Dear Sir/Madam,

The Cabinet Member for Finance and Civic Affairs (Councillor D. Harvey) are to consider the following report and make a decision on Tuesday, 13th December, 2011, at 6.00 p.m. in Interview Room D, Town Hall, Nuneaton.

Yours faithfully,

PHILIP RICHARDSON

Assistant Director – Governance and Recreation

A G E N D A

PART 1

PUBLIC BUSINESS

1. EVACUATION PROCEDURE

A fire drill is not expected, so if the alarm sounds please evacuate the building quickly and calmly. Please use the stairs and do not use the lifts. Once out of the building, please gather outside the Yorkshire Bank on the opposite side of the road.

Exit by the door by which you entered the room or by the fire exits which are clearly indicated by the standard green fire exit signs.

If you need any assistance in evacuating the building, please make yourself known to a member of staff.

Please also make sure all your mobile phones are turned off or set to silent.
2. **PUBLIC CONSULTATION** - Members of the public will be given the opportunity to speak on specific agenda items if notice has been received.

3. **DECLARATIONS OF INTEREST** - To receive declarations of personal/prejudicial interests in accordance with the Members' Code of Conduct.

   **Note:** Following the adoption of the new Code of Conduct, members are reminded that they should declare the existence and nature of their personal interests at the commencement of the relevant item (or as soon as the interest becomes apparent). If that interest is a prejudicial interest the member must withdraw from the room unless dispensation has been given by the Standards Committee.

4. **PROCUREMENT STRATEGY 2012-16** - report of the Assistant Director - Finance and Procurement attached (Page 3).
**Single Member Decision**

**Report Summary Sheet**

<table>
<thead>
<tr>
<th>Date:</th>
<th>13th December 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject:</td>
<td>Procurement Strategy 2012-16</td>
</tr>
<tr>
<td>Portfolio:</td>
<td>Finance and Civic Affairs (Councillor D Harvey)</td>
</tr>
<tr>
<td>From:</td>
<td>Assistant Director – Finance and Procurement</td>
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</tbody>
</table>

**Summary:**
This report presents the updated Procurement Strategy and Action Plan covering 2012-16

**Recommendations:**
To approve the updated Procurement Strategy 2012-16- and action plan

**Reasons:**
The current Procurement Strategy set out actions required until 2010. These have now been reviewed and updated.

**Options:**
To accept the report or request further information

**Subject to call-in:**
Yes

**Forward plan:**
No

**Corporate priorities:**
Aim 4

**Relevant statutes or policy:**
Public Contract Regulations

**Equal Opportunity Implications:**
None

**Human Resources Implications:**
Employees across the Council will need to have an awareness of procurement law and regulations

**Financial Implications:**
One of the key aims of the Procurement Strategy is to achieve cashable efficiency savings

**Health Inequalities Implications:**
None

**Risk Management**
The Council is at risk if procurement law is not
<table>
<thead>
<tr>
<th><strong>Implications:</strong></th>
<th>adhered to</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environmental Implications:</strong></td>
<td>None</td>
</tr>
<tr>
<td><strong>Legal Implications:</strong></td>
<td>The Council must adhere to procurement and regulations</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Contact Details:</strong></th>
<th>Simone Donaghy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ext 6182</td>
</tr>
</tbody>
</table>
AGENDA ITEM NO. 4

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to : Councillor D Harvey
From : Assistant Director – Finance and Procurement
Subject : Procurement Strategy 2012-16
Portfolio : Finance and Civic Affairs (Councillor D Harvey )

1. Purpose of Report

1.1 To present the updated Procurement Strategy and action plan covering 2012-16.

2. Recommendations

2.1 To approve the updated Procurement Strategy 2012-16- and action plan.

3. Background

3.1 The Procurement Strategy was last approved in 2007 and set out the Council’s strategic approach to procurement in the medium term.

3.2 The main achievements as part of the previous Procurement Strategy have been:

- Implementation of a corporate E-Procurement system
- An established shared service with Rugby BC and collaborative working with the wider sub-region
- Development of E-tendering
- Cashable savings from re-tendering for a wide range of goods and services
- Improved governance and training across the council and the development of the procurement tool kit

3.3 The Strategy has been updated to reflect the work that has been achieved to date and changes in systems, policies and legislation that will have an effect on procurement in the future.
4. **Procurement Strategy 2012-16**

4.1 The updated Procurement Strategy is attached at Appendix A and the action plan supporting the strategy is at Appendix B.

4.2 The updated strategy is based around four key delivery areas:

- Value for Money
- Strategic Procurement
- Compliant Procurement
- Collaboration

4.3 The action plan sets out how the four key aims will be delivered and the benefits to the council and wider stakeholders.

5. **Conclusion**

5.1 Effective procurement is crucial in securing high quality, cost effective and efficient services. The updated Procurement Strategy 2012-16 builds on the achievements to date and sets out the further actions required to deliver the four key delivery aims.

Simone Donaghy
NUNEATON & BEDWORTH BOROUGH COUNCIL

PROCUREMENT STRATEGY
2012 – 2016
Both the Gershon Efficiency Review (2004) and the Roots Review (2009) highlighted the fundamental role Procurement plays in achieving best value and wider corporate aims for the authority. The purpose of this document is to define Procurements role in contributing to the strategic aims of the Council, operating principles outlined in the Corporate Strategy and to meet the recommendations of the National Procurement Strategy.

The previous strategy explored in detail the drivers, tactics and tools required to establish procurement discipline within the Council. During this time we have ensured that good value services are provided throughout the Council whilst maintaining a philosophy of continuous improvement.

This second Procurement Strategy concentrates on high level principles and 4 key areas; Value for Money, Strategic Procurement, Compliant Procurement and Collaboration.

Procurement is an essential element of delivering cost effective efficient services. It impacts on Members, Executive Directors, Corporate Management Team, staff, the public, suppliers and partners. Procurement embraces the whole of the supply chain and commissioning cycle from identifying need to contract management and monitoring i.e. the ‘procure to pay’ cycle is one process. Key to the success of this strategy is delivering the Council's procurement at a strategic level and optimising the advantages of a corporate approach to supply chain management. This means that in the future the Council will work with its partners to engage in supplier and market development and packaging of contracts to ensure the most effective purchase is made. This strategy seeks to provide clear direction and a co-ordinated strategic approach that avoids duplication or increased bureaucracy, to deliver improvements to our procurement process for the period 2012 – 2016.

Procurement is a critical process for ensuring that the Council meets the needs of the community. The public do not distinguish between in-house services and those provided by contractors. Poor procurement can lead to a loss of confidence by the public in our ability to deliver excellent public services.

Nuneaton & Bedworth Borough Council currently spend approximately £20m per year on procurement of supplies, services and works, using around 1500 suppliers. The council is actively working to modernise and streamline its current processes and procedures to achieve maximum efficiency.

Our operating principles are to:

- Provide services that represent good value for money in procurement
- Identify best practice in procurement and challenge current methods
- Carry out Socially responsible / Environmentally Sustainable procurement
- Deliver efficiency savings both cashable and non cashable
• Be open to and seek opportunities for partnership or collaborative work with other authorities
• Ensure Procurement is conducted within EU / UK legislation and is compliant

The key delivery aims of this strategy are:

**Value for Money**

Outcomes Sought:
• Continue to improve the efficiency and effectiveness of services
• Improved supplier service to end user
• Drive down procurement costs whilst obtaining value for money
• E tendering

The principle of delivering value for money is at the heart of NBBC’s objectives and is a key principle for the procurement service. Creating efficiency and releasing resource into front line services, outlines a vision for Nuneaton & Bedworth Borough Council to harness opportunities available to deliver measurable efficiency improvements and deliver Value for Money. The Shared Service for Procurement will facilitate Best Value in Procurement and be responsible for strategic development including provision of Contract frameworks, procurement processes, collaboration and benchmarking.

**Strategic Procurement**

Outcomes Sought:
• Develop central contracts database for improved transparency
• Application of Category Management from data analysis and aggregate spend
• Improve management information allowing better financial management, budgeting and tendering
• Devolve Council policy to external bodies through supply contracts
• Sustainable Procurement – local economy, SME’s and environmental considerations
• E procurement

Strategic procurement takes place where there is high risk / high value of spend for the authority and is crucial in supporting the Corporate Strategy, contributing to the operating principles. In this area it is important to be
concentrating on building excellent working relationships with contractors and collaborative partners with a view to driving down costs without attempting to reduce profit margins. This involves looking across service boundaries to identify synergies and opportunities for improving economy, efficiency and effectiveness. Supplier rationalisation will allow buying power to be refocused with the resultant benefits of increased leverage, better processes, potential for reduction in numbers of transactions and better value for money being achieved. E procurement will facilitate deployment of the strategy in an efficient and effective process whilst linking into VFM and Compliance.

**Compliant Procurement**

Outcomes Sought:

- Ensure Councils reputation is maintained
- Council staff are aware of relevant legislation and have access to compliant documents
- Manage the risk of legal challenges and keep to a minimum

The risk profile for failing to comply with the EU procurement rules has changed dramatically over the last two years. Procurement is effected by both EU & UK procurement legislation which is ever changing and must be managed effectively. The procurement team must ensure all procurement activity is undertaken within these regulations so we do not leave the Council open to challenge. We will continually review our procurement practices and procedures to ensure the Council is compliant with existing and developing legislation. An appropriate level of central professional procurement resource and knowledge will also be maintained within the Council to help ensure outcomes are delivered.

**Collaboration**

Outcomes Sought:

- Actively seek Shared Service & Partnership working
- Encourage the use of Collaboration where spend can be identified within Commodity groups and value for money/ service requirements can be improved
- Establish links to Public Sector Frameworks
The opportunities identified within this strategy become even more powerful when shared with other authorities. We are actively collaborating within the Warwickshire Sub Region, working in various ways with other public bodies to combine our buying power and procure good’s, works or services jointly. Major benefits we have realised are economies of scale, accelerated learning and reduced sourcing activity. The Council will encourage the development of new methods or approaches to procurement that will deliver services efficiently, effectively and economically. Also active participation in Government sponsored groups such as the West Midlands Regional Improvement and Efficiency Partnership will provide opportunities to share best practice.

**Procurement Vision – The key challenges ahead for procurement:**

The key delivery aims will help to address the following challenges:

- Make procurement happen at the right level with the right people
- Use technology and in particular e procurement to support organisational and behavioral change
- Make procurement a key management activity
- Involve members in the procurement strategy so they provide leadership in embedding procurement excellence into the culture of the Council
- Comply with all legislation relating to procurement activity
- Develop partners and partnership working
- Stimulate markets to be able to procure from a diverse and competitive range of suppliers including minority businesses, voluntary and community sector groups and SME’s
- Develop contracts database covering recurrent procurement activity
- Enhance existing guidance and support offered to officers on procurement process / contract management
- Provide strategic procurement advice to major projects
- Provide procurement training for members, officers and suppliers
NBBC Procurement Action Plan - The 4 Key Delivery Areas of the Procurement Strategy will be delivered through the attached Action Plan.

<table>
<thead>
<tr>
<th>Action</th>
<th>Reasons</th>
<th>Target Date</th>
<th>Delivery Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop a core list of performance measures and maintain, report and benchmark on a quarterly basis</td>
<td>To benchmark current performance and identify methods of improving efficiency &amp; effectiveness of procurement service</td>
<td>March 2012 and ongoing</td>
<td>Value for Money</td>
</tr>
<tr>
<td>Implement a corporate Contract Management System (CMS)</td>
<td>To ensure Council spend is appropriately controlled, tendering and collaborative work can be planned and co-ordinated</td>
<td>Populate CMS by Jan 2012 Training in March 2012 Onwards</td>
<td>Value for Money</td>
</tr>
<tr>
<td>Enable 25% of suppliers to electronically invoice the Council</td>
<td>To processing costs for the Council and improve payment terms</td>
<td>March 2013</td>
<td>Strategic Procurement</td>
</tr>
<tr>
<td>To adhere to the SME Concordat principles</td>
<td>To enable local suppliers to trade with the Council and develop their own capability</td>
<td>On-going</td>
<td>Value for Money</td>
</tr>
<tr>
<td>All tenders to be carried out electronically</td>
<td>Control all tenders across the authority and streamline the procurement process</td>
<td>January 2013</td>
<td>Value for Money</td>
</tr>
<tr>
<td>Aggregate spend and rationalise suppliers using data analysis tool and compare spend</td>
<td>To identify areas for aggregation and category management</td>
<td>2012/ongoing</td>
<td>Strategic Procurement</td>
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<tr>
<td>with other authorities</td>
<td>Collaboration</td>
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</tr>
<tr>
<td>Ensure there is a commitment to our policies on Health and Safety</td>
<td>To give guidance/steerage on issues relating to Health and Safety when procuring.</td>
<td>June 2012</td>
<td>Strategic Procurement</td>
</tr>
<tr>
<td>Maintain and enforce Contract Procedure Rules (CPR) as agreed with Members</td>
<td>To devolve new CPR’s across the council and ensure officers are aware of changes</td>
<td>Jan 2012/ Ongoing</td>
<td>Strategic Procurement</td>
</tr>
<tr>
<td>Ensure there is a commitment to our policies on sustainability, the environment and equalities</td>
<td>To give guidance/steerage to service units on issues relating to sustainability, environment and equality when procuring.</td>
<td>June 2012/ On - going</td>
<td>Strategic Procurement</td>
</tr>
<tr>
<td>Full adoption and maintenance of the E-Procurement system across the Council</td>
<td>To improve contract compliance, spend management and efficiency</td>
<td>March 2012</td>
<td>Strategic Procurement</td>
</tr>
<tr>
<td>Ensure tender / quotation documents are maintained with latest procurement legislation</td>
<td>Update all documents when new case law is introduced to avoid risk to Council</td>
<td>June 2012/ On -going</td>
<td>Compliant Procurement</td>
</tr>
<tr>
<td>Maintain suitably qualified procurement and creditors staff</td>
<td>To keep up to date with any changes in legislation</td>
<td>2012/ ongoing</td>
<td>Compliant Procurement</td>
</tr>
<tr>
<td>Activity</td>
<td>Objectives</td>
<td>Timeline</td>
<td>Priority Area</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
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<tr>
<td>Identify procurement training and carry out a rolling programme of training events</td>
<td>To ensure officers are aware of relevant legislation.</td>
<td>June 2012/ On - going</td>
<td>Compliant Procurement</td>
</tr>
<tr>
<td>Actively develop shared services, Partnerships and Collaborative working with organisations such as ESPO, Central Buying Consortium &amp; GPS</td>
<td>Achieve economies of scale, reduced cost of administration, whilst retaining auditable process(s)</td>
<td>On - going</td>
<td>Collaboration</td>
</tr>
<tr>
<td>Collaborate with Coventry Solihull and Warwickshire (CWS) for on-going projects</td>
<td>Seek to tap into significant spend of larger authorities and achieve significant savings</td>
<td>On - going</td>
<td>Collaboration</td>
</tr>
<tr>
<td>Investigate ways to maximise opportunities with the local voluntary and community sector</td>
<td>Link in with other public authorities including the police / fire and Hospitals in Warwickshire area</td>
<td>2013</td>
<td>Collaboration</td>
</tr>
</tbody>
</table>