

1. Introduction

Across the three upper tier authorities within the Coventry, Solihull, Warwickshire (CSW) sub-region, the Councils spend approximately £883m each year on bought in goods, services and works. Spending this money well through effective procurement is fundamental to achieving organisational success for the three authorities and supporting prosperity across the sub-region. The Councils have formally recognised by the signing of a Memorandum of Understanding on 02/03/2012 that working together on procurement can contribute to a wide range of socio-economic benefits including a successful local economy, a thriving voluntary sector, community empowerment, equality, consideration for the environment and value for money.

2. Scope of the Strategy

This is an over-arching strategy that seeks to clarify the strategic direction for procurement across the sub region whilst allowing for more localised delivery plans within each of the three authorities to meet specific need.

Procurement is an essential element of cost effective and efficient services. It impacts on Members, the Chief Executive, the Corporate Leadership Team, staff, the public, suppliers and partners.

A clear, comprehensive and effective procurement strategy is crucial to ensuring that good value services are provided whilst driving change and continuous improvement.

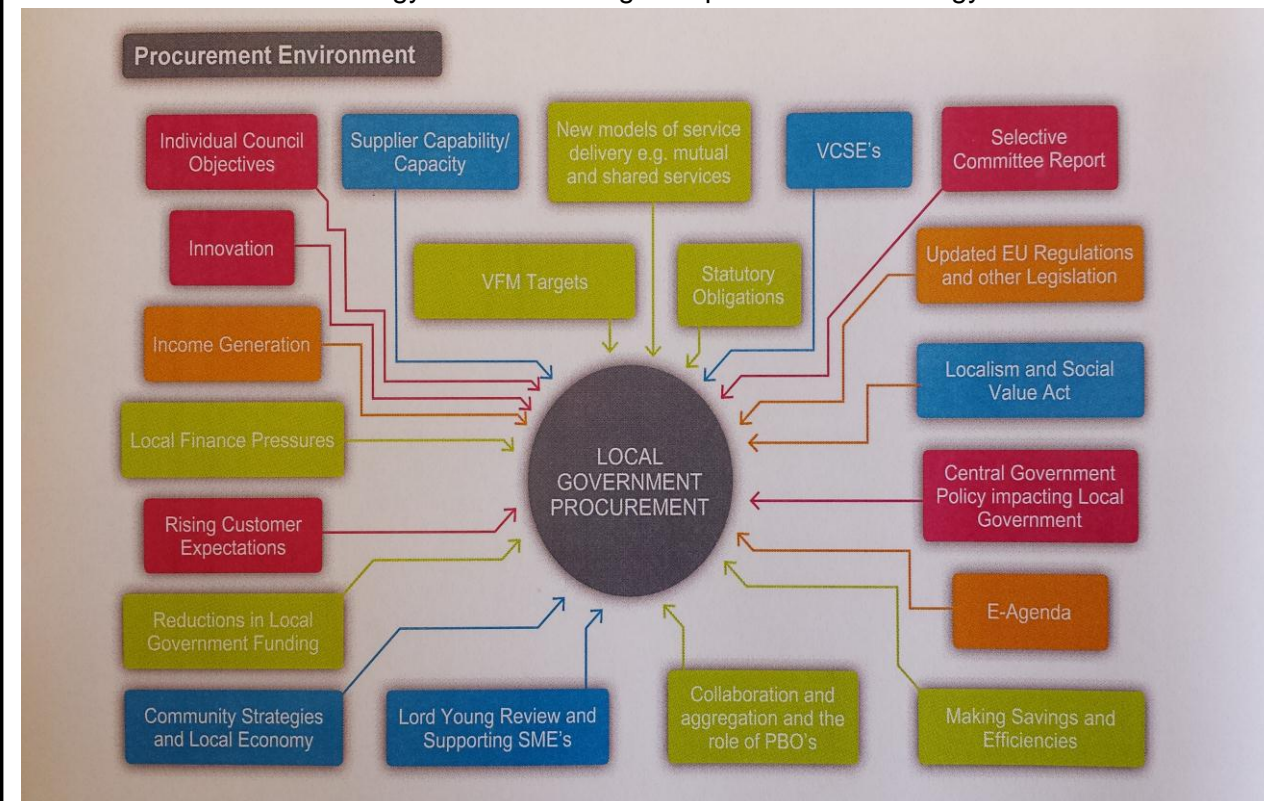
For the purpose of this strategy the procurement process has been defined as:

“The whole process of acquisition from third parties which covers goods, services and works. The process spans the whole life cycle from initial concept and definition of business need to commercial contract management and the effective management of markets, through to the end of the useful life of an asset or end of services contract. It involves options appraisals and the critical “make or buy” decision which may result in the provision of services in-house in appropriate circumstances”

3. National Context

In July 2014 the Local Government Association launched a National Procurement Strategy (NPS) for Local Government after a period of consultation with Chief Executives, Heads of Procurement and central government.

It describes the procurement policy landscape in 2014 which is represented by the diagram below. This illustrates the major policy related developments which form the context for the National Procurement Strategy and the sub regional procurement strategy.



To facilitate the delivery of effective procurement in the above policy context, the NPS 2014 has been structured around 4 key themes.

4. National Procurement Strategy themes

1 Making Savings

NPS Priorities: Category management, partnering and collaboration, contract and supplier management, performance and transparency, risk and fraud management, demand management

2 Supporting Local Economies

NPS Priorities: Improving access for SME's and VCSE's, Economic, environmental and social value

3 Demonstrating Leadership

NPS Priorities: Single cohesive voice, commitment from the top, procurement training, commissioning

4 Modernisation

NPS Priorities: Commercialisation and income generation, supplier innovation, EU Directives, using technology

5. The Legislative Framework within which we procure

All of the above needs to be delivered within a legislative framework which is significant and complicated. The Public Contract Regulations 2015 (PCRs) enact the 2014 EU Directive (2014/24/EU) into UK law and lay out in detail how public procurement must be undertaken across all of the member states within the European Union.

Examples of other law impacting procurement are: Public Services (Social Value) Act 2012, Competition Act 1998, Localism Act 2011 Freedom of information Act 2000, Equality Act 2010.

6. Procurement Structure within the Sub Region

The Shared Procurement Strategy and Joint Savings Plan, to which CCC, SMBC and WCC have signed up to since 2010 has generated savings from a number of collaborative exercises e.g. food, highways, agency staff and fostering. The sub-regional focus for procurement has been reconfirmed by Chief Executives and Leaders of each authority in 2015. This will support the further development of intelligent strategic procurement across the sub region leading to the delivery of savings and efficiencies in line with national austerity measures whilst using procurement power wisely to deliver the required economic growth in our local communities.

The operating model for the shared procurement service is that each authority retains its own procurement team with identified category leads in particular authorities. This means that where contracts are shared, one category manager lets the contract on behalf of all participating authorities.

7. Governance

The shared procurement service is governed by the Shared Service Directors group: Executive Director Resources, Coventry, Director for Resources, Solihull and Strategic Director for Resources, Warwickshire, which meets quarterly. The Procurement Management Team, with representatives from all upper tier authorities and a Districts' representative meets monthly and monitors performance against a set of agreed key performance indicators.

8. Our Vision is: Working together to enhance lives within communities

The challenges ahead are to:

- understand future demand for service provision through engagement
- understand markets and identify procurement excellence that will enhance lives
- work with partners to enhance lives
- place social and economic regeneration and the environment at the heart of procurement
- shape markets to be able to procure from a diverse and competitive mixed economy of suppliers including minority businesses, voluntary and community sector groups , small businesses and social enterprises
- support Members' leadership to embed procurement excellence into the culture of the Council
- innovate through the identification of appropriate service delivery options
- drive down procurement costs
- minimise exposure to risk
- make procurement a key management activity, delivering projects through multifunctional teams
- Equip staff with the right skills and training to deliver excellence
- use procurement processes and in particular e-procurement to support organisational and behavioural change
- be customer focussed using internal consultation and involvement to support service outcomes and improve performance
- comply with legislation relating to procurement activity, e.g. Public Contract Regulations, Freedom of Information Act
- Work sub regionally in line with the Memorandum of Understanding
- Work with regional and national Public Bodies to benefit from economies of scale and shared expertise

This vision is in line with the strategic direction of each participating authority and therefore will help deliver Council strategy, policies and plans.

9. NPS outcomes and CSW delivery

The most effective way to meet the procurement requirements in the national and local contexts is to base the Sub Regional Procurement Strategy on the key themes of the National Procurement Strategy. This will demonstrate effective procurement delivery in line with the national strategic direction whilst meeting local ambition and needs.

The attached charts show CSW's response to the NPS themes, priorities and outcomes. Individual authorities may choose to implement some or all of the CSW responses depending on local priorities. CSW responses have been RAG rated to indicate importance with red, amber, green representing high, medium and low importance.