

Breckland's Sustainable Procurement and Commissioning Strategy

Foreword by the Leader of The Council

Value for money in the delivery of quality public services is central to Breckland Council's ethos of putting people first. To deliver these services the Council employs some 300 employees, far less than most comparable councils in the East of England, and has a revenue budget of some £50m for the procurement of goods, services and works. In order to maintain its policy of downward pressure on its district council tax, Breckland Council is constantly investigating ways of maximising the purchasing value of every tax pound spent, while using the efficiencies gained to increase the volume of services or to develop new ones, in the light of the public's requirements.

There are numerous ways in which Breckland has led the way in the procurement of services;

- The nationally recognised innovation of the Anglia Revenues and Benefits Partnership with Forest Heath Council, which was cited in a report by the Audit Commission as a successful example of large efficiencies gained through the provision of shared services.
- A collaborative partnership with Capita Symonds for the delivery of planning and building control services.
- A partnership with a private sector company for the provision on a new CCTV system for the district.

There is much more that Breckland wants to do, from new procurement ideas for HR and ICT services through to setting up further commercial partnerships with the private sector, and working through shared services with neighbouring local authorities which will increase capacity with our staffing and provide the Council with a more symmetrical understanding of the market in goods, services and works. It will place the Council in a stronger position when choosing suppliers.

The Strategy is supported by a Code of Practice and a Code of Ethics for all officers who are involved in the procurement of goods, services and works. In particular this strategy aims to get value for money.

The Council has adopted this Strategy to underpin all links through to the Corporate Business Plan.

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Leader of the Council

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1. Introduction

1.1 What is Procurement

The National Procurement Strategy published in October 2003 defined procurement as "the process of acquiring goods, works and services, covering both acquisitions from third parties and from in-house providers. The process spans the whole life cycle from identification of needs, through to the end of a works or services contract or the end of the useful life of an asset. It involves option appraisal and the critical "make or buy" decision which may result in the provision of services in-house in appropriate circumstances".

Procurement can range from the day to day purchasing of commodities to purchasing key strategic items (such as large capital assets), commissioning a service or buying an entire service. Goods and services may be provided by internal or external providers and there are a number of different models for the provision of such services, such as private finance initiatives and public private partnerships.

1.2 Background

Procurement across local government has evolved considerably over the past few years and this is the third version of Breckland Council's Procurement Strategy which is designed to support government initiatives such as the National Procurement Strategy and the Sustainable Procurement National Action Plan. As a result this is now a Procurement and Commissioning Strategy which compliments Breckland Council's Strategic Business Plan 2008-2014 which looks to improve outcomes for service users.

1.3 Vision

To be proficient in the commissioning and procurement of best value sustainable services using innovative means where appropriate to meet the needs of the residents and businesses in Breckland.

1.4 Definitions

Commissioning and procurement consist of a series of activities and processes used by officers to ensure that best value for money is obtained in all the goods, works and services it requires. A definition of this relationship is;

Commissioning

"Commissioning is defined as the entire cycle of assessing the needs of people in a local area, designing a services, and then securing them".

Procurement

"Procurement is defined as covering the specific activities relating to the whole life costing from advertising through to the final contract arrangements and the disposal of an asset"

This diagram illustrates the inter-relationship



2. Commissioning and Procurement

2.1 Before undertaking any procurement process it is recommended good practice to undertake a certain amount of research. The list below shows the areas that should be researched as this will enable a robust, effective strategy;-

- Establish service user and business need
- Identify future needs and developments
- Define key outcomes
- Question whether the service needs to be provided
- Question whether other agencies should be meeting some or all of the need
- Understand the strengths and weaknesses of the current provision
- Review best practice
- Undertake market analysis, consultation and engagement.
- Establish resources available and how they can be most effectively and efficiently deployed
- Consider future contract arrangements for the new contract (s).

When taken together with the procurement process and contract implementation the process detailed above is now referred to as “commissioning” and the diagram in 1.4 shows how the two are interdependent.

All commissioning strategies must include a section on the role of procurement and the Strategic Contracts and Procurement Manager should be contacted at an early stage. This must also be in compliance with Contract Standing Orders as well as the European Procurement Directives. It is recommended that advice should be sought from the Strategic Contracts and Procurement Manager and Legal Services.

3. Commissioning – The Future

3.1 The way in which the Council sets out to commission or procure services demonstrates its philosophy and aims to its stakeholders. It recognises that it needs to develop commissioning as a tool to ensure the most appropriate and cost effective services are delivered to meet business and services users’ needs whilst ensuring the best outcomes for residents and service users.

3.2 It is recognised that a common structure for commissioning for the Council in partnership with other bodies such as the PCT, neighbouring local authorities and other public bodies needs to be developed.

3.3 Responsibility for Commissioning

Strategic Directors and Heads of Service are responsible for commissioning in their service areas. It is they who need to build the necessary business case to move commissioning projects forward

3.4 Responsibility for Procurement

The Executive Member for Governance and Corporate Development has overall responsibility for procurement within Breckland. The Strategic Director for Governance and Corporate Development has responsibility for procurement on the Corporate Management Team.

The Strategic Contracts and Procurement Manager is located in the Policy and Performance team. Following a re-structure this team will have direct contract management responsibility for a number of cross service contracts.

4. The Strategy

4.1 This strategy has been written deliberately at a high level to keep it as accessible and understandable as possible whilst including the varied business needs of the Council. As a result it is hoped that the various stakeholders will understand the Council’s aims and philosophy with regards to procurement. The strategy identifies the following;

- Where we are now
 - Important issues and challenges ahead
 - Targets and when they are to be achieved
- and
- The Breckland Business Plan 2008-2014
 - Breckland’s Value for Money Strategy
 - The Equality and Diversity Guide for Procurement

4.2 Aims of the Strategy

- To secure Member and officer level commitment to proficient commissioning and procurement.
- To promote commissioning and procurement as a catalyst in the transformation of Council services.
- To promote the Council as an enabler and encourage challenge of different methodologies of service provision.
- To encourage long term service planning and correct strategic planning of procurement projects.
- To provide a clear focus for commissioning and procurement practice within the Council.
- To make positive contributions to delivering efficiency improvements and value for money through procurement of excellent and cost effective services.
- To promote and encourage responsible procurement in terms of sustainability, environmental issues, equality and diversity.
- By adopting and adapting the principles of world class commissioning practice as it develops for local authorities the Council will work in partnership with the PCT, the third sector, neighbouring local authorities and others where appropriate
- To be an enabling Council
- To facilitate learning and development in Procurement
- To procure collaboratively
- To identify areas where E procurement can assist in efficiencies
- To assist in the development of performance management with regards to procurement

5. The Efficiency Agenda

The Comprehensive Spending Review in 2007 made clear references to achieving value for money through smarter procurement. It is seen as a key driver to obtain the efficiency gains necessary to achieve government targets, improve service delivery and achieve best value.

5.1 RIEPs

Central Government has also formed Regional Improvement and Efficiency Partnerships (RIEPs). Funding from Central Government is channelled into the RIEPs to fund efficiency improvements including “smarter procurement” – an explanation of which is given below.

The Department of Communities and Local Government publication; *“Delivering Value for Money in Local Government: Meeting the challenges of CSR07”* stated;

“3.41 The RIEPs have a central role to play. They are currently developing Regional Improvement and Efficiency Strategies which will include actions to promote market development and shaping. They will work to disseminate best practice, promote knowledge and strengthen capabilities to ensure Council’s approach those markets in the most effective way to deliver value for money.”

and

“Smarter Procurement, Enhanced Competition”

“D5 Actions to strengthen competition and market development are being taken forward in local services as a whole, complemented by actions to promote smarter procurement in strategic services on a sector by sector basis”

With regards to procurement the RIEPS' main focus will be;

- Utilising a smaller number of consortia to harness purchasing power
- Strengthening market intelligence data for Councils
- Working with and promoting the Office of Government Commerce (OGC) to negotiate key deals and framework arrangements with powerful suppliers.
- Working in partnership with Government to shape the local government strategic services markets to encourage diverse supply, secure alternative provision in uncontested services and increase capacity and competitiveness in existing markets.
- Promoting professional procurement organisations and/or authorities providing a shared procurement service on behalf of significant clusters of Councils.

At a local level the Council will be expected to:-

- Collaborate on shared procurement services.
- Utilise shared procurement services where there is a clear business case for doing so.
- Utilise regional market intelligence data and provide feedback on it.
- Increase the extent of sustainable procurement best practice approaches, including dealing with small and medium enterprises (SME's) and the voluntary and community sector (VCS).
- Regularly test competitiveness of services and use fair and open competition for underperforming services wherever practical

Breckland will be building on the work undertaken by the RIEP. For example the Strategic Contracts and Procurement Manager is undergoing training for trainers on sustainability to help roll the sustainable procurement message out across the Eastern Region to Members and staff. Breckland is an active member in the Procurement East Network (PEN) and is in discussions with other members of the group with regard to shared services.

6. Procurement in Breckland

6.1 Breckland Council is committed to maintaining high standards and efficiency in procurement in order to achieve best value for money thus releasing savings that can be used for areas of service priority. All Members and Officers are expected to comply with the Procurement Code of Ethics and the following principles of Best Value procurement must be observed by all officers;-

- Be open and transparent, comply with the relevant European and local legislation and encourage competition
- Focus on delivery of effective services that meet the required outcomes
- Evaluate on the basis of the most economically advantageous taking into account the service delivery, the economics and proportionality.
- Reduction in administration and transactional costs.

- Compliance with this strategy, the Breckland Business Plan plus the Council's core vision and values.
- Delivering value for money.

All services must demonstrate that they:-

- Are focussed on positive outcomes for service users and meet those user's needs.
- Meet the Council's Vision and values
- Provide Value for money and are efficient, effective and economic.
- Meet service business plan objectives
- Are committed to equality and diversity in accordance with the Council's equality and diversity policy.
- Contribute to the aims of sustainable procurement and promote the well being of the environment.
- Have effective management and performance management systems including robust contract management

As part of any procurement a category strategy should be prepared using best practice principles. These strategies should consider:

- Renewal dates for large strategic contracts
- Market opportunities and maturity
- Opportunities for investigating new financial models for the procurement of services
- Performance of services
- Analysis of external spend
- Analysis of non-pay expenditure

The essence of a category strategy is to create the most value for the Authority by leveraging external resources and capabilities. Changes in business models, industry structures, technologies, customer demands, environmental regulations, and other factors change both how value is defined, and how external resources can help deliver that value. As a result, traditional ways of thinking about categories change as well. Breckland as an authority looks beyond the goods and services they currently source from external parties, and defines strategies for whole new categories. The most common form of this occurs when options to outsource business processes and activities to reduce costs.

The category strategy should include an options analysis comparing the following options :

- Traditional procurement
- Partnering
- PFI/Public Private Partnership
- Outsourcing
- In-house service provision

The options analysis will include the following:

- Cost
- Service quality
- Risk
- Deliverability
- Timescales
- Funding
- Practicality
- Legal/statutory requirements

6.2 Collaboration and Public Buying Consortia

Breckland will look to procure through existing framework contracts or procure in collaboration where it can be proven that they are appropriate and represent best value for money. This will ensure that best value is delivered in terms of:

- Aggregation of spend to produce economies of scale
- Use of wider experience and greater expertise
- Procurement efficiency (avoidance of multiple procurements and maverick purchases)

6.3 Competition and Competitiveness

The council will look to maximise and make best use of the market to provide services reliably, sustainably and ethically. It will also seek to develop markets where competition is weak to improve competitiveness, supplier diversity and capacity.

Services that are already provided externally will be monitored and kept under review to ensure planned re-procurement is undertaken appropriately to enhance service delivery, harness innovation and deliver best value.

MAIN COMMISSIONING AND PROCUREMENT THEMES

Strategic Commissioning The Council has to identify need and develop best practice, affordable services which are fit for purpose and the future. In order to achieve this a consistent approach to commissioning needs to be developed			
Aims Achieve excellence in Commissioning to benefit the service users.			
Where we are now A number of service specific commissioning strategies are in place.	Main Issues There is no corporate framework for commissioning within the Council.	Objectives Develop a corporate framework for commissioning and procurement with our strategic partners.	Year
Understanding of strategic commissioning is limited	Best practice needs to be identified and developed	Undertake a self assessment against the competencies as set out in "World Class Commissioning" Training and development will be provided to ensure best practice commissioning is carried out.	
The Council has engaged with strategic partners to achieve better outcomes for service users and residents.	Strategic commissioning is not embedded within the Authority.	All services to undertake commissioning before major procurement projects are undertaken	

The Efficiency Agenda/Value for Money

The Governments Comprehensive Spending Review 2007 (CSR07) requires the Council to achieve 3% cashable savings year on year from 2008-9 to 2010-11. The methodology on how this saving is being achieved is set out in the Council's Value for Money Strategy. There is pressure on procurement and transformation of service delivery to achieve a large part of the savings required to balance the Council's budget over the next three year.

Aims

First class sustainable procurement will be employed to achieve innovative and value for money provision of services.

Where we are now	Main Issues	Objectives	Year
<p>The Council has a current Value for Money Strategy</p> <p>A formal procurement savings register is compiled.</p>	<p>It can be difficult to identify and secure the actual savings within services.</p>	<p>A standard method for assessing savings to be developed.</p>	
<p>A Corporate procurement strategy and a sustainable procurement strategy are in place</p>	<p>The strategies relating to procurement need to be embedded.</p> <p>Departments do not always develop formal strategies before undertaking procurement.</p> <p>An analysis needs to be undertaken to establish whether other more economic items or services could deliver service outcomes effectively.</p> <p>The concept of saving by buying less or not buying is not embedded as fully as it could be</p>	<p>The methodology by which all major procurement projects will be approved by the Strategic Contracts and Procurement Manager and will be agreed by CMT.</p> <p>Based on the assessment deliver "World Class improvements in Commissioning" across Council Services.</p> <p>We will develop guidance for spend avoidance</p>	
<p>Breckland uses consortia arrangements for procurement.</p>	<p>Further opportunities to procure regionally and sub-regionally.</p>	<p>Working close with RIEP and PEN we will increase collaboration with other Authorities in the East of England to achieve savings</p>	

The Enabling Council			
Breckland operates a policy of using both internal and external providers as best delivers quality services at an affordable price. This has entailed externalising services and could bring services back in-house to achieve value for money. This strategy needs to be developed further to take full account of emerging options for service delivery including strategic bundling of services, shared services with other local authorities and collaborative procurement.			
Aim			
Strategic Procurement and Commissioning will be employed to survey the service delivery routes and work with other Local Authorities to develop and use the market to increase quality and cost efficiency of services.			
Where we are now	Main Issues	Objectives	Year
Current services are reviewed to determine where efficiencies could be achieved (see appendix A)	The methodology employed for assessment is the same but the results vary.	All Council services to be reviewed during the lifetime of this strategy.	
Breckland is working closely with neighbouring authorities and considering options for shared services	Needs, priorities and approaches differ between councils. Commitment will be required to achieve consensus.	Develop a working protocol with neighbouring authorities. Achieve synergy in service delivery so that collaborative procurement can succeed.	

Efficiency in Procurement			
To achieve the efficiencies and transformation of services it is necessary to be able to procure in a sustainable and legal manner.			
Aims			
Procurement will be carried out in the most proficient manner possible. A Procurement Toolkit has been designed to assist all staff and procurement will follow the procedures contained therein. This toolkit describes the methodology required for efficient procurement firstly looking to utilise corporate contracts, then existing regional frameworks and national frameworks as this delivers economies of scale for a small Council. Any procurement not carried out through these frameworks will use standardised processes and documentation to ensure compliance with standing orders.			
Where we are now	Main Issues	Objectives	Year
Breckland Corporate Contracts register is on the Authority's Intranet	Use of corporate contracts is not fully embedded.	Regular monitoring of spend and off contract spend to be formalised and action taken to achieve compliance,	
The Procurement Toolkit which is on the Authority's Intranet plus the pocket procurement guide which has been issued to all officers directs officers to use national and regional framework agreements and contract where possible. Advice and support is readily available from the	Use of regional and national framework agreements and contracts is embedded within the Council. For the less common procurements a framework agreement can be difficult to find. Not all contracts that are let by Breckland and its	Working in conjunction with RIEP and PEN greater use will be made of the Procurement Hub which shows all available contracts both regionally and nationally. Through working with RIEP, PEN and the	

Strategic Contracts and Procurement Manager	neighbouring authorities are made open to other authorities.	Norfolk procurement Officers group to encourage framework contracts to be let as often as is practically possible.	
Standard procurement practices and procedures are available on the Council Intranet.	Standardised documentation needs to be produced to ensure compliance with regulations.	All documentation relating to procurement to be compliant with regulations.	

Procurement Resources, Learning and Development

It is essential that the Council has sufficient and suitably qualified and trained staff in order to achieve effective professional procurement. Staff involved in procurement within Breckland Council need to be capable of dealing with procurement issues across a diverse range of subjects whilst ensuring that it is compliant with Corporate Standing Orders and European legislation.

Aim

To ensure that the Council has adequately trained professional procurement resources to undertake projects, effectively, efficiently and legally.

Where we are now	Main Issues	Objectives	Year
The majority of procurement is carried out by departments.	A lack of a consistent approach across the Council. Adequate timescales are not always allowed for procurement.	Implementation of a system to provide advance warning for procurement projects and a consistent approach.	
In house training has been provided by the Strategic Contracts and Procurement Manager	This is not carried out on a regular basis and those officers undertaking procurement have sufficient up to date knowledge including governance and best practice.	A programme of procurement learning to be developed	
There has been reliance on consultants and temporary staff to assist with procurement projects.	The use of consultants and temporary staff has detracted from the council up skilling its existing officers. This has also led to an inconsistent approach to commissioning and procurement.	A programme of procurement learning to be developed	

Collaborative Procurement and Shared Services			
<p>Procurement activities have a significant cost in their own right. Along with acknowledged shortages of skilled procurement professionals in local government, resources need to be used as efficiently as possible.</p>			
<p>Aim To make the best use of shared services, collaborative procurement and consortia arrangements to obtain the benefits of aggregation of spend, use of expertise and reduce tender timescales.</p>			
Where we are now	Main Issues	Objectives	Year
<p>Breckland Council uses consortia arrangements and OGC Buying Solutions.</p> <p>Breckland Council is a member of regional and national public procurement bodies which exist to share best practice.</p>	<p>To benchmark consortia arrangements to ensure best value is obtained</p>	<p>Continued use of consortia arrangements</p>	
<p>Breckland has carried out joint procurements with neighbouring local authorities.</p>	<p>Authorities' local political complexion, views on regeneration, support for SME's and access to special needs funding can affect the practicalities of joint working.</p>	<p>Working with partners Breckland will identify categories of procurement that would benefit from aggregation and joint procurement.</p>	
<p>Breckland is actively looking for opportunities for shared services.</p>	<p>Alignment of separate authorities' priorities, needs, values and current service performance can prove difficult.</p> <p>The benefits of joint procurement do not necessarily accrue evenly to all those involved</p>	<p>Breckland through its senior management team will establish how sharing and collaboration can be best undertaken.</p> <p>The project assessing the benefits of shared procurement will be assessed.</p>	

E Procurement
 E procurement can assist the overall development of procurement processes and can come in many guises, such as procure to pay systems, e-auctions and p-cards. Breckland does have an e-procurement strategy which compliments this strategy.

Objective
 E-procurement is a means of automating processes within procurement and as a result it:

- Reduces transaction costs
- Makes processes more efficient
- Improves management information and visibility of spend
- Increases control and consistency of processes
- Improves spend compliance

Where we are now	Main Issues	Targets	Year
An intranet site has been developed to provide guidance to all staff	Staff do not always access the site for information	A programme of procurement learning to be developed	
P cards have been introduced in the latter part of 2009	Staff are not following procedures given in their training.	Further training and education with regard to budgets to be given to users.	
No e-auctions have been carried out.	Cannot justify the use of this due to a low spend in relevant areas.	When ESPO carry out an e-auction in a relevant area to utilise the framework.	
No requirement for the use of an e-marketplace.	With the introduction of p cards and the use of collaborative arrangements it is felt that this would not make the best use of council money in implementing an e-marketplace.	This could be reviewed as part of the programme of shared services	
Tender advertisements are placed on the Council's web site	There is no discrete electronic system and not all the features of such are available on the website	To look into the possibility of setting up an e-tendering system.	
There is a "Selling to the Council Guide" on the website.		To update as necessary	
The Councils purchase orders and invoices are on an electronic system but this is not a purchase to pay system. Invoices can be received electronically but they have to be then input onto the purchase ledger system.	Current financial system does not have a purchase to pay system.	Facilitate the electronic issue of purchase orders and receipt of electronic invoices.	

Performance Management

A set of indicators developed by the Audit Commission and recognised by RIEP will be used as a basis for performance management. Whilst these indicators are not mandatory, they will be refined to ensure they are of relevance to Breckland.

Objective

To develop a simple model comprising a small number of high level indicators which can be drilled down further if required. To enable the identification of best practice and focus on the outcomes of efficiency and effectiveness. The indicators are;

- That the procurement function is cost effective and appropriate to the Council.
- Procurement supports the delivery of the Council's objectives, core values and vision.
- Procurement processes are undertaken in an efficient, timely and effective manner.
- Procurement understands the requirement of the demand and the business requirements for goods and services.
- The Procurement function has a good understanding of markets and manages suppliers effectively.
- Appropriate use is made of technology to support the organisations procurement activity to achieve efficient and effective delivery.
- That the procurement function supports the organisation in achieving cost reduction.
- Corporate social responsibility is appropriately addressed and serious consideration in the procurement of goods and services is given to sustainability.
- That other end users/customers are satisfied with the services provided by procurement.

Where we are now	Main Issues	Targets	Year
A set of indicators exists which has been suggested by organisations such as the Audit Commission, CIPFA and RIEP.	To determine the most relevant set of indicators, This is being discussed at the Norfolk procurement Officer's Group.	To adopt an agreed set of indicators	

Sustainable Procurement

Good procurement is sustainable procurement. It includes three pillars of sustainable development; social, environmental and economic. As such sustainable procurement comes under responsible procurement and takes account of all the following elements, transparency, fairness, non-discrimination, competition, accountability and verifiability.

The aim with any procurement is to achieve value for money on a whole life basis in terms of generating benefits not only for the Council but also for society and the economy whilst minimising damage to the environment. Procurement best exhibits sustainability if it results in effective low maintenance high benefit solutions.

The following themes are included in this section:-

Social Sustainability

Suppliers employ a large workforce to deliver our Council Services of which many will be local people. It is vital for both for effective service delivery and employee well being that this workforce is properly trained and employed under legal and fair conditions.

Aims To achieve community benefits in terms of a local well trained workforce with relevant skills. To ensure our suppliers and contractors are committed to legal and ethical requirements including good work force management.			
Where we are now	Main Issues	Objectives	Year
Health and safety requirements are built into contracts	Monitoring of health and safety and other issues is not consistently monitored in all contracts	Guidance will be provided to contract managers to enhance consistent contract monitoring.	
Contractors are required to ensure staff are suitably trained. Method statements are required from tenderers regarding staff recruitment and training.	Work force training plans are not always required from contractors on an ongoing basis.		
Ethical issues are not considered consistently in procurement projects	It is not easy to apply a standard ethical procurement policy across all areas of activity. Legislation places limits on consideration of ethical issues in procurement	Ethical guidance is included in the sustainable procurement guide and this will be brought to the attention of officers when training takes place. We will ask contractors to demonstrate their commitment to ethical sourcing	

Equality & Diversity In accordance with the Breckland Equality Standard for Procurement we will treat all people with dignity and respect whilst valuing the diversity of all. Breckland will promote equality of opportunity and eliminate all forms of discrimination in service delivery and employment. Working together with partners procurement will be used to promote and influence suppliers to adopt a positive approach to Equality and Diversity			
Objective To promote equality and diversity in procurement practices and policies, providing information and advice to our suppliers as necessary.			
Where we are now	Main Issues	Targets	Year
Equality and diversity questions are asked in pre qualification questionnaires.	Ensuring all departments are aware of the Equality and Diversity legislation and this is monitored in council tenders and contracts.	Guidance will be provided to contract managers to enhance consistent contract monitoring	
Suppliers are required to meet current Equality and Diversity legislation.			
To ensure standard Equality and Diversity clauses are included in the terms and conditions of contracts.	Breckland Council does not have standard terms and conditions of contract and therefore each contract will have to be looked at in isolation to ensure the equality and diversity legislation is applicable.	Appropriate clauses will be reviewed by Legal Services when required.	

Equality impact assessment should be undertaken on all changes to service provision.			
Procurement opportunities are advertised on the Council's web site and advertised in local and national publications when required.	There is no evidence collated to evidence how many suppliers access the information on tender opportunities.	Work in partnership with the Economic Development Team to establish if any groups/sectors may be under represented.	
Meet the Buyer events are held twice a year which the Strategic Contracts and Procurement Manager attends.	Is Breckland Council reaching all the suppliers who may wish to tender for Council business?		

Environmental Procurement			
Purchasing goods and services environmentally (or green purchasing) is a priority for Breckland Council. Council agreed that environmentally friendly purchasing will be chosen if it is at no additional cost to the Council. With more services being outsourced procurement has the opportunity to have a positive influence on reducing Breckland's environmental impact and maximising the use of renewable resources.			
Objective			
To minimise effects on the environment by using environmental consideration as an evaluation factor in procurement and working with suppliers to continuously reduce such impacts.			
Where we are now	Main Issues	Targets	Year
All tenders for contracts over £75,000 are asked "What evidence have you got to show Breckland that you are reducing the amount of energy and waste emanating from your business?"	This should be asked on all contracts with suppliers. Although all staff have attended a presentation on the Green Purchasing Policy and the Sustainable Procurement Guide this advice is not always referred to when contracting with suppliers.	To amend the standing orders to ensure that all tenders and contracts contain an environmental policy. Identify highest areas of environmental impact in procurement spend.	
The Green Purchasing Policy's aim is; "Breckland Council will endeavour to purchase goods/services that are as green/sustainable as possible as long as the functionality of the goods/services are not compromised and it is within existing budgets".	Environmental requirements are based upon contract value rather than the environmental impact of each procurement. Environmental impacts are not always considered early enough in the procurement process and do not always get the attention they merit.	Develop a new environmental procurement policy to concentrate environmental procurement attention to where there is the greatest environmental impact and ability to reduce it.	
Where applicable ISO140001 accreditation is asked for when going out to tender.	It is difficult to predict or monitor the long term effects of existing procurement processes. Determining the most environmentally friendly option can be complex. Technical support and detailed assessment	Increase input of environmental expertise (both internal and external) to procurement	

	<p>of environmental impacts of service delivery options is not readily obtainable.</p> <p>Policy is focussed on supplies rather than services.</p> <p>Policy is not applying the Council's environmental aspirations and policies to all contracts.</p>	<p>processes to ensure sound environmental solutions.</p>	
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<p>Economic Sustainability Breckland's vision is to be an area where local people live, work and play whilst contributing significantly to the regional economy, with the lowest environmental impact.</p>			
<p>Objective To ensure that actions taken by procurement develop the market, increase competition and to ensure that no sector of the market is excluded.</p>			
Where we are now	Main Issues	Targets	Year
The market is researched before procurement projects start to encourage and develop the market	This consultation does not always take place at the most appropriate time and when procurement is not pre-planned this may be missed or ineffective	Market consultation requirements will be reinforced in our procurement toolkit	
Supplier's financial standing is assessed within the tender process	The risks are not the same in all contracts and financial assessment can work against small suppliers, new businesses and third sector organisations.	A risk management approach will be developed to ensure these sectors are encouraged to compete.	
Fair trade goods are purchased when appropriate	Availability of goods and cost.	To work closely with consortia to encourage the use of fair trade goods	
The Council does buy from some local suppliers.	Sourcing goods and services from local suppliers can be seen as anti-competitive and it does not always represent best value or sustainability.	To encourage local suppliers to attend the "meet the Buyer" events and learn how to tender for public sector contracts.	

Managing Suppliers

Supplier diversity is essential to a competitive market that can supply the Council and its service users requirements and provide value for money. Interaction needs to be undertaken with this market and the suppliers within it to understand their views and what enables and encourages diverse parts of this market to bid for work with the Council. At the same time relationships with suppliers must be reciprocally productive and that there are shared objectives.

The following areas are covered in this section:

Partnerships and Partnering Breckland is committed to working with suppliers in partnership. Innovative service design is encouraged and risk is shared.			
Objective To improve relationships with local public bodies and the voluntary sector whilst delivering world class services at lowest possible cost.			
Where we are now There are a number of large contracts where we have partnerships with the private sector.	Main Issues The expectations of partnership are not always clearly set out Partnership working and partnering is not considered as widely as it could be. The "benefits" of partnership and partnering are not always Monitored.	Targets The contract monitoring team to develop a protocol of what is expected from suppliers. A methodology needs to be identified partnership and partnering opportunities when reviewing services. Robust contract monitoring and benchmarking needs to be developed to ensure the Council is achieving value for money out of partnerships and partnering.	Year

Small Businesses As a result of this procurement strategy it is an objective to develop an environment where there is recognition that there is a genuine place in the market for developing local businesses and to encourage them to seek business opportunities through the Council. This is to be carried out in conjunction with the Economic Development Team.			
Objective To: <ul style="list-style-type: none"> • Prove that purchasing locally is not incompatible with value for money and efficiency • Highlight barriers which act to prevent SME' s from tendering and try to rectify them. • Identify national and regional initiatives to improve SME participation in the marketplace. 			
Where we are now Standard tender documentation is used by the Strategic Contracts and Procurement Manager.	Main Issues Low value tenders are written by individual departments and specifications are not always written in plain English.	Targets To standardise documentation.	Year

<p>Breckland's "Selling to the Council Guide" is available on the web site.</p> <p>Tender advertisements are on the web site.</p> <p>The web site also provides links to other tender opportunities to Authorities within the East of England</p>	<p>Publicising where to find this information and encouraging businesses to use it.</p> <p>Possible lack of understanding of the SME' s issues with regards to responding to tenders</p>	<p>The "Selling to the Council" Guide to be re-written as necessary.</p> <p>Attend selling to the Buyer Events and Breakfast Workshops with suppliers.</p>	
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<p>Develop Market and Suppliers Breckland is committed to working with suppliers to deliver best value to meet the expectations of better procurement.</p>			
<p>Objective To develop relationships with suppliers to create mutually advantageous, flexible and long term relations based on continuous improvement of quality, performance and financial savings.</p>			
Where we are now	Main Issues	Targets	Year
Some appreciation of the existing market and its suppliers.	Need clarification on how cost and quality can be measured which in turn will give a full assessment of success or failure.	Increase market consultations to obtain knowledge of how services can be delivered more effectively.	
Consult with the market to build an understanding of the relationship between procurement and commissioning and how they work together for best effect.	The ability to identify categories of work and where little competition exists and to encourage market growth.	Use commissioning to identify gaps in the market and thus develop the market to meet users needs in innovative ways.	
Consult with the community and customer to establish their needs.	To consult further and research all groups and stakeholders.	Engage with users to achieve affordable services/goods.	

Supply Chain Management

The Supply Chain is the linked set of resources and processes that begins with the sourcing of raw material and extends through the delivery of end items to the final customer. It includes vendors, manufacturing facilities, logistics providers, internal distribution centres, distributors, wholesalers and all other entities that lead up to final customer acceptance. The extended supply chain for a given company may also include sub contractors, and the customers of their immediate customers.

Objective

To encourage as far as is possible and practicable the supply chain to conform to our policies, ethos and goals.

Where we are now	Main Issues	Targets	Year
Supply chain management is not carried out as a continual or consistent process and there is no system in place to capture this information.	<p>The understanding of the whole supply chain and how to capture the information whilst learning from any anomalies.</p> <p>Contractors are not required to show how and when they make use of SME's or other suppliers in their supply chain.</p>	<p>To manage the flow of information, between the client, contractor and any sub contractors identifying conflicts in this strategy in the process.</p> <p>Tenderers will be asked to supply information regarding their supply chain and whether sub contractors are SMEs.</p>	

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APPENDIX A

Service Assessment Tool

Framework for Benchmarking Services to Determine Future Models of Service Delivery

Initial Assessment Tool

This guidance is intended as the initial assessment of services to provide an indication of whether the respective service should be examined further to improve economy, efficiency and effectiveness and at the same time to provide for future management of service risk and service sustainability and delivery issues.

Whilst this tool provided initial yes/no assessment criteria there will be a further need for supporting data to be provided for the internal peer review which will decide how service improvement is to be moved forward and whether a more in depth assessment needs to be undertaken.

The rationale for only having a yes/ no assessment is to force an initial judgement. This judgement will then be supported by a subsequent analysis and relevant data.

The assessment is broken down into six areas;

- Economy
- Efficiency
- Effectiveness
- Risk
- Future Needs Assessment and Opportunity
- Overview of Assessment Results

1. Economy	Market Testing Indicator	
	Yes	No
Cost- Comparison of unit costs		
(Breckland against other council's unit costs and any other relevant comparisons).		
Is the unit cost high? Would this indicate a need to market test or at least to review component costs		
Specification – Service Delivery		
Does the service delivered fail to meet specification requirements?		
Overall would market testing deliver a service which meets service requirements?		
Specification – Level of Service Required		
Does the specification over or understate the necessary level of service?		
Overall would this indicate a need for market testing to achieve a change in level of service?		
Affordability		
Would market testing improve the affordability of the service?		
Economy – Overall Assessment		
<i>Brief description of findings under this section</i>		
	Yes	No
Do the results under this section support externalisation?		

3. Effectiveness	Market Testing Indicator	
	Yes	No
Meeting Performance Targets		
Does the service fail to meet its performance targets?		
Would an alternative provider be in a better position to do so?		
CPA Achievement		
Is the service CPA rating in the lower two quartiles?		
If so would offering the service to the market provide the fastest route to sustainable CPA score improvement?		
Meeting and Legislative Requirements?		
Has the service failed to meet legislative requirements?		
If so is the external market in a better position to deliver the necessary changes (and provide investment)?		
Feedback and Complaints		
Does the service user and stakeholder feedback (including complains) indicate that the service is not performing to requirements?		
If so would an alternative provider be more likely to be able to provide a service to the standard required by service users and stakeholders?		
Sustainability		
Would an external provider be better able to sustain delivery of the service (e.g. workforce issues and infrastructure issues)?		
Quality Monitoring		
Are there insufficient arrangements for quality control and service monitoring?		
Would such quality control and service monitoring be improved by the Council doing this and an external contract delivering the service?		
Environmental		
Could environmental impact be reduced through private or independent sector knowledge and ability to invest?		
Effectiveness – Overall Assessment		
<i>Brief description of findings under this section</i>		
	Yes	No
Do the results under this section support externalisation?		

4. Risk	Market Testing Indicator	
	Yes	No
Risk: No Market		
Is there a viable, quality external market for the service?		
Risk: Poor Service		
Do external market suppliers perform well when supplying this service?		
Is their performance likely to be consistently as good or better than an in-house service?		
Risk: Service not sustained and service failure		
Is an alternative provider likely to be able to sustain services and avoid service failure better than an in-house service?		
Risk; Failure to comply with Breckland's values		
Would an external provider be capable of delivering the service in accordance with Breckland's framework of values (environmental, sustainability, social inclusion, equality and diversity, working with SME's and VCS) as well or better than in house?		
Risk: Reduction in CPA performance		
Is it likely that the Council's CPA rating would improve if the service was provided by an alternative provider(<i>if it were likely to diminish mark "No"</i>)		
Risk: Control of Cost		
Would an external provider or a shared service provider be better able to control the cost of the service to the Council?		
Risk: Council loss of reputation		
Would the Council's reputation be enhanced if the service was provided by an external provider or a shared service?		
Risk – Overall Assessment		
<i>Brief description of findings under this section</i>		
	Yes	No
Do the results under this section support externalisation?		

5. Future Delivery Needs Assessment and Opportunity	Market Testing Indicator	
	Yes	No
Future Changes in Demand or Legislation		
Would an alternative provider be better placed to cope with changes in demand or legislation for this service over time? (e.g. investment in developing new facilities and services)		
Would a contractor be more able to innovate and adapt?		
Developing Opportunities – Market		
Are there opportunities developing in the market which would make outsourcing a more effective solution?		
Developing Opportunities – Shared Services		
Are there emerging opportunities to provide the service through partnering, collaboration or shared services with other organisations, which would give improved affordability, service sustainability together with economies of scale?		
Delivery of Continuous Improvement		
Would an alternative provider be in a stronger position to deliver continuing service improvement?		
Conserving Council Resources		
Would the Council avoid future demands on scarce capital and revenue resources by having the service provided by an alternative provider?		
Future Delivery Needs Assessment and Opportunity – Overall Assessment		
<i>Brief description of findings under this section</i>		
	Yes	No
Do the results under this section support externalisation?		

6. Overview of Assessment Results	Market Testing Indicator	
	Yes	No
Economy		
Efficiency		
Effectiveness		
Risk		
Future Delivery Need Assessment		
OVERVIEW AND RECOMMENDATION		

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GLOSSARY

Audit Commission – body established under the Local Government Finance Act 1982, to appoint auditors to all local authorities in England and Wales.

BME – Black and Minority Ethnic persons or groups, the preferred umbrella term used in official circles in Britain.

Byatt Report – A review of local government in England June 2001.

CIPFA – The Chartered Institute of Public Finance and Accountancy

CMT – The Corporate Management Team

Communities and Local Government – Is the United Kingdom Government department with responsibility for communities and local government since May 2006. It was formerly known as the Office of the Deputy Prime Minister.

CPA – Comprehensive Performance Assessment. Conducted by the Audit Commission (see above), a CPA seeks to “... *measure how well councils are delivering services for local people and communities.*”

CSR07 – The *Comprehensive Service Review 2007* was a government process carried out by H.M. Treasury to set firm and fixed three-year departmental expenditure limits and, through public service agreements, defines the key improvements that the public can expect from these resources.

E-auction – Electronic auction, ‘reverse e-auctions’ are used to enable buyers to gain the lowest price.

EIA – Equality Impact Assessment.

EMAS – the Eco Management and Audit Scheme is a voluntary European initiative designed to help organisations manage and improve their environmental performance.

European Procurement Directive - European Union regulation which governs public sector contracts within the European Union.

Fair Trade – Ethical sourcing

IDeA – Improvement and Development Agency

ISO14001 – The ISO14001 standard for environmental accreditation.

LGA – the local Government Association promotes the interests of English and Welsh local authorities. A total of just under 500.

Method Statement – A document prepared by a contractor setting out how a service will be delivered.

National Procurement Strategy for Local Government – seeks to support local government in improving the quality, delivery and cost effectiveness of local service through better procurement.

OGC – The Office of Government Commerce.

OGC Buying Solutions – The Office of Government Commerce Buying Solutions offer a large number of contracts which local authorities can use or make call offs from as and when required. It seeks to offer these solutions via an e-marketplace which can make the contract easy to navigate.

PEN -Procurement East network

PQQ – Pre qualification questionnaire. A method of assessing the suitability of firms who want to be invited to tender.

Purchasing Cards (P Cards) – a payment system best suited to low value, high-volume purchases similar to credit cards.

Procurement Consortia – A group of agencies who join together to share both procurement expertise and resources in order to achieve economies of scale and also reduce overall costs of procurement.

RIEPS – Regional Improvement and Efficiency partnership. The former Regional Centres of Excellence are incorporated into these/. They were Created in April 2008 with a three year funding package of £185m from Communities and Local Government, the nine Regional Improvement and Efficiency Partnerships (RIEPs) are a key tool to support authorities to drive service improvement and efficiency. RIEPs are led by members and are partnerships of councils and other key providers and are focused on supporting authorities to deliver on the priorities which are important to local communities.

SMEs – Small and Medium sized enterprises.

Third Sector – Organisation which are voluntary in nature who provide services which Councils often need to tender for. A good example of a third sector organisation would be “Age Concern”.

VCS – Voluntary and Community Centre