

**LGA NATIONAL PROCUREMENT STRATEGY
FOR LOCAL GOVERNMENT IN ENGLAND 2014**

Recommendations for District Councils:-

Making Savings

1) Category Management

- Recognise the benefits and tap into category management plans of other public sector organisations and through PBOs (professional buying organisations)
- Review existing framework arrangements at early stages of procurement to reduce duplicated effort
- Recognise the benefit from engaging with a national approach and ensure timely publication of data to ensure a robust analysis can take place

We have undertaken a spend analysis through the Cabinet Office/Bravo Solutions to identify categories of spend and met with CCS (Crown Commercial Services) to explore the potential of utilising their frameworks where possible. Where a framework is appropriate, we always look to see which are already available for us to use before undertaking our own procurement. Our spend, orders and contracts information and tender opportunities are published in line with national requirements.

2) Partnering and Collaboration

- Set out the approach to partnering and collaboration in the corporate procurement strategy
- Explore opportunities to procure through existing routes to market, in particular harnessing existing shared services or PBO resources
- Explore the options relating to sharing services or posts with appropriate partners

As previous, we make use of existing frameworks where these are appropriate and relevant. We have a good record of collaborative procurement with other Staffordshire authorities, and other councils such as Birmingham City. We are open to the potential for shared services or posts with neighbouring authorities where this would be of benefit to Tamworth, with potential arrangements under the Memorandum of Understanding with Lichfield D C, or other potential opportunities within Staffordshire and the West Midlands.

3) Contract and Supplier Management

- Measure contract outputs and key performance indicators to ensure competitiveness over the life of the contract
- Ensure visibility of supply chains

- Expect main contractors to act fairly with supply chains and mandate timely payment to sub-contractors through contract clauses

KPIs and specified outputs are built into contracts but ongoing contract management is the responsibility of the relevant service manager, not Corporate Procurement. Any sub-contractors used must be identified from the outset during the tender process, and payment clauses ensuring timely payment to sub-contractors are now required to be built into contracts and reported on under the transparency agenda.

4) Performance and Transparency

- Baseline contract spending and outcomes internally over time and with other councils and use this information to inform contingency planning and re-competition strategies
- Join together with other councils and partners to share information that makes prices and performance more open and transparent
- Publish data in relation to contracted-out services in accordance with the Transparency Code
- Ensure the rights to data created as a result of a service being contracted out remain with the Council

We undertook a spend analysis through the Cabinet Office/Bravo Solutions to identify categories of spend via an exercise which was also available to Staffordshire authorities and which enabled common requirements/opportunities for joint procurement to be identified. All information required under the transparency agenda is published on a quarterly basis.

5) Risk and Fraud Management

- Where no dedicated procurement resource exists, risks and the implications of poor procurement is identified through corporate risk processes
- Pro-actively audit contracts to check for fraud
- Include whistleblowing policies as part of contract conditions

Procurement risks form part of the corporate risk register maintained on Pentana and reviewed annually. Internal Audit undertake regular review of procurement processes and the Corporate Fraud Investigations Officer within the team has contract/procurement fraud within her remit. There is a whistle blowing policy in place at the Council.

6) Demand Management

- Councils build in a demand management approach before procurement begins
- Councils seek alternative mechanisms to procure customer needs

Demand Management now forms part of the overall strategy and focus for delivering savings and improving customer service across the Council.

Supporting Local Economies

1) Economic, Environmental and Social Value

- Consideration is given as to how to obtain social value in all contracts over the EU threshold
- Sustainability is considered at the 'identify need' stage of the procurement cycle

The Social Value Act is considered in all voluntary sector/commissioning projects, and in all above threshold procurement as required by legislation, although this only impacts on a few of our contracts. Environmental sustainability is not a routine consideration.

2) Improving access for SMEs and VCSEs

- Identify all procurement opportunities over £5k through regional portals
- Ensure websites make it clear which portals are being used to advertise tender opportunities and how suppliers can register
- Measure the amount of local spend as a way of identifying and reducing the barriers for smaller organisations in bidding for council contracts
- Develop or update and publish the 'selling to the council' guide
- Mandate payment by suppliers to their sub-contractors be no greater than those in the primary contract, through contract clauses
- Engage with single, simplified PQQs such as PAS91 for construction
- Learn from and engage with the supply base and other councils on a regional basis through market days
- Ensure that lotting strategies do not create unwanted barriers for smaller businesses
- Link into existing framework contracts which outline how consortia can be encouraged

A number of the above recommendations were superseded by the requirements of the UK Public Contracts Regulations which came into force in 2015 and with which we must comply, eg abolition of PQQ stage in procurement, with a standard questionnaire in place; assumption that large contracts will be broken up into lots, and if not, justification to be provided.

We advertise all tender and quotation opportunities £4k and above through our on-line In-Tend web portal, to which any supplier can have access and register. Information and guidance on accessing In-Tend and using the portal is published on our website. Procurement staff have attended regional Think Local 4 Business and 'Meet the Buyer' days in the past and also attend annual In-Tend user group days, which is a forum for both suppliers and buyers, offering networking opportunities.

Leadership

1) Single Cohesive Voice

- Engage with procurement networks to ensure visibility of and input into policy

- Join with PBOs to showcase and share good practice and to influence Government and the wider public sector

We engage with procurement networks and our colleagues locally and nationally as resources allow and where this is of benefit to Tamworth.

2) Commitment from the Top

- Provide periodic updates to senior managers and elected members on implementation of good practice and its relevance to the organisation
- Encourage an elected member champion for procurement
- A senior level director takes overall strategic responsibility for procurement and ensures full value is extracted from all procurement decisions
- Link the procurement strategy to the corporate strategy

Procurement at Tamworth Borough Council falls under the responsibility of the Executive Director Finance, a member of the Executive Leadership Team, and is within the remit of the Portfolio Holder for Operations and Assets (Cabinet Member). Procurement activity is reported to CMT and Cabinet, and also Corporate Scrutiny as required. Other reports for Cabinet or Committee approval or Scheme of Delegation reports include procurement issues as appropriate.

3) Commissioning

No recommendations for district councils

4) Procurement Training

- Engage with other councils to 'piggy back' onto training and development programmes
- Ensure senior officers are involved directly in high value contracts
- Recruit consultants with commercial skills to help with developing a more commercial approach. Knowledge transfer should be part of the consultancy contract
- Engage with training on new EU Procurement Directives either through other councils or directly

Training and development is ongoing for Procurement staff and opportunities to attend training courses, etc, are taken as and when these are felt to be useful and relevant. We are members of the CIPFA Procurement and Commissioning Network which is a useful source of advice and guidance as well as offering training throughout the year. We also regularly attend procurement update briefings given by local legal firms, eg Bevan Brittain.

Modernisation

1) Commercialisation and Income generation

- Invest in training and developing commercial acumen for new and existing staff
- Develop forward savings and income generation plans

The Council has a Commercial Investment Strategy, and income generation forms part of the Council's sustainability strategy and demand management programme, and specific workstreams have been developed around these areas.

2) Supplier Innovation

- Join with other councils and PBOs to engage in supplier market and innovation days
- Ensure terms and conditions are flexible enough to allow for changes in technology during the life of the procurement
- Use outcome-based specifications that include the minimum technical and performance requirements and focus on a statement of the problem that needs to be solved

Supplier market and innovation days are made use of as they arise or are appropriate. Terms and conditions appropriate to the contract in question are utilised. Outcome based specifications are utilised where appropriate.

3) Using Technology

- Use electronic means for tendering processes in line with EU Directives
- Work with suppliers to encourage a move to more e-business
- Consider making e-invoicing a contractual requirement

All of our quotation and tendering with a value of £4k or over is conducted electronically. Electronic invoicing is also in place with our main contractors/utilities and an increasing number of suppliers.

4) EU Directives

- Take full advantage of the free face to face and e-learning available through CCS
- Cascade training to council officers and elected members outside of the 'procurement team'
- Maximise the flexibilities afforded in the new EU Directives

The EU Directives as implemented under the UK Public Contracts regulations have been in force for a number of years now. Training provided via Cabinet Office/CCS was attended at the time the new regulations were implemented. Financial Guidance, procurement procedures, documentation and guidance was updated as a result of the new Regulations, and training sessions were organised for all budget holders, service managers and other staff involved in procurement on the new requirements. Financial Guidance and procurement procedures and documentation are under regular review and are updated throughout the year as and when appropriate.