One of the areas the OGC has been looking to make efficiencies in energy, The Transforming Government Procurement report reviewed how Public money was spent and provided a change in the way procurement took place. The Pan Government Energy Project was launched in June 2007 and was sponsored and chaired by the Ministry of Defence. It identified the best way to reduce costs such as Central Purchasing bodies -these are huge conglomerates.

Because the OGC has already done the vetting of these companies and put together frameworks, organisations like Councils can piggyback onto them, saving them time. Bassetlaw has taken out a contract with Buying Solutions, which is one of these Central Purchasing bodies. Bassetlaw chose Buying Solutions because it had a proven track record, bid price, the volume of business it holds (over 450 organisations), the number of professional buyers and the mix of customers. It offers flexible, amalgamated, and controlled risk.

The future for procurement will definitely include more shared contracts and joint commissioning not just with the Public Sector but also the Voluntary and Community Sector. Sustainable Commissioning is also now an important part of procurement. Bassetlaw District Council is committed to purchasing goods, works and services in an environmentally sensitive manner as part of its commitment to the Local Agenda. The Council supports Fairtrade in the District by purchasing fairly traded refreshments.

³ East Midlands Improvement and Efficiency Partnership - Leicestershire – Category Management

Whilst the Council is not looking to make changes on the scale of the Welland Partnership It is however looking for innovative ways of moving the Service forwards

Recommendation:

- **That consideration is given to the identification of additional capacity and resources available across the Council as part of any future review of administration arrangements in order to support improved delivery of the procurement service.**

4.5 The Equalities Bill

New and existing legislation to ensure that procurement is carried out equitably and is compliant with both UK and European law is also part and parcel of the bigger picture. Public procurement is already inherently linked to the three existing public equality duties. However, the new legislation will create a more explicit connection between procurement and the new Single Equality Duty. The new duty, requires public authorities to ‘have due regard’ to eliminate unlawful discrimination, advance equality of opportunity and foster good relations when exercising their functions.

Clause 143 of the bill establishes a new Single Equality Duty on public authorities. This consolidates the three existing public duties on race, disability and gender. Additionally, it covers age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment.⁴

The Council has a statutory duty to ensure that equality is embedded into the delivery of services and employment. It also has a duty to maintain good relationships across the different groups in the community. Large Companies that carry out work on our behalf need to treat people in a fair manner and mirror our commitment to these statutory duties.

⁴ IDeA Equality and Procurement

The Council has already commenced work in this area to ensure that our contract procedures comply with the new legislation, a copy of Bassetlaw's Statement of Commitment to Equality and Diversity in Procurement Checklist, and Bassetlaw's Standard for Equality and Diversity in Procurement and Contract Review – Equality Check Sheet can be found in the appendices. Sets of templates have been put together and a quick guide has been made available for small businesses.

Recommendation:

- **That a training programme is delivered to all relevant staff initially in the next 12 months and then when appropriate, so that the Council's approach to procurement is understood and implemented. In addition that this aspect is included in the annual member training programme for 2010/11 and also be delivered to all new members as part of induction, post election This would be delivered internally at Members Induction, post election.**
- **That the Council maintains membership of Nottinghamshire Procurement Forum as a minimum and looks to develop future joint projects.**

5. Conclusion

This review has looked at how procurement is carried out in the Council, the tendering process, how other authorities do it and how new legislation will affect the procurement process. The review identified that procurement had a key function in enabling the Council to be efficient and to get value for money. The Council has achieved efficiency savings year on year and has continued to move forward. There have been some significant changes in procurement; these include the centralised purchasing scheme, setting up a trading account, and the introduction of procurement cards.

The Financial Regulations and Contract Procedures have been refreshed to make the process robust and to include the necessary changes to accommodate the requirements of the Equality Bill. There has been considerable effort made to help local businesses, the introduction of the Buy Local Scheme and events like 'Meet the Buyer' have encouraged more local businesses to tender for contracts. There is still work to be done in this area as we look to balance value for money with buy local. It is hoped that this will be addressed in the new Procurement Policy.

The Contracts database is a key mechanism and has made a good start, but will need to be maintained on a regular basis. This will rely on a flow of information from budget holders. The Contracts Register provides the time to plan up and coming contracts, to ensure that the best deals can be accessed in a timely manner.

The review was pleased to highlight the expertise in the authority, and that this has been noted across the County for some of the work Bassetlaw has led on. These large contracts have not only saved Bassetlaw money but have extended to other counties in the East Midlands region. The Panel agreed that this expertise should be cultivated and that resources made available when necessary.

This review did not consider the procurement carried out by A1 Housing on its behalf for the Decent Homes Programmes. It would suggest that this should be reviewed by a future scrutiny Panel.

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