
REPORT TO THE MEETING OF THE EXECUTIVE 17 OCTOBER 2012**PORTFOLIO: FINANCE AND RESOURCES****REPORT FROM HEAD OF FINANCE****SUBJECT: SUSTAINABLE COMMISSIONING AND PROCUREMENT STRATEGY 2012 - 2017****1 DECISION BEING RECOMMENDED**

- 1.1 To agree a revised and updated Commissioning and Procurement Strategy (“the Strategy”) and Action Plan for the Council, attached to this report as Appendices A and B.

2 REASONS FOR RECOMMENDATION

- 2.1 The Council’s Procurement Strategy has expired and the opportunity has been taken to consider the whole process of commissioning, which encompasses procurement.
- 2.3 As part of the work in reviewing the Strategy, officers have undertaken a business process re-engineering review of the ordering and invoicing process, applying lean systems thinking. The project team was supported by a representative from the Department of Works and Pensions, who had worked with the Revenues and Benefits Team on their lean review work. Their recommendations have informed the year one action plan for this Strategy. The focus for year one will be to ensure that there is a clear set of procedures and templates for officers involved in procurement activity to follow, in order to ensure a consistent approach and compliance with Contract Procedure Rules and EU regulations.

3 SALIENT INFORMATION

- 3.1 The Council spends about £9m a year on goods and services, including £5.4m on contracted services. It is therefore important that the Council has a strategy setting out how it will commission and procure these services. A review of current procurement activity within the Authority and lessons learned from recent major procurement exercises has identified the following areas as priorities for the Strategy:-

- Ensuring that there is a clear and consistent approach to procurement activity, with clarity about roles and responsibilities, and readily available and informed advice and toolkits for officers undertaking procurement activities.
- Formal training on procurement and contract procedures.
- The lack of a dedicated procurement resources means that the Council has to buy in services as required. A dedicated resource could provide

capacity and specialist knowledge and skills which are not available in-house.

- The Council uses on-line ordering, but the review identified that there are improvements that could be made to maximise the use of current systems.
- The Strategy should support the delivery of the Council's Climate CO₂de and, in order to do this, guidance needs to be provided to officers on environmental impact assessments and including environmental objectives in contracts, as appropriate.
- The recent ICT contract procurement was a good example of joint working on a major procurement. The Council needs to continue to explore and exploit these opportunities.
- There needs to be more engagement with suppliers to improve their ability to bid for goods and services, not just from the Council but from other public sector bodies within the District.

3.2 The Strategy, once approved by the Executive, will be sent to partners, including the business representatives, for their comment. If any major changes are required to the Strategy arising from that consultation, they will be reported back to the Executive at a later date. Otherwise, minor amendments will be made by the Head of Finance in consultation with the Portfolio Holder for Finance and Resources.

4 ALTERNATIVE OPTIONS CONSIDERED

4.1 To not have a Commissioning and Procurement Strategy; this would mean that the Council would not have a coherent and transparent approach to commissioning and procurement and it would be difficult to ensure a consistent approach across the Authority.

5 RISK IMPLICATIONS

5.1 The three main risk areas associated with commissioning and procurement are:-

- The strategic risk of poor decision making or poor implementation, which can result in damage to the reputation of the Council, loss of public confidence or legal action.
- Programme risk is the failure to comply with procurement legislation or procurement procedures, such as Contract Procedure Rules, and also includes the lack of documentation to prove compliance, i.e. lack of a clear audit trail. Programme risks can lead to challenge, judicial review, employment tribunals or the inability to enforce a contract.
- Project or operations risk relates to poor contract management, including inadequate terms and conditions, failure to deliver services effectively and on time, malfunctioning equipment or damage to property. These

risks are often the result of inadequate contract management processes and can result in insurance claims, disputes, complaints and ultimately litigation.

- 5.2 The introduction of procurement toolkits, which will include standard terms and conditions, clear procedures, clarification on contract procedure rule requirements, together with formal training for officers involved in procurement, will go some way towards mitigating the risks inherent in any procurement or commissioning activity.
- 5.3 The Council's risk management framework, which includes a Corporate Risk Register, has identified risks associated with major contracts as a significant risk for the Authority, with controls identified and actions in place.

6 ENVIRONMENTAL IMPLICATIONS

- 6.1 The Strategy will support the delivery of the Council's Climate CO₂de. Procurement toolkits will include advice on completing environmental impact assessments and advice on how to include environmental specifications within contracts.

7 RESOURCE IMPLICATIONS

- 7.1 Procurement and Commissioning activity takes place for items that are approved as part of the Council's revenue and capital budgets. Where necessary, the Council may approve additional resources to provide specialist procurement and legal skills and knowledge to support major procurements, but in the main, procurement activity is carried out by officers as part of their job. There is no dedicated in-house procurement resource and this has been identified as a weakness for the Authority. The action plan includes an action to review the options for providing such a resource.

8 LEGAL IMPLICATIONS

- 8.1 The Council's procurement and commissioning is governed by a number of regulations, including EU. These restrict what the Council can do and imposes a number of conditions on the Council, when it is undertaking procurement of major projects.

I confirm that the above recommendation does not depart from Council policy and that appropriate consideration has been given to any budgetary and legal implications.

SMT Lead Officer Signature: _____

Head of Finance

Background Papers:-

Business Process Re-engineering Team's Action Plan.

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ROCHFORD DISTRICT COUNCIL

**SUSTAINABLE COMMISSIONING AND
PROCUREMENT STRATEGY
2012-2017**

FOREWORD

This new Sustainable Commissioning and Procurement Strategy gives us an opportunity to look back at progress made so far and to look forward and prepare for the challenges ahead. These include the ongoing reductions in public sector funding, demographic changes, responding to climate change, increasing technology and the need to continue to deliver significant efficiency savings.

The Localism Act 2011 gives local authorities the opportunity to play a unique role as community leaders in the district. We can only fulfill this role through partnership working with other public sector agencies, through our suppliers and the voluntary sector. This Strategy sets out a 5-year framework which will enable the Council to fulfill this role and to continue to deliver improvements in service delivery by:

- Building skills and capacity within the Council to lead commissioning and procurement activity.
- Increasing the opportunities for joint working across the public sector.
- Developing a wider range of innovative procurement solutions.
- Engaging proactively with suppliers to ensure we get maximum value
- Focusing our commissioning and procurement activity on delivering improvements for the residents of Rochford District.

Whilst recognizing the social, economic and environmental impact of our decisions.

As always, the focus for our commissioning and procurement activity is on delivering the key outcomes that residents want to see, whether this is making a difference to our local economy, environment, communities or people.

Councillor Colin Seagers
Portfolio Holder for Finance and Resources

INTRODUCTION

The Commissioning and Procurement Strategy ('the Strategy') sets out the Council's policy objectives and principles for commissioning and procurement in order to make Rochford district the place of choice in the County to live, work and visit and to support the delivery of excellent cost effective services.

The Strategy sets out a clear picture of:

- Our Vision
- Where we are now, including what we buy and how we buy
- What we value
- Where we want to be
- How we intend to get there
- How we will measure our progress

Commissioning is the whole process of deciding what services are needed, their priority, and choosing what, why, how and where to allocate resources to provide them.

Procurement the acquisition of goods, works and services which meet the customers' and service users' needs, whilst ensuring value for money throughout the life of the product including disposal.

Works, Goods and Supplies contracts must be procured in compliance with the Public Contract Regulations 2006, UK Law and the Council's Constitution. At all times the EU Treaty Principles must be applied namely, fair competition, non discrimination, equal treatment, transparency and proportionality.

Sustainable procurement is the acquisition of goods/services in a way that achieves value for money on a whole life basis by not only generating benefits for the Council for our communities and economy whilst minimizing environmental damage.

OUR VISION

Through our leadership and innovation, ensure that commissioning and procurement delivers sustainable benefits for the residents of the district.

For the **Local Economy**, we need to work with our suppliers to reduce costs on a whole life basis, as well as making it easier for local businesses to work with the Council, either individually or as part of a supply chain.

For our **Communities**, we need to ensure that equalities and diversity are embedded into our processes, that we take the opportunity to secure wider community benefits and that our suppliers comply with employment law as well as addressing skills, training and health and safety.

For our **Environment**, we need to ensure that all our commissioning and procurement activities are conducted in an environmentally responsible matter. This includes only buying goods and services that are necessary, reducing the use of non-renewable natural resources and supporting delivery of the Council's Climate CO₂de to reduce our environmental impact.

WHERE WE ARE NOW

The Council has, for many years, embraced competition in the provision of services, as demonstrated by the significant number of contractors engaged in providing the major services for the Council. In particular, the following highlights some of our commissioning and procurement achievements:

- The **Leisure contract** with VirginActive delivers a high quality leisure service across the district with over £0.7m of capital investment in the Council's facilities.
- The **Parking partnership** was set up in 2011 to deliver the on street parking enforcement activity on behalf of Essex County Council. It is a partnership of 6 authorities covering the South Essex area.
- The **Recycling** service is delivered through an outsourced arrangement with Sita Suez which has seen the Council become the best performing Council in the country for recycling.
- A joint collaboration with 3 other authorities for **ICT services** will deliver savings of around £7m for the 4 authorities over the next 4 years through the new contract arrangements with Capita..
- A collaboration with 12 authorities across the East of England Region procured **Insurance** delivering savings for the group of £2.4m over 3 years.
- A **Central Ordering** team has been established to improve the efficiency of the ordering process and they now handle over 80% of the orders processed.
- **Business Breakfasts** are held regularly and have included sessions on Selling to the Council.
- Development and adoption of a **Climate Change and Sustainability**

Strategy and Climate CO₂e action plan has secured a 15% reduction in energy usage over the last 12 months.

- Adoption of a joint **Castle Point and Rochford Compact** which outlines best practice principles for both voluntary and statutory sector organisations in order to achieve meaningful, effective and mutually beneficial partnerships.

The Council will be undertaking several major procurements over the next few years and publishes a list of contract renewal dates in our Selling To Guide on the website. As at October 2012, the future contract opportunities are:

Description	Department	Contract Expiry
Grounds maintenance	Environmental Services	30/03/2013
Bank contract	Finance/audit	01/06/2013
Stray dog collection	Environmental Services	30/09/2013
Refuse and Recycling collection	Environmental Services	01/04/2015
Street cleansing	Environmental Services	01/04/2015
Material Recycling Facility	Environmental Services	30/04/2015
Insurance	Finance/audit	01/06/2015
Upgrade of multifunctional devices	Information and Support Services	31/11/2015
Window and office cleaning	Legal services	31/03/2016
External audit	Finance/audit	01/12/2016
Asset valuations	Finance/audit	01/04/2016
Building maintenance - small responsive works	Legal Services	31/03/2017
Air heating and cooling - council owned buildings	Legal Services	31/03/2017
Leisure buildings management	Community Services	01/04/2022

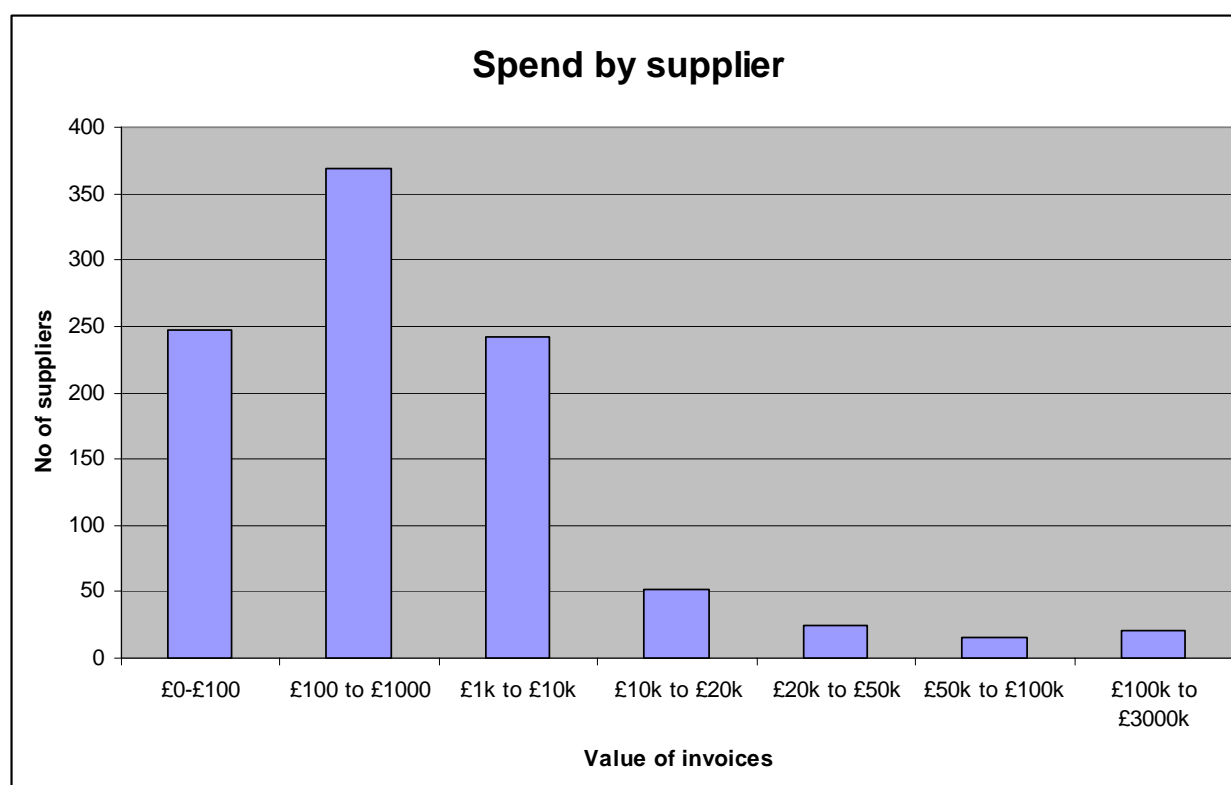
WHAT WE BUY

The Council's total budgeted expenditure, shown below, is approximately £16.3m, which is a 9% reduction in real terms over the last 5 years.

	2007	2012
	£m	£m
Employee costs	8.2	7.7
Contractors	4.1	5.4
Supplies & Services	2.9	2.2
Premises related	0.9	1.0
Transport Related	0	0.1
Total	16.1	16.3

HOW WE BUY

Of this total, about £11m is paid by invoice. The Council processed 7,739 invoices in 2011/12 across 971 suppliers. The chart below shows the annual spend with suppliers:



70% of the Council’s expenditure is with 21 (2%) of our suppliers and 63% of our suppliers account for 1% of the Council’s expenditure. This indicates that the Authority has a risk if a major contractor runs into problems. This is where we need to focus our contract management attention as they have the greatest impact on our overall service delivery. The Council has contingency arrangements to deal with contractor failure and ensure that services are up and running as quickly as possible.

Many of the Council's payments are of low value but this has improved from 50% of payments in 2007 being under £100, to 36%.

Payment Range	No of suppliers	Spend £	No of invoice
£0k to £100	479	141,774	3654
£101 to £1K	547	1,020,846	3125
£1k to £10K	248	2,480,272	856
£10k to £20K	35	974,657	71
£20k to £50K	15	1,130,378	32
£50k to £100K	15	2,625,214	38
£100k to £500K	5	3,259,388	17

This identifies that we spend smaller amounts with a large number of suppliers, indicating possible process efficiencies or opportunities for amalgamating spend under contract arrangements.

WHAT WE VALUE

The following principles have been identified as being most important to the Council:-

Putting the Customer at the heart of decisions by involving users at each stage of the commissioning cycle for larger projects and those directly affecting front line users. This will be done by surveys, forums, special interest groups such as Friends of Sweyne Park.

Managing Contracts in accordance with the Council's rules, policies and procedures, with a view to delivering high quality services on time, within budget and to specification. Service delivery contracts will include the provision of relevant management information and performance measures.

Assessing and Minimising the Risks by applying the Council's Corporate Risk Framework to assess the risks associated with any commissioning and procurement activity. This includes documenting and taking action to minimise risks. The risk assessment will be considered as part of the decision making process, recognizing that although elements of the risk can be transferred to the supplier/contractor, the ultimate responsibility will always remain with the Council.

Maintaining high Professional Standards and Best Practice by staff who are appropriately trained and where appropriate using external expertise. All procurement procedures shall be operated in a professional manner ensuring the highest standards of transparency, probity and accountability.

Working in partnership to share expertise and build capacity and to gain economies of scale through collaboration.

Recognising the Social, Economic and Environmental Wellbeing impact of commissioning and procurement activity on the residents and communities of the district. The Council will work with organisations from the voluntary and third sector to remove any barriers, real or perceived, which hinder the ability of those organisations to trade with the Council.

Assessing the impact on the Equalities and Diversity of residents and other service users and requiring suppliers and contractors to trade in a manner that complies with the Council's Equality and Diversity policy.

Considering the Sustainability and Environmental impact with early decisions taken in line with the Council's Climate CO₂de to ensure that projects are packaged in the most efficient and environmentally friendly manner to deliver services which are needed and affordable and are financial sustainable over the life of the contract. The Council will seek to remove barriers to local small businesses competing for work in order to promote sustainability within the Council area. The Council will consider the costs and benefits of environmentally preferable goods and services.

Delivering Continuous Improvement with sufficient flexibility to provide for changes through the life of medium and long term contracts with key performance indicators agreed and monitored.

Protecting the future terms and conditions of staff who are transferred as a result of a procurement decision.

Maintaining the Capacity of the Council by considering the core number of staff required to deliver in-house services and respond to emergency and ad hoc situations.

Being innovative through use of technology, new procurement methods such as e-auctions and taking advantage of collaborative procurement opportunities where they deliver benefits.

Scrutinising all Council policies, practices, decisions and outcomes at Member level with public reporting.

Being transparent in the Council's procurement and commissioning activities including publishing information on spend in line with Government guidance, the Selling to Guide and contract register.

WHERE WE WANT TO BE

The main priority for Year 1 of this Strategy will be to produce toolkits and standard templates to ensure a consistent approach to procurement supported by training, while also improving the Authority's understanding of its spending patterns to identify opportunities for collaboration and innovation.

Year 1 Objectives	Year 2-5 Objectives
Focusing our commissioning and procurement activity on delivering improvements for the residents of Rochford District with a clear and consistent approach.	
<p>Implement Business Process Re-engineering/ Lean Systems review recommendations</p> <p>Provide clarity about roles and responsibilities with readily available and informed advice and toolkits for officers undertaking procurement activities.</p> <p>Improve our understanding of how much we spend, on what, with whom and by whom.</p>	<p>Follow up impact of BPR/Lean Systems recommendations</p> <p>Develop commissioning toolkits to introduce consistent approach.</p> <p>Use spend analysis to improve management of categories of spend and reduce invoice numbers.</p>
Building skills and capacity within the Council to lead commissioning and procurement activity.	
<p>Deliver formal training programme on procurement and contract procedure rules.</p> <p>Continue to build relationships with other authorities and partner agencies to share best practice.</p> <p>Assess the requirements for procurement resource to provide capacity and specialist knowledge and skills.</p>	<p>Roll out training on commissioning services.</p> <p>Deliver ongoing refresher and induction training.</p>
Developing a wider range of innovative procurement solutions	
<p>Review the use of procurement cards.</p> <p>Maximise the use of the online systems.</p>	<p>Ensure that we aggregate all spend within spend categories and contract for it on the most appropriate basis</p> <p>Put in place mechanisms to prevent off-contract purchasing and track all off-contract purchasing</p>
Minimising the environmental impact of the Council's activities.	
<p>Identify Climate CO₂e aims and objectives in relation to commissioning and procurement.</p> <p>Provide guidance to officers on environmental impact assessments</p>	<p>Assess the Council's procurement and commissioning activity against the Sustainable Procurement targets as set out in the National Action Plan.</p> <p>The Council will investigate the impact of its expenditure on the environment and</p>

Year 1 Objectives	Year 2-5 Objectives
	<p>investigate the opportunities for the recycling and re-use of materials where appropriate</p> <p>The Council will engage with suppliers to inform them of our environmental and sustainability objectives, encourage the provision of environmentally friendly processes and goods/services and work with key suppliers to implement changes.</p>
Increasing the opportunities for joint working across the public sector.	
<p>Assess individual contracts due for renewal for partnership opportunities.</p> <p>Explore opportunities to develop relationships with Procurement Hubs and other partners for expert legal and due diligence advice in respect of expenditure above EU thresholds.</p>	<p>Use spend analysis and aggregation exercises to identify opportunities to collaborate with others to help increase our own organisation's commercial leverage and save time and effort through avoiding separate tender exercises.</p> <p>Secure formal arrangements in respect of procurement, expert legal and due diligence advice.</p>
Engage with suppliers to improve their ability to bid for goods/services delivery.	
<p>Maintain up to date public information about contract opportunities.</p> <p>Use business breakfasts to provide information and advice to local suppliers about doing business with the public sector.</p>	<p>Review the Council's commissioning and procurement activity amongst the voluntary and third sector and identify actions to remove barriers.</p> <p>Investigate ways of enabling local suppliers to bid for goods/services delivery as part of a wider supply chain.</p>

An Action Plan will be produced annually to support the delivery of the above objectives and the Action Plan for Year 1 is attached.

HOW WE WILL GET THERE

All parts of the Council are affected by the Strategy but in practice, commissioning and procurement decisions and day to day operational procurement activities are undertaken by relatively few staff. It is important that the Council has clearly defined roles and accountabilities so that these may be exercised and managed proficiently. The key control over procurement activities is the Council's Contract Procedure Rules, which will be supported by the development of a Procurement Toolkit, guidance on 'Buying in a Sustainable manner' and relevant and proportional guidance and training.

The **Executive** comprises the Leader and 7 Portfolio Holders. The **Leader of the Council**, with responsibility for Overall Strategy and Policy direction, takes the lead role for commissioning and procurement at **Member** level. The Portfolios cover the following areas:

- Overall Strategy and Policy Direction (Leader)
- Planning and Transportation (Deputy Leader)
- Council Tax Collection, Benefits and Strategic Housing Functions
- Environment
- Finance and Resources
- Leisure, Tourism, Heritage, the Arts, Culture and Business
- Service Development/Improvement and Performance Management
- Young Persons, Adult Services, Community Care and Well-Being Health and Community Safety

Each Portfolio Holder is responsible for taking all steps necessary to procure the efficient and effective provision of services within their individual portfolios. The Action Plan will be reported to the **Executive** annually

Review Committee can scrutinize decisions regarding commissioning and procurement. .

The **Chief Executive** will provide the strategic management of commissioning and procurement ensuring achievement of key policy objectives.

The **Head of Finance (Section 151 Chief Finance Officer)** is responsible for producing this Strategy and for the financial and risk management arrangements of the Council.

The **Head of Legal, Estates and Member Services (Monitoring Officer)** is responsible for maintaining the Contract Procedure Rules, arranging corporate training on the application of Rules and raising awareness of any legislative changes that affect procurement arrangements.

The **Senior Management Team** will ensure the application and promotion of corporate commissioning and procurement policies throughout their Divisions and ensure that commissioning and procurement activities support the delivery of the Council's corporate objectives. Heads of Service will ensure that the purchase of services, supplies and works is undertaken in line with Contract Procedure Rules and Financial Regulations. Head of Service will also ensure that when deciding how to deliver a service, alternatives to contracting are considered.

At the **Operational Level**, a multidisciplinary officer group, the **Financial Programmes Group** will act as a forum for sharing information on procurement activities and ensuring dissemination of best practice across the authority. Officers who are carrying out commissioning and procurement activities will comply with the Strategy and the Council's regulations and procedures. The **Information and Support Services team** will provide a centralised ordering facility and administration to support contracting and tendering arrangements.

Resourcing - individual procurement and commissioning is undertaken for services and goods as agreed as part of the Council's revenue and capital budgets. The Council does not have specialist procurement officers which means that for larger complex procurement activity, the Council has had to approve additional resources to provide this specialist support. In order to support the delivery of this Strategy, a budget bid will be made for a dedicated procurement resource.

HOW WE WILL MEASURE OUR PROGRESS

The Action Plan will be reviewed annually and reported to the Executive and the following performance indicators will be monitored as part of the Council's performance management system:

Economic	Community / Social
% of undisputed invoices paid within 30 days	Number of Equality Impact Assessments completed as part of or prior to procurement process.
% of undisputed invoices from local suppliers paid within 10 days	Level of Equality Framework for Local Government achieved.
% spend with local suppliers	% of contracts with a total value exceeding £1/2m that include a social clause.
Number of businesses attending Business Breakfasts	Value of contracts placed with voluntary and community sector organisations.
Inclusion of Small and Medium Enterprises (SMEs) in e-procurement programme	
Environmental	Commissioning and Procurement Best Practices
% of invoices paid electronically	% of staff involved in procurement who have completed the corporate training.
Emission reductions – NI185	
Number of invoices by supplier	Number of standard templates included in procurement toolkit.

PROCUREMENT ACTION PLAN

The Action Plan references items from the action plan produced by the BPR/Lean Review team.

Ref	Objective	Key Actions	Lead Officer	Completion Date	Target/ outcomes
	Focusing our commissioning and procurement activity on delivering improvements for the residents of Rochford District with a clear and consistent approach.				
1.	Annual Review of Procurement & Commissioning Strategy	Analysis of Procurement Complete Review Publish on website	Yvonne Woodward	September 2013	Fit for purpose Procurement & Commissioning Strategy
2.	Implement actions of BPR/Lean Review recommendations. Procurement process is efficient and effective	Business Process Re-engineering / Lean project on ordering/invoicing completed. Findings reported Action plan agreed Action plan delivered	Yvonne Woodward	December 2012	Efficient and effective processes in place. Reduction in duplication Clarity on roles and responsibilities Training needs identified. Consistent approach to ordering, receipting and closing orders, invoice processing, budget checking. Use of new order form (BPR/Lean items 1,3,6,9)

Ref	Objective	Key Actions	Lead Officer	Completion Date	Target/ outcomes
3.	Financial Regulations are up to date and fit for purpose	Review Financial Regulations following BPR/Lean review	Carrie Cox	November 2012	Changes identified during review incorporated. Plain English regulations that are easy to interpret <i>(BPR/Lean item 2)</i>
4.	Up to date Contract Procedure Rules (CPR) in place	Review CPRs and update as necessary, taking account of BPR/Lean review recommendations.	Albert Bugeja	May 2013	CPRs updated <i>(BPR/Lean item 2)</i>
5.	Annual review of authorised signatories and marketplace users	Authorised signatories confirmed by HoS as correct. Marketplace users agreed to authorised signatories list.	Carrie Cox Dawn Tribe	December 2012	Authorised signatories up to date with central master. Marketplace users correct and system controls over authorisation levels in place <i>(BPR/Lean items 5 and 10)</i>
6.	Manage, maintain and promote the contract database on the intranet	Set up quarterly review and updates	Kerry Wastell	April 2013	Information readily available on procurement activity. Smaller suppliers given access to opportunities to supply to the Council

Ref	Objective	Key Actions	Lead Officer	Completion Date	Target/ outcomes
7.	Complete a spend analysis.	Carry out a spend analysis for 2011/12	Andrew Brown	December 2012	Analysis of spend by invoice, supplier and category produced
8.	Complete centralisation of order processing	Liaison with departments. Move departments.	Dawn Tribe	February 2013	Departments using the most appropriate order processing method (central or departmental). Improved monitoring of off contract spend. Opportunities for joining up spend across departments identified. <i>(BPR/Lean item 11)</i>
9.	Procurement Toolkit published	Identify documentation and procedures that need to be included. Set out procedures Complete templates to provide standard documentation for procurement and commissioning activities	Dawn Tribe	March 2013	Toolkit that provides clear guidance for officers who are leading procurement activities. Includes toolkits and guidance covering issues identified by the BPR/Lean Review. Clear consistent approach in place with clarity over roles. Standard procurement documentation and retention <i>(BPR/Lean item 3)</i>

Ref	Objective	Key Actions	Lead Officer	Completion Date	Target/ outcomes
10.	Review off-contract spend	Regular review of off-contract spend to identify opportunities to consolidate spend in managed contracts or introduce Schedule of Rates.	Carrie Cox	Ongoing	Put more spend into managed contract arrangements or with Schedule of Rates. Compliance with Contract Procedure Rules.
11.	Identify Buyers	Document who is responsible for procuring what and circulate annually	Dawn Tribe	October 2012	Calls are routed to the appropriate person
Building skills and capacity within the Council to lead commissioning and procurement activity.					
12.	Training in procurement and Financial Regulations delivered to appropriate staff.	Training needs identified. Appropriate staff identified – all authorised signatories and marketplace users. Training designed and delivered.	Yvonne Woodward	March 2013	Staff involved in procurement process understand procedures and regulations. Training to address issues identified during BPR/Lean review. Consistent approach to procurement and commissioning Staff clear about roles. Project and risk management techniques applied in procurement activity

Ref	Objective	Key Actions	Lead Officer	Completion Date	Target/ outcomes
					<i>(BPR/Lean item 4)</i>
13.	Procurement Information page on intranet up to date with toolkits, case studies, EU Directives and publications	Regular review and update of content.	Dawn Tribe	March 2013	Sharing of best practice Corporate source of information Consistent approach
14.	Assessment of requirement for dedicated commissioning and procurement resources	Identify potential funding Submit business case.	Yvonne Woodward	December 2012	Decision made about the requirements for an in house procurement resource, use of procurement hubs and partners
Developing a wider range of innovative procurement solutions					
15.	Use of procurement cards reviewed	BPR/Lean review completed and reported	Andrew Brown	November 2012	More efficient transactions Reduce volume of invoices <i>(BPR/Lean item 8)</i>
16.	Use of online systems maximised for efficiency and effectiveness	Variation orders set up. Move CAPS ordering on to Marketplace, where appropriate. Set up project to use catalogues	Dawn Tribe / Carrie Cox	Ongoing	Procedures in place that are efficient with consistent application. Improvements in demonstrating best value. IT systems are integrated and

Ref	Objective	Key Actions	Lead Officer	Completion Date	Target/ outcomes
		Implement Marketplace enhancements Review of procurement systems E-invoicing feasibility study completed.			improve processes. <i>BPR/Lean items 7, 12, 14, 15, 16)</i>
Minimising the environmental impact of the Council’s activities.					
17.	Environmental impact specifications’ included in appropriate contracts.	Toolkit produced	Richard Evans	March 2013	Toolkit provides guidance on: <ul style="list-style-type: none"> •Environmental Impact assessments as part of the procurement process. •Identifying which contracts should have environmental specifications. •Environmental specifications to support Climate Co₂de policy.
Increasing the opportunities for joint working across the public sector.					
18.	Opportunities for collaborative procurement are identified.	Monitor shared service working the Council is involved in. Signpost procurement hubs and public contract	Y Woodward	March 2013	Lead officers aware of collaboration opportunities.

Ref	Objective	Key Actions	Lead Officer	Completion Date	Target/ outcomes
		registers to identify joint procurement opportunities.			
19.	For major contract renewals, over £100k, collaborative procurement has been proactively pursued	Explore opportunities for joint procurement and report as part of the decision making process.	R Evans	December 2012	For 2012 – opportunities for Grounds Maintenance procurement decided.
Engage with suppliers to improve their ability to bid for goods/services delivery.					
20.	Maintain and update the Selling to Guide	Set up quarterly review and update	Kerry Wastell	March 2013	Increase in volume of business placed locally
21.	Local businesses are informed about doing business with the Council.	Business Breakfasts include details of how to bid for public sector work.	Jody Owen-Hughes	March 2013	Increase in volume of business placed locally

Background Papers

ACTION PLAN AS AT AUGUST 2012 – SUBJECT TO AMENDMENT

Lean Thinking Action Plan						
	Action	Issues to address	Responsible party	Priority	Deadline	Detailed reference
Processing mapping of ordering						
1.	Review order form	<ul style="list-style-type: none"> • Reiteration of financial regulation, change wording if required • Review of need for new supplier form • Make order form electronic 	Lean Team	High	September 2012	
2.	Review financial regulations	<ul style="list-style-type: none"> • Where refer to notes ensure that there are notes • Establish a de-minimis • Clear responsibilities of procurement, finance, legal etc 	Financial Services Manager/Chief Accountant; Legal	High	September 2012	15

Background Papers

Lean Thinking Action Plan						
Action	Issues to address	Responsible party	Priority	Deadline	Detailed reference	
Processing mapping of ordering						
3.	Procedure Actions	Procedures to cover: <ul style="list-style-type: none"> • Requirements of roles within process • Advice on receipting and closing • Delivery notes to be sent centrally • Order Form compilers should notify authorised signatory so not a surprise from procurement team • Invoice handling process • Raiser and authoriser are budget checkers; need to ensure Finance system access to check budgets. • Use of marketplace log for checking order raised. 	Information and Support Services Manager; Payments & Income Manager	High	September 2012	1,2,3,4,7
4.	Further training on the process	Training to cover: <ul style="list-style-type: none"> • Authorised signatories and their responsibilities • Checking of budgets • Use of Order "form" • Location of marketplace log to check orders raised 	Support Services Supervisor; Senior Accountant	High	November 2012	1,2,3,4,7,19

Background Papers

Lean Thinking Action Plan					
Action	Issues to address	Responsible party	Priority	Deadline	Detailed reference
Processing mapping of ordering					
	<ul style="list-style-type: none"> • Roles and requirements of authoriser and original raiser • Remove complexity of ordering • How to use marketplace for full benefit of quantities ordered/hourly rates and receipting and closing • Subscriptions/Known future spend at start of year collected • As long as authorised signatory, doesn't have to be a higher management level to authorise an 'authorisers' order • Dispute process clarified • Exemptions and procedure for adding to Exemptions • Use of project codes on marketplace 				

Background Papers

Lean Thinking Action Plan						
Action	Issues to address	Responsible party	Priority	Deadline	Detailed reference	
Processing mapping of ordering						
5.	Marketplace to be restructured to limit codes individuals can use and authorisers who can sign off. Review where admin function should sit.	Information and Support Services Manager	High	October 12		
Recommendations on the improvement to the process which improve efficiency and improve efficiency or maintain controls						
6.	Review process for receipting and closing orders	<ul style="list-style-type: none"> Run report weekly to be sent to departments for review and to notify central ordering 	Information and Support Services Manager; Support Services Supervisor	Medium	August 12	
7.	Review marketplace for use of variations in the process	<ul style="list-style-type: none"> Reduce need for additional order to be raised 	Information and Support Services Manager; Performance Improvement Officer/; Financial Services Manager/Chief Accountant	Medium	February 13	

Background Papers

Lean Thinking Action Plan						
Action	Issues to address	Responsible party	Priority	Deadline	Detailed reference	
Processing mapping of ordering						
Consider role of procurement cards and company credit cards in improving efficiencies						
8.	Review entire credit card procedure	<ul style="list-style-type: none"> • Credit limits consistent with Marketplace orders • Use of log (marketplace) • Users, who has one, who needs one, limits etc. • Embedding credit cards into marketplace • Internet purchasing with credit cards • Who has marketplace/credit card • Prevention of passing card to others to use • Some are restricted with smaller limit, some never use larger limit. Review of limits. • Review of Timing and purpose of Transaction log completion • Lose committal of credit card expenditure • What checks are required to remove paper trail • Develop log 	Lean Team	Medium	November 12	1,23,25,29,30

Background Papers

Lean Thinking Action Plan						
Action	Issues to address	Responsible party	Priority	Deadline	Detailed reference	
Processing mapping of ordering						
Recommendations on any further role out of central ordering						
9.	Review how departments where orders are raised centrally are aware of order actually raised	<ul style="list-style-type: none"> Advertise marketplace log 		Low	Complete	
10.	Review authorised signatories list for cross department authorising	<ul style="list-style-type: none"> IT and procurement individuals (For authorisers only) 	Information and Support Services Manager; Financial Services Manager/Chief Accountant	Medium	October 12	28
11.	Move remaining 13% orders to under Central Procurement	<ul style="list-style-type: none"> Allows monitoring of off contract spend and looking for greater efficiencies 	Information and Support Services Manager; Support Services Supervisor	Medium	February 13	9
12.	Project to use catalogues	<ul style="list-style-type: none"> Best Value 	Information and Support Services Manager	Medium	March 13 (review)	

Background Papers

Lean Thinking Action Plan					
Action	Issues to address	Responsible party	Priority	Deadline	Detailed reference
Processing mapping of ordering					
Recommendations on more efficient use of the IT systems including preferred ordering system (CAPS marketplace and Dimensions, taking into account functionality of existing systems and procedural changes and apply lean system principles					
	<ul style="list-style-type: none"> CAPS assets monitoring?? 				
13.	Move orders which are not on a contract across to Marketplace	<ul style="list-style-type: none"> Reporting functionality in Marketplace easier to use and has more enhanced options in future versions Approver workflow can be better defined 	Information and Support Services Manager; Financial Services Manager/Chief Accountant	Medium	February 13
14.	Recommendation to purchase 3 year Marketplace Contract and spend the next year implementing enhancements		Information and Support Services Manager		May 13
15.	Review of Marketplace and other available Procurement Systems	<ul style="list-style-type: none"> Research other local users of Marketplace and their implementation Review Dimensions as a possible replacement (Finance Codes) Invite other procurement systems and review 	Information and Support Services Manager; Financial Services Manager/Chief Accountant		May 14

Background Papers

Lean Thinking Action Plan					
Action	Issues to address	Responsible party	Priority	Deadline	Detailed reference
Processing mapping of ordering					
	<ul style="list-style-type: none"> Consider the development of an in house system 				
16.	E Invoicing	<ul style="list-style-type: none"> Review of possible implementation 	Information and Support Services Manager; Payments & Income Manager		May 13
Suggestions for further monitoring					
17.	Lean Team	<ul style="list-style-type: none"> Lean is a cyclical process, therefore requires future review 			October 12 February 13
18.	Financial Programmes Group	<ul style="list-style-type: none"> Monitor off contract spend Review use of de minimis 			Ongoing
19.	Improvement Management Team	<ul style="list-style-type: none"> Monitor Action Plan Schedule Lean Reviews 			March 13