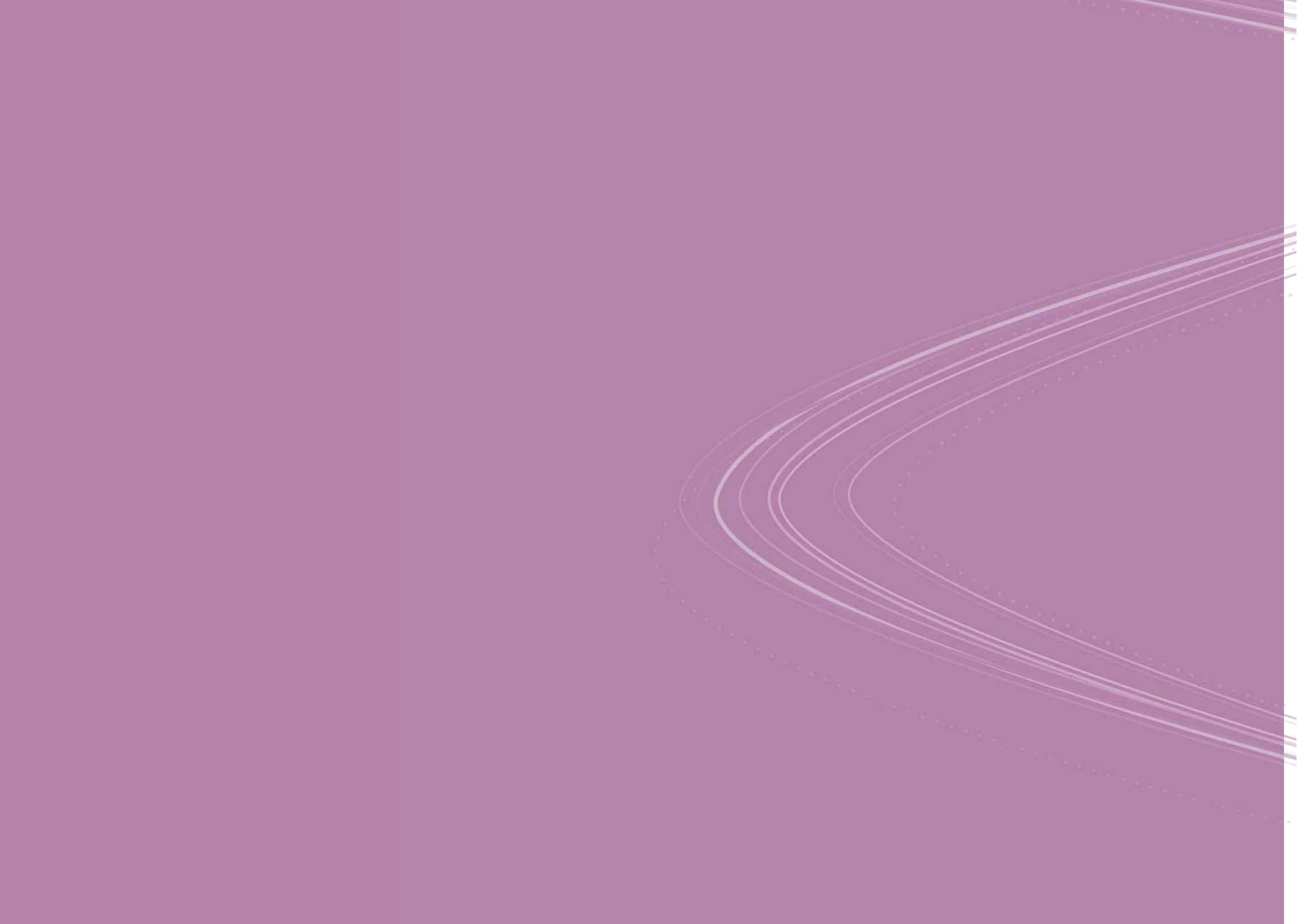


suitcase studies

lessons in good procurement practice







introduction

suitcase studies of good practice local government procurement

These 'suitcase studies' are just a sample of the good procurement practice that the IDeA's Procurement Team has found during its work with councils.

The aim of publishing this short collection of case studies is not only to celebrate that local government procurement can be exemplary, but also to help others to learn from that experience. On that basis the contact details of those responsible for the good practice have been provided – they're only too happy to provide further background. It is to that group of practitioners we owe special thanks, not only for what they've accomplished but also for having the patience to share that experience with us.

IDeA will continue to collect and publish good practice case studies on:

www.idea-knowledge.gov.uk/idk/core/page.do?pagelId=459779



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a. **leadership and building capacity**

North East Derbyshire District Council

review of the council's corporate procurement strategy by the Scrutiny Committee

key words:

'scrutiny', 'procurement member champion', 'efficiency review'

Why should the council decide to review procurement? Well, the existing strategy was produced in 2001, and, as such, was out of date. There had been several developments since then that the council needed to take into account, these included the National Procurement Strategy, E-Government initiative, extended trading powers (Local Government Act), CPA, and the Efficiency Review. The Audit Commission had also recommended a timescale for a review of support arrangements and there was a member lead on the revision of the council's corporate objectives and priorities.

The committee adopted a two phased approach, firstly to set the guiding principles to enable the Procurement Working Party to produce a draft strategy and secondly to review the draft strategy to ensure that those principles were followed.

The review process began with an initial meeting, which was held to project plan the review. At first the committee, including the chair, were overawed by the complexity and scope of the subject and soon realised that they would need help before embarking on it.

This help took the form of capacity building through informal briefings with appropriate officers such as the scrutiny officers and the chair and vice chair. Full committee pre-meetings were scheduled and a variety of background reading material was examined such as:

- the National Procurement Strategy (including milestones)
- the existing procurement strategy
- the IDEa Members' Guide to Procurement
- the Centre for Public Scrutiny Briefing Paper 'Scrutinising Strategic Procurement'.

A group of members attended a training seminar, entitled 'Realising the Potential of Scrutiny', organised by Sheffield City Council & Centre for Public Scrutiny; this included a session suggesting ways that scrutiny could contribute constructively to strategic procurement decision-making. The group then reported back to the whole committee on the key issues. Other technical support was also made available to the committee. However, despite all of the above, they still needed specialist advice on the more technical aspects of the review. Their search for an appropriate external technical adviser led them to the co-opting of J. Leney, District of Bolsover, as a non-voting member of the committee. The council had, by this stage, appointed a procurement member champion and the committee invited him to attend future meetings in an advisory capacity.

The review method involved a number of internal investigations and a working group interviewed the chief executive and the directors. A questionnaire was sent out to all staff involved in

procurement and there was a presentation on the VAT implications of procurement.

There were also external investigations involving an electronic survey of the council's neighbouring local authorities and audit family. The vice chair made a site visit to the Derbyshire County Council Procurement Officer, for the purposes of consultation and further research, and reported back to the committee

The committee also considered the Southampton City Council Scrutiny Review of Procurement and the Vale Royal, Macclesfield and Warrington 'Enable' Project, together with the strategies of other councils.

When looking at 'doing business electronically' they considered the Office of Government Commerce e-Procurement Framework Project and the Derbyshire Partnership Forum 'A Shared e.Tendering Facility'. They then looked at some of the probable implications of the Gershon Review for their future strategy.

The committee concluded that they had a number of different options:

- departments could continue to work in isolation but with an overarching corporate strategy and manual delivered electronically to influence their activities.
- the council could establish a dedicated team staffed, following a skills audit, by either existing officers with the provision of additional training (where necessary) or, by the recruitment of specialist staff if the required skills were not available within the authority.
- they could enter into a partnership arrangement with other councils which could be other district councils, boroughs and county council or any combination, or
- they could target their local councils in Bolsover and Chesterfield for partnership working.

The committee originally aimed to complete phase one by the end of June 2004, however the complexity and fluidity of the subject resulted in this being delayed until mid August, the review, therefore, took seven months and involved seven formal meetings.

In conducting phase 1, it soon became apparent that, in the light of CPA, e-government targets and the Gershon review, fundamental changes in the council's delivery of procurement would be necessary and that these would involve key decisions by the Executive. The committee made recommendations upon the following issues:

- adoption by the council of a corporate approach to procurement, including the centralisation of procurement operations by the establishment of a dedicated specialist unit to deliver and monitor procurement activity.

- development of a new corporate procurement strategy, placing the resident at the centre, and which includes an action plan of targets, milestones and a timetable for implementation and which links to corporate objectives and priorities.
- development and electronic delivery, of a corporate procurement manual, to include all relevant corporate procedures, policies and strategies, standing orders, financial regulations and guidance for suppliers (particularly to enable local businesses to compete on a level playing field).
- enhancement of the role and membership of the council's procurement working party to ensure that it has the necessary skills, knowledge and expertise to drive forward the fundamental changes required.
- opportunities for working in partnership, with other authorities, organisations and suppliers.

- e-procurement, in accordance with e-government targets.
- the VAT implications of procurement.



The committee recognised that these fundamental changes to the council's principles and practice for procurement would need to be accepted and approved before the more detailed work of developing the strategy and associated procedures could sensibly be progressed.

It further recognised that, faced with a 'moving target', it was important that the council progressed these suggested improvements and opportunities without delay.

To ensure that due consideration would be given to the extensive recommendations included within the report, the executive set up a working party comprising chair and vice chair scrutiny committee, member champion for procurement and e-Government and the portfolio member for corporate finance

This working party has concluded its deliberations and, since then, the IDeA has conducted a procurement fitness check, the executive will now consider the resulting reports.

Informal approaches have been made by neighbouring councils to develop a joint strategy and to form a joint procurement unit.

The scrutiny officers will now present the review process to the next meeting of the EMRLGA Members and Officers Scrutiny Network in January 2005 for their consideration.

With thanks to Mr Paul Crowson, Head of Strategic Support, Mrs. Pat Turton, Democratic Services Officer, Councillor M. Emmens, Chair of Scrutiny (1) Committee, and Councillor J. Dargue, Procurement Member Champion, North East Derbyshire District Council, for supplying the information found in this case study.

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South Oxfordshire District Council

a strategic approach to corporate procurement in a district council

key words: 'contract management', 'contracts and procurement working group', 'strategic procurement', 'procurement champion'

South Oxfordshire DC is a predominantly rural Authority covering an area of approximately 253 square miles with a population circa 130,000. The council currently spends approximately £12.4 million on the procurement of goods, works and services each year.

Prior to March 2002, a Contracts Monitoring Group performed a reactive function for contract management. A more proactive Contracts and Procurement Working Group (CPWG) was then established under the chairmanship of the Head of Legal Services.

In October 2002 Eversheds were invited to undertake some procurement awareness training. This culminated in an action plan for procurement. One of the recommendations of the review was to develop a corporate procurement strategy, which has now been completed in draft by the council's Best Value Manager, in consultation with the CPWG, and informed by external best practice.

The CPWG comprises representatives from across the Authority who collectively oversee and implement the actions identified in the action plan and it was this group who also commissioned a procurement fitness check from IDeA. The group meets every other month to develop strategy and good practice in procurement for the corporate organisation. They also oversee the framework of performance management of contracts – this is important because of the significant proportion of SODC's services that have been outsourced.

A senior officer, at Strategic Director level, is ultimately responsible for the procurement policy as well as acting as the officer champion. A Lead Member for procurement has been appointed, who is also the Cabinet Member for Finance.

The council has, in the past 18 months, actively moved forward in developing and improving the procurement activity, evident in the work of the CPWG, the delivery of procurement awareness training, knowledge enhancing guidance and the development of a

procurement strategy, championed by a senior manager.

There is an enthusiastic view of procurement at senior management level throughout the organisation and a willingness to consider new ideas and make changes. There is also an enthusiastic interest from leader and cabinet who acknowledge the importance of procurement and the need for the authority to encourage strong involvement in collaboration and partnerships with other local authorities. The members have an active role in the procurement process, for example, on the grounds maintenance contract and in the recycling and waste contracts. The members are also committed to Best Value and are not afraid to use a variety of procurement methods and innovation to achieve this.

SODC has recently been active in joint working with all six Oxfordshire Authorities, with the objective of forming a more consistent shared approach to procurement countywide. In order to explore economies of scale and spread of procurement best

practice, a Joint Procurement Board has been established. A first joint project will be the commissioning of a spend analysis to a common format, which will identify spend saving opportunities in each participating council and also potential savings from future joint procurements.

With thanks to Margaret Reed, Head of Legal Services and Geoff Bushell, Best Value Manager, South Oxfordshire District Council for supplying much of the information found in this case study.

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Carrick District Council

improving procurement transparency

key words: 'member champion for procurement', 'selling to the council', 'register of existing contracts and supply agreements'

The publication of the Byatt Report, the National Procurement Strategy and the council's drive to maximise its efficiencies and effectiveness, prompted a formal review of procurement in spring 2004.

The review was managed as a project using PRINCE2 methodology and resulted in the adoption of a revised Procurement Strategy and improvement plan. The review also benefited from independent advice and support from the Improvement Development and Agency.

The findings of the review suggested that the council needed to improve its 'transparency and openness' in working with suppliers. Indeed, improving communications, including providing better information on future purchasing requirements of the council was top of the list of improvements suppliers wanted to see.

It was also clear that more could be done to increase efficiency by working with neighbouring district councils and the county council.

As a result, specific tasks within the improvement plan included:

- appointment of a member champion for procurement.
- development of a 'How to sell to the council' guide.
- production of a purchasing plan for future requirements, along with a register of existing commitments.
- better co-ordination of expenditure within the council and with partners.

what has been achieved so far?

A member champion for procurement, has been appointed who sits on the project board overseeing the implementation of the improvement plan.

A register of existing contracts/supply agreements has been produced and officers have identified what future purchasing requirements are likely to be needed in the coming 12 to 24 months. With expenditure split across various services within the council, coupled with the fact that the officers who needed to provide this information were also having to 'do the day job', this has not been easy.

The council notified all existing suppliers and contractors of its intention to publish the information on the council website, and invited them to express any concerns they may have. No adverse responses were received.

Key information was extracted from contract procedure rules to produce a guide for suppliers and contractors which 'explains' in a straightforward 'way' the council's procedures and processes in awarding contracts/supply agreements.

All of this information has now been made available through the council's website (www.carrick.gov.uk/index.cfm?articleid=7063)

Joint meetings are now held with the county council and all the district councils in Cornwall, and they are working towards developing a programme of opportunities for joint procurement of goods, works and services.

The whole process has been simplified by co-ordinating it centrally, and having the commitment and support from the corporate management team and member champion.

what have been the benefits?

improved relationships

Better guidance is available to suppliers and contractors on the council's procedures and processes when making a purchase.

improved transparency

Having both the register of existing and future purchasing needs publicly available on the website allows suppliers to better understand where opportunities exist and current contract commitments. This in turn, helps officers, when dealing with ad hoc calls from suppliers, to point out whether or not there are any business opportunities for them in the future.

improved efficiency

Producing the register of existing contracts and supply agreements has given the council the opportunity to critically challenge existing areas of expenditure, identify when contracts are due for renewal and hence improve planning and purchasing decisions, this has also helped identify where improvements or efficiencies could be made.

improved co-ordination.

The register of existing expenditure and future opportunities has allowed the council to improve internal co-ordination, and increased identification of efficiency opportunities with public sector partners.

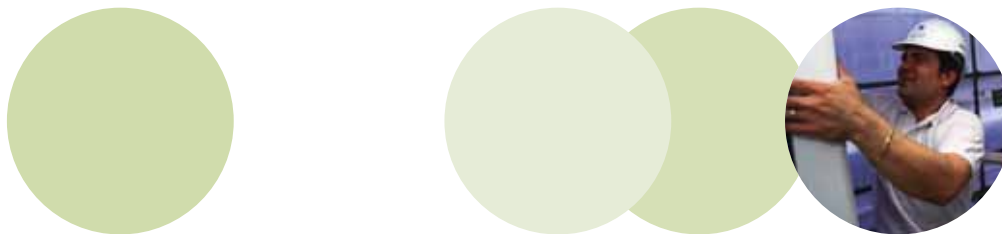
Future developments by Cornwall Enterprise (the economic development service for Cornwall County Council) will soon result in a website where tender opportunities from all public sector organisations in Cornwall can be viewed.

With thanks to Steve Sandercock, Corporate Resource and Development Officer, Carrick District Council and Kim Gascoigne, Head of Procurement, Cornwall County Council, for supplying the information found in this case study.

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Oswestry Borough Council

outsourcing of DLO stores

key words:

'outsourcing stores', 'alternative methods of delivery', 'partnership approach'

The Housing DLO for Oswestry Borough Council provides a maintenance service for some 2000 council houses, plus authority offices and other buildings.

In Autumn 2002 one of the areas identified for improvement was the in-house stores provision.

The DLO was faced with an ageing stores building requiring work to rectify.

Supplies arrived at all times of the day, required checking, entering, etc.

There were a multitude of products and numerous suppliers, together with an ageing stores accounting system requiring amendments.

The stores only required manning by one person but cover was always needed during periods of absence, causing disruption in a small office.

The ordering system also required updating.

The operation of the stores was critically examined with a view to:

- reducing running costs
- improving administration
- making better use of time of both tradesmen and officers.

Following management discussions it was decided to seek alternative methods of delivery for the stores function. Various options were considered and discussions took place with interested parties. In particular various suppliers, who appeared to have the capability to provide a full stores facility locally, were engaged in talks and this option was the preferred one chosen.

The tendering process commenced with an OJEU notice outlining the process and explaining the procedure.

Tenders were received and evaluated on a number of criteria to arrive at the 'Most Economically Advantageous Tender'.

- 1 full-life cost
- 2 compliance with specification/technical merit/functional characteristics
- 3 evidence of recent relevant experience/track record
- 4 legal status
- 5 after-sales service/technical assistance
- 6 quality-assurance systems
- 7 safety management
- 8 delivery date and/or implementation
- 9 knowledge management.

Following tender evaluations the contract was awarded to Wolseley UK Ltd. a national group with extensive experience of servicing the building trades, with stores throughout the country and two within the borough of Oswestry.

The contract started on 11th December 2003 for a period of three years with an option to extend for a further two years.

The arrangement, which operates on a partnership approach with both parties contributing to improvements in service delivery, has been very successful, with the following benefits subsequently identified:

- implementation of new purchase procedure to run with agreement
- one main supplier
- closure of stores facility within depot
- redefine administrative duties amongst office staff. (Simplified purchase procedures)
- one stop stores facility
- more efficient use of time both for operatives and administrative staff.

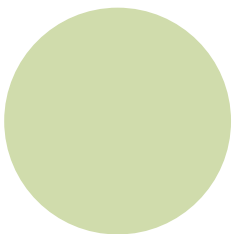
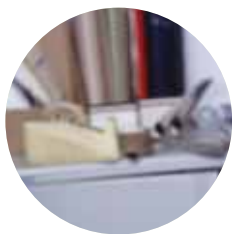
The arrangement has been very successful and both parties are reaping the perceived benefits. Meetings take place on a monthly basis to discuss any issues and to enable new ideas to be brought forward to develop the arrangement further.

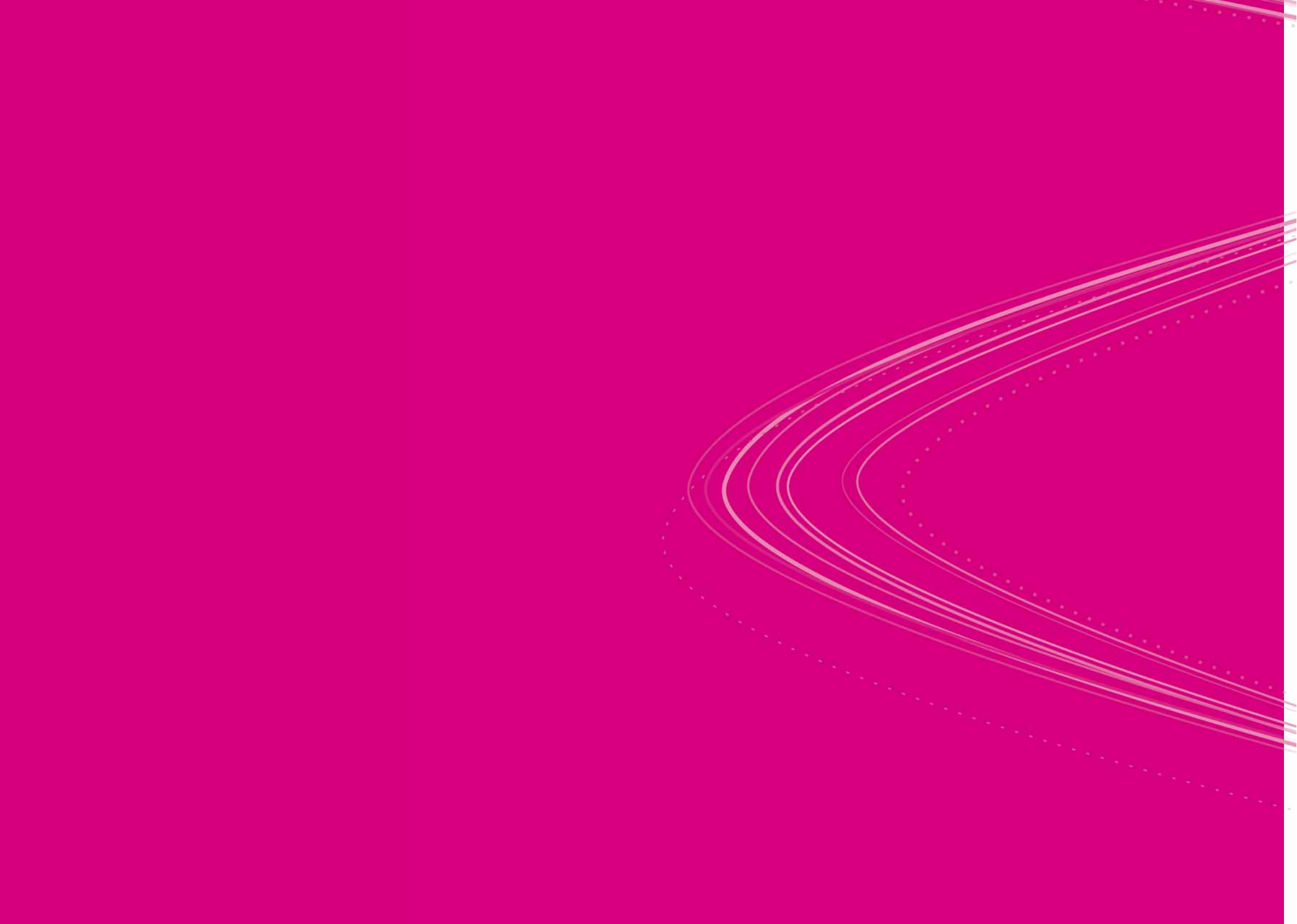
With thanks to Tony Dart, Operations Manager, Oswestry Borough Council, for supplying much of the information found in this case study.

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b. partnering and collaboration

Mid Devon District Council

a modern approach to partnering in housing

key words:

'rethinking construction', 'residents involvement in procurement'

Mid Devon District Council has achieved Beacon Council status for 'Rethinking Construction' and in particular for its' work on housing maintenance and refurbishment. This has been made possible by their enlightened approach to construction and to building effective collaborative partnerships over the longer term in order to provide services for their stakeholders.

The idea is to establish strong and co-operative working relationships with the supply chain, thus developing an atmosphere of mutual trust and respect, with the added advantage, for the council team involved, that it makes them more commercially aware. Support for this approach comes directly from the council's leadership, the Chief Executive commissioned the Building Manager to give a presentation on Partnership Procurement to the elected members.

From an early stage this project has involved a number of participants, for example, 'Audit, Legal and

stakeholders', because the council's Standing Orders had to be reviewed and amended to enable long-term partnership contracts. The motivating factor behind this particular drive for improvement is Best Value, partnering aims to reduce wastage and produce better quality of service and products.

However, the council felt that whilst it is a useful approach, alone 'partnering' cannot generate all of the savings, added value and continuous improvement necessary to make the necessary changes. So it has developed other tools to assist in this such as 'improved business planning and continuous reviews'.

The council also felt that in order to facilitate the maximum benefit all project team members must be in place early. The team must understand fully the partnering ethos and so training days were run for contractors, suppliers and the residents panel. In this instance the team consisted of contractors, residents, audit and legal and it was down to them to decide on the

successful tenderer based on quality not just cost.

A cost plus contract was established with a main contractor for the fixing and management of products and the award was made to a supplier who was not the cheapest but the one who most closely matched the council's requirements.

The materials were chosen with the aid of the residents during the focus meetings. Other influences on the choice were:

- standardisation
- life span
- contribution to the 'Decent Homes Standard'
- environmental issues
- initial cost and operational cost (whole life cost).

The choice of the gutter and facias was influenced mainly by the standardisation of the product, whilst the use of UPVC windows and insulated doors were chosen by the residents (taking into account standardisation). The council was determined to consider the impact of their procurement decisions in terms of the environment and so factory visits were arranged to determine the contribution being made to recycling by the successful window contractor.

Quality assurance as opposed to quality control is being encouraged within the supply chain, scrutinising the process from raw materials through to quality audits made by the council's own fitters on site. The contractor is now responsible for final inspections and this has been found to reduce the number of defects.

Constructing Excellence performance indicators based on the Movement for Innovation (M4i) are built-into the arrangements and these are used in

monthly meetings with contractors and residents to monitor progress. The meetings also help the partners to identify early any potential areas for improvement as well as ones that are working well.

One of the great successes of this approach has been in the council's willingness to consult with all stakeholders. Whether this is the workforce, who now take part in awaydays designed to improve communications and understanding, or the residents themselves, via customer satisfaction sampling, meetings or even a mobile showroom that visits various areas.

All members of the supply chain, including suppliers, contractors, residents, operatives, managers and clients are committed to the aims and objectives of this partnering contract. Common goals have been established from the outset which engender a feeling of mutual trust, openness and honesty. The council recognises that

the contractors are entitled to make a return on their investment and that reasonable profit margins and overheads are acceptable.

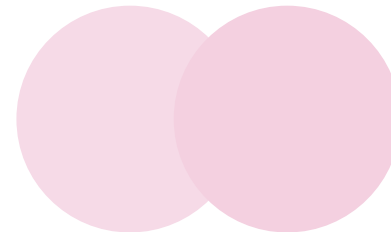
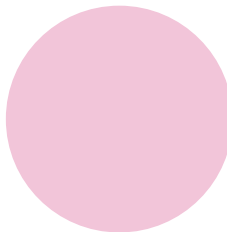
In return the council and its residents expect to receive a quality product that meets their needs, and can be sure that knowledge and innovation will be fully shared. In order to disseminate good practice the council has established a best practice club, 'Constructing Excellence Southwest', which meets bi-monthly and holds events aimed at sharing knowledge and networking.

With thanks to Walter Longden, Building Manager and David Beer, Corporate Buildings and Facilities Manager, Mid Devon District Council, for supplying much of the information found in this case study.

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Cherwell District Council

CCTV LSP partnership with Thames Valley Police

In the early 1990s, Cherwell District Council and Thames Valley Police worked in partnership to bring about a state-of-the-art CCTV scheme for the district that helped secure over 2000 arrests by the end of 2002. In 2003, this partnership became one of the first to completely refurbish, as well as expand, its CCTV scheme, not only continuing to deter crime but also increasing the arrest rate.

One of the key driving forces behind the scheme has been Cherwell residents' demands to 'reduce crime and tackle the drugs problem' - the number one priority for the District's Local Strategic Partnership (LSP) and a priority theme in the Cherwell Community Plan 2016.

The partnership approach, under the umbrella of the LSP, is based on the premise that the council purchase the CCTV kit and the police use it.

In practice this means that the council provides the funding and procures the equipment and communication lines,

which are mostly fibre optics. This arrangement, representing a £500,000 investment for the council in 2002, has utilised the council's procurement and other internal procedures (including advertising in Europe). It is the council and not the police, who have entered into contracts with the suppliers and associated maintenance agreements. In addition, other partners on the LSP have contributed financially to the scheme to ensure they get the cameras which match their needs, particularly Town and Parish Councils.

Thames Valley Police use their procurement, recruitment, employment procedures and associated organisational arrangements to provide the infrastructure to manage and monitor the CCTV scheme, including operating a 'round the clock' control room at the main police station. The CCTV Unit is overseen by a full-time manager with a team of operatives employed by the police who have full responsibility for camera deployment, protocols, continuous surveillance/recording and collation of footage for evidential purposes in court.

key words:

'partnership', 'community plan'

The police fund the costs of the CCTV Unit, including the salaries and the control room's air-conditioned premises. The council also makes a financial contribution, by way of an annual grant, to the police to help defray the substantial annual salary costs associated with employing specialist, trained operatives.

On an on-going basis, the council and the police regularly come together with the equipment supplier to monitor the performance of the scheme and discuss outstanding maintenance and fault issues. The council holds the budget for the maintenance contract with the supplier, but it is the police's CCTV Unit, acting as the council's representative, that logs the faults and implements the escalation procedures, many of which have financial implications for the council.

The original CCTV system averaged 250 arrests per year. During the twelve-month period to the end of 2003, the new, expanded CCTV scheme has more than doubled the annual recorded arrests rate to 564 cases.

This is a true test of partnership working – when authorisation to incur expenditure is handed to a partner organisation. A sound LSP, a good working relationship between partners and trust are as vital to the success of this CCTV scheme as following protocols, procedures, constitutions and terms of reference.

With thanks to Alison Davies, Corporate Strategy Manager, Cherwell District Council telephone 01295 221575 for enabling the compilation of this case study.

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Peterborough City Council

relationships and trust

key words:

'partnership working', 'crisis management'

On a Friday evening, late in July, the Senior Sports Officer at Peterborough City Council received a telephone call from a national Sunday newspaper. They told him they were about to publish the results of a national survey which identified the Lido, the council-run outdoor swimming pool, amongst other swimming pools as one of the worst in Britain containing high levels of bacteria. For a moment his heart sank. It was the weekend before the start of the long school holidays, the sun was shining and the attendance figures showed the number of visits to the Lido already during the season to almost 20,000 – a significant improvement on the previous year. This telephone call could not have come at a worse time!

The council had subcontracted the management of the Lido, Athletics Track and Regional Fitness and Swimming Centre to DC Leisure Management in 1999, for five years with a two-year option to extend. The contract commenced on 1st April, a bank holiday weekend and the opening day was well supported from both the city council and representatives from

DC Leisure Management. In terms of contract management, this one hit the ground running after a long tendering process that had unearthed some 400 clarification questions! It was really important to the Senior Sports Officer that this contract worked. He had decided from the outset that it would be based on a partnership style rather than a traditional 'us and them' approach. He had insisted that the partners held monthly client and technical services meetings and six monthly contract review meetings for major issues. The city's Sports Services had recently been awarded 'a good 2 star service with promising improvements' and DC Leisure had played an integral part in the council's Best Value Review process. The Senior Sports Officer made himself available to answer queries from DC Leisure and made it clear that he wanted a reciprocal arrangement. Improvement plans for the council were also shared with DC Leisure and the partnership was based on openness and trust. On this particular Friday evening, the Senior Sports Officer was

grateful for the solid relationship that had been developed. One call to the contract manager of DC Leisure to explain the circumstances and a full-scale joint investigation process was soon underway. The partners jointly reviewed recent water analysis results and further water samples were sent away to be independently analysed. They asked for evidence from the newspaper and formulated their plan to respond to the local media.

Meanwhile Sunday came and the article was published. Local media took up the story and ran it over the next few days. Both the council and DC Leisure were ready to answer questions over the reputation of their pool. The following week they were able to prove to the people of Peterborough that the pool was perfectly safe and to dispute the evidence of the newspaper, which had not been collected with the council's knowledge, with their own sample analysis. The council received many messages of support from the public and the following week the Lido was really busy with people enjoying the hot weather at the start of the school holidays.

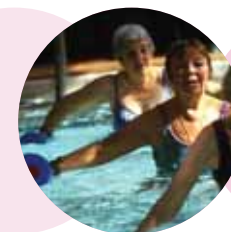
The Senior Sports Officer really wishes that the Lido episode had never happened. However, he is really glad that he had made the effort to build up the partnership with DC Leisure and the episode has, he says, 'cemented the relationship' between the council and DC Leisure. He would definitely advocate the partnership approach to client-contractor relationships.

With thanks to Paul Stevenette, Senior Sports Officer, Peterborough City Council for supplying much of the information found in this case study.

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Northampton, Kettering and Wellingborough District Council's

procurement joint working initiative

key words: 'collaborative working between authorities', 'developing procurement capacity', 'procurement advisor'

In Towards a National Strategy for Local Government Procurement, the Office of the Deputy Prime Minister (ODPM) and Local Government Association recommended, in response to the Byatt Review, that all county and unitary authorities incorporate a procurement function to be of comparable status with legal, personnel and accounting. Smaller district councils have however found it difficult to justify the employment of a procurement specialist to lead on the full scope of procurement issues.

The National Procurement Strategy for Local Government advocates that councils should:

- procure and commission jointly
- create shared services (in particular where smaller councils have relatively less capacity to deal with procurement in a corporate way).

This case study explains how three councils have collaborated in developing procurement capacity.

Kettering, Northampton and Wellingborough Councils had previously undertaken some joint contracting on issues such as Sheltered Housing Call Equipment Maintenance, and Recruitment Advertising. It was from this basis that discussions developed on how the issues of procurement capacity and collaborative working could be developed to the benefit of all parties.

early discussions considered:

- Northampton's established Corporate Procurement Unit which:
 - develops corporate procurement policies and procedures
 - instigates the aggregation of goods and services in common use across the council
 - undertakes the procurement process
 - develops agreements
 - manages contracts for the benefit of all departments
 - provides a range of services from advice to undertaking the full procurement process for departments on specific procurement projects
 - liaises with consortia (NBC is a member of the CBC)
 - maintains a register of agreements with suppliers
 - identifies areas of spend and plans the tendering process;
- develops and promotes appropriate contracting strategies relevant to the goods, services or works required
- has developed various document templates for use in the tender/contracting process.
- how the following could be achieved:
 - access to Northampton's existing contracts
 - use of Northampton's expertise
 - developing joint contracts.
- the benefits sought being:
 - reduced costs through larger value contracts
 - reduced procurement process costs through collective working
 - a greater level of expertise and resource being brought to the procurement process;
 - a cross-fertilisation of knowledge and good ideas between councils.

The model developed was that Northampton would employ an additional Procurement Advisor, which would be funded jointly by Kettering and Wellingborough. This post would work part-time in Kettering, Wellingborough and Northampton.

the perceived benefits of this approach were that it:

- provided both Kettering and Wellingborough with an officer to lead procurement issues within their respective councils, which is provided within an existing professional framework.
- provided Northampton with additional procurement resource
- allowed all three councils to develop joint contracts with a resulting a larger contract value.

Having established a formal agreement between the three councils the additional Procurement Advisor was recruited and commenced work in October 2003.

The role of the Procurement Advisor (KBC/WBC) can be summarised:

- 1 provide Kettering and Wellingborough with a procurement expertise
- 2 provide Kettering and Wellingborough access to existing Northampton contracts
- 3 develop joint contracts where there is a common requirement from the councils
- 4 develop contracts for Kettering and Wellingborough (based on Northampton document templates) where a council has a specific individual requirement
- 5 assist in the ongoing evolvement of the procurement strategies for KBC and WBC.

Whilst the additional Procurement Advisor leads on procurement issues within Kettering and Wellingborough, other members of the Procurement Team at Northampton support them on specific contract areas.

With thanks to Andrew Foster, Head of Corporate Procurement, Northampton Borough Council, for supplying the information found in this case study.

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North Dorset District Council

award of a managed ICT services contract

key words:

'mixed model', 'robust options appraisal', 'partnership'

North Dorset District Council takes a fresh and innovative approach to its procurement. Although small in size it seeks to maximise resources in the pursuit of a best value solution. It has a focused and knowledgeable team of council Members, Senior Managers and staff who have employed a mixed model for the procurement of the council's goods, works and services.

A good example of the result of using robust options appraisal procedures is outlined below. The project aimed to award a contract for an ICT Managed Service to provide:

- 1 (a) operational Services at fixed cost
- (b) development advisory services – fixed costs for each project
- (c) a public access system at fixed cost
- 2 a contract for access to their Strategic Advisor at fixed cost
- 3 appointment of Project/Contract Officer.

The council sought a partner to provide a managed service to improve the delivery and cost effectiveness of its ICT services. This change of provision reflects the council's re-organisation and strategy to improve public services at optimum cost using the most appropriate suppliers. The council has identified the need for a 'procurement champion' at a senior level in the organisation and this is Cathie Powell, General Manager (Support). To assist in the process, the council worked with Tom Kelly, of SOCITM, acting as Project Manager.

The critical success factors that would meet the council's objectives were:

- to improve the provision of the operational service by providing effective resources and using Service Level Agreements (SLAs) to measure and monitor performance levels
- to assist the council in achieving cultural change and role preparation in order to improve the delivery of services and the use of ICT
- to aid future developments of the council's ICT strategy and establish a rolling 5 year plan that will reflect the council's business plans
- to assist with central Government requirements relating to ICT and to explore funding and other partnership opportunities
- to provide a development advisory service for assisting with feasibility studies, procurements, and overseeing the implementation of applications and systems. This would include developing the business case including phasing, milestones and costs that demonstrate value for money.
- project management
- to exploit the partner's knowledge so that provisions can be readily delivered without 're-inventing the wheel'
- to provide a Public Access System which staff in the delivery of services can also access. This will rationalise the method of service delivery and simplify public access to information and services.

The Procurement Team consisted of the Cabinet Member responsible for ICT provision, the Chair of Overview and Scrutiny, the Chief Executive, all General Managers and the Project Manager. This Team reported to a Project Board (remaining Cabinet Members) and to a Scrutiny Working Party at each stage of the project.

The project was developed and managed using PRINCE2 methodology. The council's requirements, to be embodied in a single contract, were to ensure that potential suppliers took account of Government initiatives and future targets, and standards applicable to the sharing of information. This is essential to ensure 'joined up' working both within the council and with other organisations.

The tendering process commenced with an OJEU notice outlining requirements and explaining the procedure. Tenders were received and the selection process identified two potential suppliers. The final two suppliers selected undertook a considerable amount of work during the process and it was concluded that

both organisations could meet the council's requirements.

However, the Procurement Team felt that there was significant evidence that one provider ('the new provider') would deliver additional benefits and they were short-listed to the final level of contract negotiations. The new provider will be using their own resources and existing council staff, who have now successfully transferred to their new employer.

With thanks to Cathie Powell, General Manager (Support) North Dorset District Council for supplying much of the information found in this case study.

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c. doing business electronically



South Oxfordshire District Council

a new approach to performance management

key words: 'performance measurement', 'local performance targets', 'electronic system', 'historical reporting', 'performance comparison'

In 2001 South Oxfordshire District Council was dissatisfied with its level of performance. Staff were entering their statutory Best Value Performance Indicators (BVPI's) to the Audit Commission and achieving their targets, indeed they were exceeding targets but they felt they wanted to do more than this. They aspired to being a top achieving council and needed to set out a vision and strategy along with a suitable means of measuring their achievements.

A Statement of Strategic Intent and set of Strategic Objectives were developed. Below this, the council decided to introduce a set of Local Performance Targets (LPTs). Heads of Service, in consultation with local politicians, were invited to propose LPTs (on average about 6 per service). Politicians were then invited to choose a set of Published Targets of interest to the community from the larger set of BVPIs and LPTs. For 2003/04, 16 targets were chosen.

Geoff Bushell, South Oxfordshire's Best Value Manager had grappled with the problem of how to measure performance against these targets. Someone would have the time consuming task to collate and manage data. He needed a way of collecting data which was sophisticated enough to manage both BVPI's and LPT's. Geoff had had some IT experience and had created databases previously. He thought he would be able to meet the needs of the council for an electronic system using the readily available database tool Microsoft Access.

This approach was taken because of the ease of making modifications to the system locally, and because initially the requirement specification was not fully known. The system is in a state of continuous improvement. The current main menu is shown on the right.

The system allows users to browse targets, and to generate a number of standard reports, containing either council-wide information, or data specific to each service. Some reports are configured for exception reporting, and yet others give a corporate overview of performance. All previous data is retained so that any historical report can be generated.

Every quarter, Heads of Service enter factual data on past performance, and also make a prediction of future performance (likelihood of target being met, exceeded, on track or below target). These categories ensure that performance management is not only tracking past performance, but is also forward looking and predictive of future outcomes. The contribution

of Heads of Service to data entry has ensured that performance management is owned and embedded locally.

In addition to the system-generated reports, a number of other reports are generated manually by the Best Value Team (owing to the graphical limitations of Access) for example comparison of performance with other Oxfordshire councils, CIPFA Family Group and District Top Quartile and the system has a built in help file.

Data integrity is ensured by disabling the facility of staff to change targets or historical data. Daily data backups are made. There is a password-protected administration area accessible only by the Best Value Team.

Recognising the risks of having a system developed by one individual, there is a 'how it works' file to potentially enable others to work on the system should the system developer be unavailable.

The council wishes to further embed performance management as a way of life, and to that end is currently considering the following improvements to its performance management system:

- agreement and implementation of a Strategy and Performance Framework
- development of a Corporate Plan, and existing Service Plans and service targets
- where appropriate, the roll-out of individual targets, thus ensuring that individuals are contributing in a way which aligns performance against BVPIs, LPTs and Strategic Objectives
- graphical reporting, to enable performance to be visually presented
- automatic presentation of trends, comparison against targets, comparison with other councils, and with national top quartile

- automatic presentation of performance via the intranet, and of selected information on the council's website
- integration with the council's preferred software platform (Oracle)
- ensure that a successor system is in place by March 2005 when the existing system will fail to operate without significant further effort
- extension of the system to cover targets agreed within the Local Strategic Partnership, tracking and reporting of action plans, and a project register to monitor the progress of projects through gateways in the council's project management system.

A requirement specification for technical improvements has been developed from the experience of using the existing system. This specification includes input from other councils.

The council is quite rightly proud of its system, it enables officers and members to obtain up to date information on performance with just a few clicks of a mouse. This information is collated and reported regularly to the local community via the council's newsletter 'Outlook'.

With thanks to Geoff Bushell, Best Value Manager, South Oxfordshire District Council for supplying much of the information found in this case study.

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East Lindsey District Council

LincUp project

key words:

'partnership', 'e-Gov priority outcomes', 'one-stop-shop'

East Lindsey District Council has collaborated with the Lincolnshire NHS and Lincolnshire Police and seven other councils within Lincolnshire, to provide a Web-based portal that provides a quick and easy access point for local residents and the general public. The portal is known as LincUp.

LincUp provides 'joined-up' services via a single interface – a 'one-stop-shop' – where all of the websites and electronic services delivered by all seven of Lincolnshire's district councils (Boston Borough Council, East Lindsey District Council, Lincoln City Council, North Kesteven District Council, South Holland District Council, South Kesteven District Council, West Lindsey District Council) and Lincolnshire County Council, Lincolnshire Police and the Lincolnshire Health Services can be accessed via one website address (www.lincup.net).

It provides access to public services – no matter who is responsible or where they are delivered – and an efficient response to service and information requests. The concept is that the enquirer should not need to know who provides the service, but simply raises a request/query that can be dealt with by any of the partners.

The LincUp project began in 2002 and involved the Public Sector Working Group (PSWG the officer body responsible for bringing this project to fruition) and the Member Steering Board who represented the members of each of the councils involved. North Kesteven District Council were the accountable body for funding of the project and were provided with Implementing Electronic Government (IEG) funding from the Office of the Deputy Prime Minister to take this project forward. The remaining funding was provided from the partnership, which also paid for a shared resource: a dedicated project management consultant to oversee and manage the project.

LincUp went live in September 2004 and the outcomes have been numerous:

- seamless access to all public services and information based on local residents' personal needs and lifestyle
- easy access to information and services that are of particular relevance to the individual. For example, a resident can go to the website, enter their postcode and state that their wheelie-bin has not been emptied. The query will then be automatically routed to the appropriate partner within the website for a response.
- the ability to carry out interactions and transactions which cut across the conventional public service organisational boundaries This incorporates on-line forms to enable more efficiency and quicker response times for services such as reporting stray dogs, making a request for an application for a private hire vehicle licence, etc.

- an interface through community access points to give assisted access to those citizens who do not have the skills, equipment or inclination to carry out transactions unaided
- an interface for staff who respond to service and information requests in person or by telephone.

Apart from providing more efficient customer services and information provision, the project has been a success in terms of the partnership. The partnership has provided a good, strong, collaborative relationship between the partners, has shared resources and increased efficiency of customer information requests. The project has not constrained the e-government agendas of the individual partners, and has therefore allowed partners to maintain a focus on their own priorities through avoiding the need to develop an all-encompassing new approach. A further extension to the project includes a pilot for the support of customer management integration across partners. This will

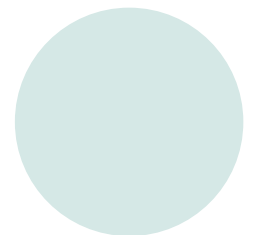
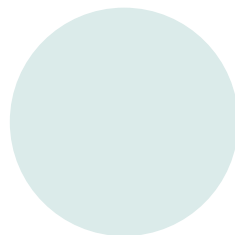
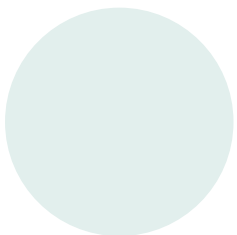
allow, for example, one partner to take all the details of a missed refuse collection and pass it automatically to another for resolution. The partners have also worked together to further develop the availability of electronic access to public services for all sectors of the community. A voice link between each partner has recently been implemented so that both council staff and residents can talk to another partner without incurring any charge.

With thanks to Peter Hickson, East Lindsey District Council, for enabling the compilation of this case study.

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While this case study does not specifically address doing business electronically as set out within the NPS, it is included as an example of how technology can be used in delivering better services to citizens.

London Borough of Redbridge

inter-authority schools brokerage project

key words:

'education brokerage', 'scrutiny', 'collaborative procurement', 'options appraisal'

Many authorities have been criticised by OfSTED for not doing more to support schools to purchase their services from outside the local authority. The Redbridge response was to investigate the possibility of brokerage by considering the options under a best value review methodology. In this situation 'brokerage' refers to a method by which a third party will eventually broker collaborative procurement arrangements for a range of goods, works and services on behalf of the schools.

The Redbridge approach to best value reviews is that once the terms of reference for the review are finalised, three members (one from each political party) of the relevant scrutiny committee, in this case, Education and Leisure Scrutiny Committee, are nominated to participate in the review. Members have since taken part in a challenge event and attended a seminar on the different models of brokerage. All information relevant to the review, reports, minutes, agendas and research documents were made available via the council's intranet site.

As part of the review process members of the review team visited a number of authorities where different aspects of brokerage were in operation or being planned. The findings of the team were then used as a basis for the challenge day. At the challenge day they considered a number of different ways in which support services could be provided to schools. Teachers, governors and members attended this event.

As a result of this preliminary work and ongoing consultation, the review team agreed that there was enough evidence and interest to consider developing a brokerage service. It was felt that the best way forward was to develop a web based system that would enable schools to choose between different suppliers and different levels of service.

There was some concern that if Redbridge schools were to stand alone, then their purchasing power may be too small to generate real choice, savings and competition, especially after allowing for the expense of setting up and running a brokerage service.

A solution to this was to involve neighbouring authorities. This concept was developed and in partnership with Barking and Dagenham, Havering and Waltham Forest, a project for a web based inter-authority brokerage scheme has evolved. In the first instance only services currently provided by the authorities will be included as part of

the brokerage service, but they are planning to expand this to include other external suppliers as soon as it is practical to do so.

This will provide a safe environment for all schools in the area to start buying from alternative providers and hopefully give them the confidence to start to shop around via the brokerage service.

This proposal, involving other local authorities was considered as one of the review options considered by the Education and Leisure Scrutiny Committee.

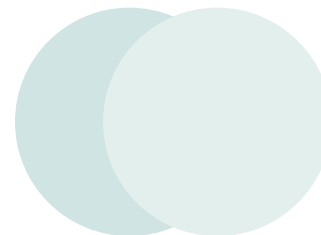
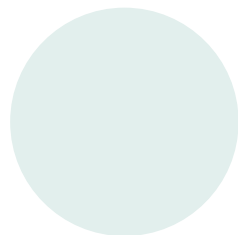
After discussion at scrutiny committee the members were enthusiastic to develop brokerage further. As a result a report was then prepared for Cabinet that includes a recommendation to authorise the Director of Education Leisure and Libraries to further investigate and develop an inter-authority brokerage service.

With thanks to Peter Logan, London Borough of Redbridge, for supplying much of the information found in this case study.

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d. **stimulating markets** and
achieving community benefits

London Borough of Redbridge

community care purchasing

key words:

'contract management', 'commissioning care'

The London Borough Of Redbridge (LBR) Community Care Purchasing Team, under the direction of Roy Dickinson, are particularly focussed in ensuring that people within the unit have clear roles and carry out first rate contract management.

The unit came into being following the NHS Community Care Act 1993. This gives powers to the individual to decide the care home that best suits their needs. At LBR the structure is clear, social workers and care managers deal only with activities relating to the social care of the individual and the purchasing team deal with all placements/determinations and contract matters. This structure has given LBR benefits in terms of ensuring that both groups use professional skills in the correct areas.

LBR have formed a partnership with Ashley Homes who operate four homes within the borough, which the council can use 100% if required. If after a 28 day period any places at these homes remains vacant then Ashley Homes are able to offer these to open market.

The Community Care Purchasing Team currently are dealing with in excess of 350 Providers providing placements for adults both inside and outside the borough. Members annually determine the prices Purchasing Officers work to when securing placements within the authorities boundary. For Out Borough placements, information is sought from the host authority regarding the rate paid locally. Contract monitoring is routinely carried out with all providers throughout England & Wales. The team currently achieve a monitoring visit to each of their providers once every 15 months. Questionnaires are sent to all service users, or their relatives/ advocates, prior to a monitoring visit.

Any compliments or complaints received are then discussed with the provider, but only with the express consent of the service user or the person completing the questionnaire.

In a recent development, LBR are now using standard contracts on a framework agreement basis with all providers to ensure that the contracts process is consistent and professional.

The relationships with all the providers are viewed as key by LBR. With this in mind, each year a providers forum is held, to which all providers are invited to discuss common issues and share in the Redbridge vision.

This is an excellent example to show how the needs of the individual have to be viewed as paramount and how LBR are providing a professional service based on first-rate procurement principles.

With thanks to Roy Dickinson, London Borough of Redbridge, for supplying much of the information found in this case study.

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Cherwell District Council

solemates footcare service

key words:

'local government', 'voluntary and health partnerships'; 'foot care services'.

Solemates is not a medical service but a common sense approach to basic footcare. It is particularly important for older people who may experience problems with their feet if they have poor circulation, take less exercise, or are unable to care for their feet in the ordinary way, such as difficulty in bending or seeing, making it hard to cut toenails. The Solemates footcare service includes bathing, refreshing and massaging tired aching feet, and trimming toenails. It enables people with footcare problems to lead more active and independent lives when previously they might have had difficulty with walking or moving around. It may also help to reduce the risk of falls.

The Solemates Footcare Service is run in partnership with Cherwell District Council, Age Concern Oxfordshire, Cherwell Vale PCT, North East Oxon PCT, Oxfordshire County Council Social & Healthcare and the NHS Podiatry service under the umbrella of Cherwell's

Community Plan 2016. Its goal is to provide a footcare service to those living in rural areas, and in particular older people, by means of a touring health bus.

To support this service, the district council in partnership with Cherwell Vale and North East Oxfordshire PCTs, has purchased and maintained a Health bus from which the service is offered in rural areas. Age Concern volunteers receive training in basic nail cutting and foot hygiene from Oxfordshire NHS Podiatry Service. The cost of the training is funded, on an ongoing basis, by the partner organisations. Volunteers then offer their services in private homes and day centres, as well as specialist foot care sessions held throughout the borough on board the Health Bus.

Currently visits are made on a regular 6-8 week basis depending on need. Take-up of the service has been excellent, with approximately 200 clients in Cherwell using the service and 36 footcare volunteers trained to date.

In Cherwell the service is viewed as a great success for the following reasons:

- it meets a key priority in the Community Plan, in terms of improving access to health services, particularly in rural areas
- it proves that a number of agencies can work in partnership together to provide a first rate service
- it adds value to the community by improving the independence and mobility of older people, particularly those not able to call on family, friends or carers.

With thanks to Alison Davies, Corporate Strategy Manager, Cherwell District Council (telephone 01295 221575) for enabling the compilation of this case study.

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Dorset County Council

transport and eco-diesel

key words:

'transportation procurement', 'greening the fleet', 'bio diesel'

Following a best value review and a merger of several functions, Dorset County Council has a newly focussed Procurement and Contract Monitoring Department, with a professional Head of Procurement. Several appointments have been made recently in order to increase capacity to meet the increased demands placed on corporate procurement, as it works to support the council achieve its strategic objectives. One of these is the Procurement Officer, who has been working with the Procurement Manager and various other council officers, to review and hopefully improve certain aspects of transportation procurement.

So far the review has taken two years and has scrutinised a number of related areas, considering alternative fuels such as liquid petroleum gas, natural gas, bio diesel, electricity, petrol/electric hybrid and fuel cells.

The council is developing a Corporate Vehicle Replacement Policy (CVRP) for its fleet of 320 vehicles and trailers. The move towards 'greening the fleet' is seen as an integral part of this evolving strategy. Previously there had been no corporate approach to the type of vehicles purchased, when and how they were procured and the impact that this might have on the environment. A corporate approach will consider:

- whole life costs
- depreciation and residuals
- funding options (lease, contract hire)
- funding for new environmental technologies and fuels
- vehicle procurement
- maintenance costs and requirements
- vehicle utilisation
- alternative fuels
- emission/exhaust technologies
- environmental issues

- telematics
- fuel management
- driver training and safety
- risk management.

There is an obvious link with council's environmental aims, as it attempts to achieve a reduction in emissions and fuel usage. The CVRP is based on whole life costing (WLC), works-in depreciation costs and attempts to take a long-term view, so that by forward planning they use their finite resources most efficiently. WLC considers the following issues:

- initial purchase cost
- fuel type and fuel infrastructure
- fuel economy
- maintenance and servicing costs
- cost of training operators and maintenance staff
- requirement for specialised workshop equipment (if in-house)
- parts availability and costs

- insurance costs
- VED rates and environmental tax benefits
- ability to be recycled (re-using bodies and equipment)
- depreciation
- residual values.

A Vehicle Maintenance Customer Review Group has been established, to supply information on all future vehicle replacements and contribute to any future related strategies. The council is investigating fuel management systems, which involve training drivers and maintenance staff to consider how to save fuel and reduce harmful emissions. Also 'Telematics' a system which involves fitting GPS vehicle tracking systems, in order to manage the most efficient use of vehicles.

All new vehicles are fitted with particulate traps and procurement officers pursue Government grants (Energy Saving Trust, Powershift and Transport Energy), which are available to ensure that vehicles are specified with a view to reducing emissions (oxidisation catalysts, selective catalytic reduction and exhaust gas recirculation).

To make the most efficient use of fuel DCC are trying to establish a secure supply for 'bio-diesel', which considerably reduces carbon monoxide, sulphur dioxide and particulate emissions. This fuel was previously only available from London or Humberside. DCC is part of the Central Buying Consortium and had tried to source greener diesel through their contracts; however, this had led to extra fuel delivery costs. The eco-fuel has a 5% bio mass using rape seed or waste cooking oil, which results in reduced carbon and emissions – hence 'reduce, re-use and recycle' can be achieved by this means – the other 95% is ultra low sulphur diesel.

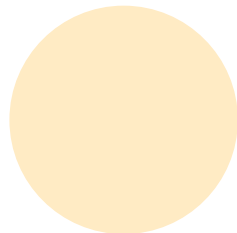
Comparisons have been made by the review team of other countries and other suppliers, for example in Germany they use up to a ratio of 50:50 of the rape seed/cooking oil and new Mercedes vehicles are available with this usage in mind. There are a number of suppliers in Britain for eco-fuel, such as Greenergy (www.greenergy.com) and RICS who have approximately 100 outlets, but these are mostly in the North. DCC have found two locally based suppliers – Ford Fuels at Shaftsbury, Dorset and Minster Fuels of Dorchester, Dorset.

With thanks to Andrew Ray, Head of Procurement and Contracts Management, Ron Fawcett, Procurement Manager and Sean Adams, Procurement Officer, Dorset County Council, for supplying much of the information found in this case study.

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Forest of Dean District Council

sustainable purchasing guide

key words:

'sustainable purchasing', 'procurement strategy'

The Forest of Dean District Council is a rural authority employing approximately 350 staff.

In 1996 the council, with the support of members, published its first environmental strategy. The strategy set out the council's approach to environmental matters. This was revised in 2002 and the updated strategy recognised that one of the ways the council could reduce its environmental impact was to review its purchasing activities. As a major consumer of goods the council had a desire to support the market in recycled and other sustainable goods. A task identified was to produce a green purchasing guide for internal council use.

Sustainable Purchasing was officer driven by the Council Green Team, a group of approx 15 staff who run projects and promotions to raise environmental awareness within the council. The production of the guide was supported by Senior Management and Members and as such there is support from them whenever green

costs more. An example of this is the decision to use recycled paper for letterheads, compliment slips and general office paper even though the cost was more, the managing director supported the decision.

Members are willing to take the longer-term view and realise that investment now may save later. They also recognise the effects of climate change and support the view that the council should operate in a way to minimise impact.

In 2002 the first Sustainable Purchasing Guide was produced in partnership with an Environmental Policy student (Vicky Guntrip) from Cheltenham and Gloucestershire College. The project had involved interviewing members of staff involved in purchasing, obtaining the views of senior officers using a questionnaire, comparing the purchasing practices of Forest of Dean District Council with other authorities, reviewing the environmental impact of many of the goods the council buys and developing

a set of guidelines to reduce the environmental impact of our purchasing.

The aim of the guide was to encourage all members of staff, particularly cost centre managers, to take sustainability into account when purchasing goods for the council. The guide aimed to promote awareness of the environmental, social and economic impacts of goods and services. The original guide was produced in booklet format and was distributed to employees involved in purchasing as part of a wider training programme on sustainable environmental issues.

In 2003 the revised sustainable environment strategy identified that the sustainable purchasing guide was out of date so it was updated, including development of an electronic version, which could be made available to all employees on the intranet, alongside other purchasing information.

Several purchasing areas were identified that needed to be included in the new guide namely, paper products, cleaning materials, batteries, horticultural products, timber products, paints, computers/machines, office equipment and stationery products, food, IT consumables, contract management, ozone depleting substances and water. Within the guide there are four sections under each of the product areas. These include; what are the issues (to help educate employees about the need for purchasing sustainably), good practice, examples of suppliers and products and further information.

The information within the guide was predominately researched on the Internet; the websites are identified within the guide in the further information sections.

Before the guide was issued consultation was carried out with the internal procurement team. Feedback from the team was very positive and the guide was seen to be a useful document.

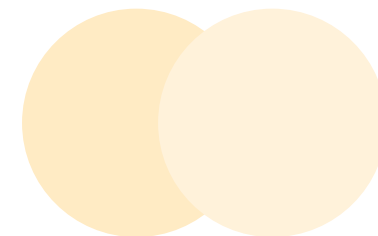
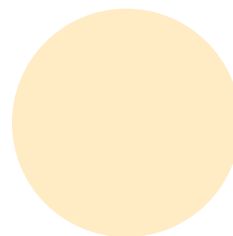
In order for the guide to become embedded within the procurement process it was felt that it should be championed by the senior manager responsible for procurement and linked to the procurement strategy. A lead elected member for procurement has also been appointed.

A section has been set up on the council intranet site that focuses on procurement. The guide is accessible to all employees from the site. All employees responsible for procurement receive training, which includes sustainable purchasing issues. The impact of green purchasing has not yet been measured. The guide will be updated on a yearly basis and there will be regular auditing of compliance with the guide and this will be measured as part of the annual environmental audit.

With thanks to Rachel Capon, Research and Promotions Officer, Patrick Gibbard, Head of Audit and Performance Development and Paul Symonds, Head of Health and Leisure, Forest of Dean District Council, for supplying the information found in this case study.

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London Borough of Haringey and Oxford City Council

SME development

key words:

'diversity', 'SMEs', 'BRTF'

The London Borough of Haringey is an area of vast cultural diversity. There are areas of prosperity in the west, whilst there are areas of deprivation in the east of the borough. Most of the businesses within the London Borough of Haringey are SMEs, i.e. small and medium sized enterprises who are defined as employing 250 staff or less. At least half of the SMEs in the locality are Black and Minority Ethnic (BME) businesses. Haringey Council has an ethos that procurement can be viewed as a tool that can help deliver the Community Strategy by making opportunities available to SMEs. The council is currently undertaking a SME Procurement Pilot and is fully involved in a local partnership, Trade Local, to develop the SME supply base.

The Small Business Service, an agency of the Department of Trade and Industry, has commissioned Haringey Council to run an SME Procurement Pilot. This is piloting responses to several recommendations of the Better Regulation Task Force (BRTF) and Small Business Council (SBC) report, and has

a focus on demand-side procurement development within the council. In particular, Haringey is focusing on:

- the use of community benefit clauses in tendering and contractual documentation. These allow use of SMEs in the supply chain, and other community issues, to be evaluated as part of a normal procurement process. These are derived from a legal framework that links procurement and the obligation of a council to produce and implement a community strategy. In the Pre-Qualification Questionnaire (PQQ), Haringey Council now inserts a statement which clearly communicates the council's objective to work together with local communities and other partners and to assist in the promotion and improvement of the economic, social and environmental well-being of the borough in its contracting arrangements.
- piloting the community benefit clauses in tendering exercises
- drafting and implementing success measures, including Key Performance Indicators (KPIs). For example, measuring the percentage of council spend with SMEs and percentage of council spend with BMEs.
- devising a SME Issue Log that records barriers that are identified in the procurement process when encouraging SMEs to bid for council business. Haringey Council recognises that if supply chains are to be opened up to SMEs, then the barriers must continue to be recognised, recorded and addressed as part of their procurement processes.
- development of 'Think SME' elements for incorporation into procurement guidelines and documentation. These include specific clauses that are inserted into all the procurement systems, documents and guidelines that are used by the council; the aim being that SMEs are naturally part of the procurement process and not an optional 'bolt on'.

Alongside the Haringey SME Procurement Pilot, Haringey is running a supply-side focused procurement initiative called Trade Local. This local initiative forms a partnership between Haringey Council, Enfield Council, Middlesex University and Fit to Supply. Almost 1,000 SMEs from across Haringey and Enfield are currently benefiting from Trade Local, in the following ways:

- Trade Local Development Programme – offers a tailored programme of procurement support and capacity building, comprising seminars, workshops, distance learning workbooks and one-to-one diagnostics and mentoring.
- Trade Local Website (www.trade-local.co.uk) – shares information on how the public sector procures and current procurement opportunities
- Trade Local Database – allows information on local suppliers and potential suppliers to be shared

around Haringey Council, and for businesses to be contacted directly with relevant procurement opportunities.

Haringey has been working with other authorities to share their knowledge. One such authority, Oxford City Council, has also been keen to work with SMEs and increase their participation in tendering opportunities. Oxford CC has recently produced a newsletter for suppliers that explains how the procurement process works, and have updated suppliers on Oxford City Council's Procurement Strategy. Since meeting Haringey they have also started work on an SME questionnaire, and hope to implement further improvements in partnership with the 'Strategic Procurement Partnership for Oxfordshire'.

With thanks to Liz Holford, Haringey Council and Jane Lubbock, Oxford City Council, for facilitating the formulation of this case study.

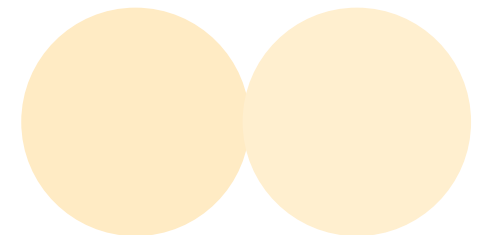
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Wakefield Metropolitan District Council

engaging with suppliers

key words:

'ease of access to SMEs'

In 2003 Wakefield Council established a new corporate procurement team with a remit to take a strategic approach to procurement and directly contribute to the council's community strategy with a priority of developing a dynamic local economy.

Following a series of workshops on 'Winning Council Business' for regional companies during January to March 2004 (undertaken as part of the West Yorkshire Procurement Partnership), feedback from companies was that Wakefield was difficult to do business with.

An analysis of the creditors system identified that in 2003/04, 40% of approximately £135million spend went to a regional postcode. Comparative information from other large authorities suggested that the norm would be 50% to 60% spent regionally.

the actions

In April 2004 the council's cabinet approved a series of actions to improve the council's engagement with local and regional businesses, and set a target to increase spend in the regional economy by 10% over two years. Key issues in delivering the target were to ensure compliance with procurement legislation, and to retain value for money.

Feedback from companies suggested that they had difficulty knowing whom to contact in the council, and were not aware of potential business opportunities; therefore:

- a contact list with phone numbers and email addresses was established on the council's website (www.wakefield.gov.uk/procurement). All non-confidential procurement documents including the procurement strategy, a 'Winning Council Business' booklet plus all guidance for staff is also available on the council's website. This allows companies to find out how the council procures its goods, services and works.
- the council decided to place its tendering opportunities on the regional e-tendering website (www.counciltenders.net), which provides companies with access to council tenders and also serves as a valuable market research tool
- the council established a major annual 'Meet the Buyer' event (the first held in November 2004). This is run in partnership with first (the development agency for the Wakefield District) and Business Link West Yorkshire. The event includes stands covering all commodity lines, partners and business support agencies, with presentations running throughout the day.
- a seminar was held for businesses explaining the council's housing stock transfer and the opportunities that will arise from the large housing improvement programme.

Suppliers indicated concern that they were being excluded from bidding for contracts through lack of awareness or the way in which contracts were packaged, therefore:

- the council adopted a policy whereby all major works contracts should include a local labour clause where relevant to the delivery of the contract and allowable within law
- workshops are provided for buyers across the authority to address how they can be more effective in engaging with local and regional suppliers and how to draft contracts so as not to preclude SMEs from bidding
- workshops and seminars are provided for companies to explain the tender process and to provide advice on how to respond to tenders
- officers are required to offer debriefs to all bidders to help them improve future bids

- officers are encouraged to place advance notice of tenders on the regional e-tendering website
- in 1998 the council ceased to use locally established approved lists of contractors, however, in September 2004 Wakefield Council launched a new approved list in partnership with Leeds City Council. This enabled Wakefield to adopt a properly managed list, and also simplified access to lists for companies, since a contractor applying to one council could automatically be included on the other council's list. This model is being rolled out to include other West Yorkshire authorities.
- the council has introduced purchasing cards that tend to be used for low value purchases with local suppliers.

The council's corporate systems were considered to be old and unable to provide meaningful analysis of suppliers, therefore:

- the council commissioned a detailed analysis of its supplier base to identify the location and type of suppliers, the nature of their business and the level of spend. This data is being used to rationalise the supplier base where spend is minimal and will not put companies at risk, and is valuable in identifying local skills shortages and employment opportunities
- through the Yorkshire and Humber Regional Centre of Excellence the council is intending to adopt a regional web-based contract and supplier management system. This will be integrated with the council's new suite of financial and e-procurement systems to deliver comprehensive contract management and performance information. It will also facilitate collaborative procurement and benchmarking of contract performance across the region.

The feedback from the local business community has been positive and the council is confident that proactive engagement with local suppliers will meet the target of increasing spend by 10% regionally over the next two years.

With thanks to Alan Kirkham, Wakefield MDC, for supplying the information found in this case study.

further information

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Eastleigh Borough Council has five Local Area Committees (LAC's):
Chandlers Ford & Hiltingbury;
Bishopstoke, Fair Oak & Horton Heath;
Eastleigh; Hedge End, West End & Botley and Bursledon; Hamble le Rice & Hound.

Each of these LAC's are empowered to make a difference to the local community by making decisions at a local level. These decisions and responsibilities include the following:

- determining contentious planning applications
- managing devolved budgets
- formulating and contributing to Area Plans – for example, Youth, Community Safety
- ensuring corporate policy is delivered at a local level
- identifying and reviewing local priorities.

how are budgets allocated?

Once the overall council budget has been decided, the budget can then be 'handed over' to local areas based on need. So, for example, the street nameplates budget is allocated according to the number of roads, litter collections decided depending on how many miles of road, bus shelters by number of shelters in that particular local area. Some budgets, where a variation, or change, in the level of service would be too costly or potentially cause problems to the existing service, are not devolved (for example, refuse collection, property services).

For each area budget, the finances are grouped under non-discretionary (salary costs, etc) which the service cannot afford to see varied; and discretionary where the Local Area Committee (LAC) can utilise the funds to meet local priorities. In effect, the LAC is given a standard 'minimum' level of service that it can vary, or change, as required, to meet local need. Examples

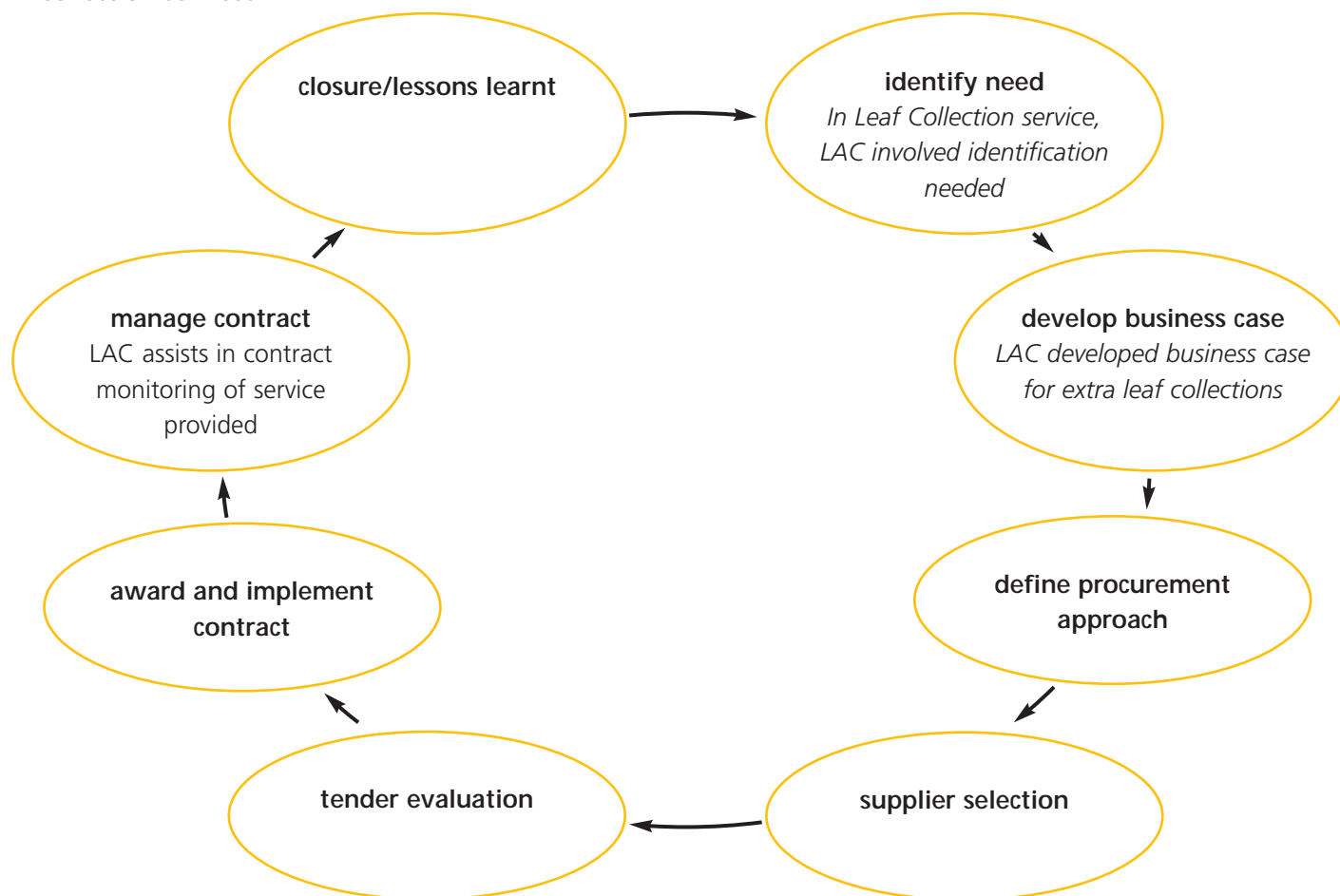
of varied services include extra leaf collections, increased shrub maintenance services and extra litter collections within the local area.

how do LAC's purchase and negotiate service levels?

Local Area Committees negotiate local performance standards with Service Heads within Eastleigh Borough Council. The identification of local need can come from a number of different sources including surveys and consultations, feedback from partners (for example, police on community safety issues) or simply the local knowledge of the Members and/ or Area Co-ordinator.

Using an example mentioned earlier, the Area Co-ordinator for Chandlers Ford and Hiltingbury had received a

LAC's involvement in the procurement cycle – for leaf collection services:

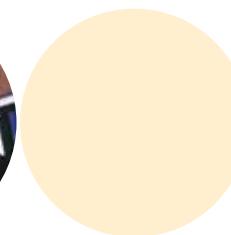


With thanks to Andy Milner, Area Coordinator for Changers Ford and Hiltingbury LAC, for supplying much of the information found in this case study.

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Trafford Metropolitan Borough Council

healthy meals in schools initiative

key words: 'collaborative procurement,' 'sustainable food procurement'
'healthy school meals', 'continuous improvement'

background

Trafford Metropolitan Borough Council started working on the 'Healthy Meals in Schools' initiative following the publication of government guidelines on healthy eating requirements in schools and after consultation with parents, teachers, school meals staff and other local authorities. The objectives of the initiative were to ensure that healthy choices are always available and are offered at the most economical price

This was a collaborative procurement between several Local Area Procurement Partnership (LAPP) members: Bury, Bolton, Oldham, Salford, Tameside, Stockport, Trafford, Warrington, Greater Manchester Police and Greater Manchester Fire & Rescue Service.

Suppliers were invited to tender, following advertisements in Official Journal for the EU, Contrax Weekly and Manchester Evening News, for both the provision of frozen food and grocery

foodstuffs. The tender exercise included tenderers answering a number of questions on healthy school meal options. For example, asking tenderers how they would improve the quality of existing foods available and how they would source healthier options. The evaluation criteria were based on a quality/cost matrix and included product range, healthy food range, quality of food, service, environmental policies, and equalities in the supply chain. The contracts were awarded to two frozen food suppliers and the grocery foodstuffs were awarded to six suppliers. Each member authority was involved in the award process.

how does the contract work?

The Catering Services Manager, in liaison with the Trafford Community Dietician and with input from school cooks, is responsible for identifying healthy school meal options. Suppliers also contribute to identifying healthy food options, which allows the Catering Services Manager to choose which healthy options will form part of the school meals menus. Each of the member authorities of the LAPP has a Unit Manager. The Unit Manager orders products from the schedule of goods on the foodstuffs contract.

A Food Sub-Committee has been set-up, meets quarterly, and includes all of the member authorities signed up to the contract and suppliers, which is chaired by Trafford.

The Food Sub-Committee monitors progress of the contract and discusses any issues regarding service delivery as well as sharing ideas and looking at ways in which to improve the standard of school meals. Should there be any

major issues, these will normally be dealt with centrally by the chair of the Committee, Trafford. Once a year, one of these meetings is usually devoted to a product forum/exhibition to which selected suppliers are invited.

The contract is managed by Trafford and will seek continuous improvement through regular dialogue with the suppliers, as well as the information gleaned at Food Sub-Committee meetings and the use of sales data. This data includes sales by volume, value and supplier. There is also management information obtained on late and failed deliveries (deliveries outside the agreed delivery date). There are agreed performance indicators on the contract and these are monitored very closely to identify problems and seek remedies early on.

Food is marketed on menu boards in each school, leaflets are provided to school children and parents giving information on the healthy food

options. Regular consultations are held with parents to explain how the school is providing healthy school meals and to seek their input. The local schools also hold theme days, for example, an Australia themed day where Australian healthy food options were available on the menu. Information on the initiative is published on the Trafford MBC website within the Education Sector pages, 'School Catering', (www.trafford.gov.uk/cme/live/welcome.asp?ID=374) which helps to educate and raise the awareness of the healthy eating initiative in schools.

With thanks to Jim Linihan, Purchasing Manager at Trafford Metropolitan Borough Council, for supplying much of the information found in this case study.

further information

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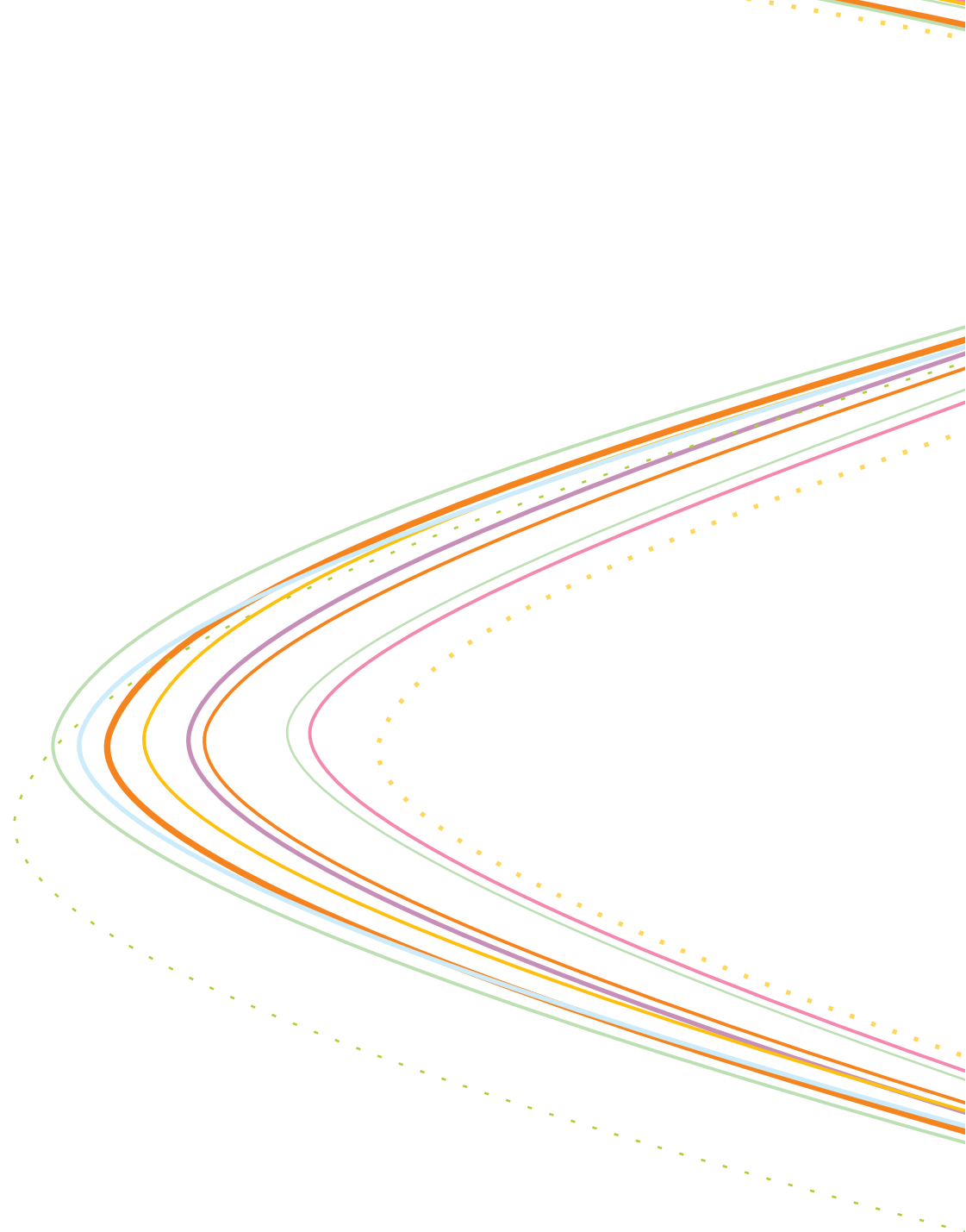
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notes







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