



OFFICE OF THE
DEPUTY PRIME MINISTER



national **procurement** strategy

for local government

people
innovation
potential
saving money
e-commerce
leadership
sustainability
using multiple skills
improving services
increasing capacity
stimulating markets and achieving community benefits
cost reduction
recruitment benefits of being an innovative council
better quality of life
focusing on excellent services for citizens
working in expert partnerships
growth through trading on behalf of others
meeting customer requirements
building relationships that improve our services



Local Government Association



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National Procurement Strategy for Local Government in England

October 2003

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developed in
partnership



national **procurement** strategy
for local government

Foreword

National Procurement Strategy for Local Government 2003 - 2006

Local authorities provide leadership to their communities and are in the forefront of raising the quality of life for everyone. Together, they spend over £40bn per year, on our behalf, providing essential services to millions of people every day.

We all pay for these services through national taxes and locally through the council tax. Local authorities have a legal and moral duty to ensure that they get good value for our money. Yet too many councils are paying too much for the goods and services they buy because their procurement practices do not match up to the best of the public and private sectors. Council Tax payers pick up the bill.

A tradition of individual purchasing decisions by over 400 separate councils, often buying the same thing, means that councils don't take advantage of their collective buying power to negotiate lower prices or work with suppliers to develop better products and services. We owe it to ourselves and the public to make the changes necessary to deliver Best Value.

This National Procurement Strategy sets out how central and local government, working together with partners from the public, private and voluntary sectors, intend to set about improving local government procurement. The most innovative councils have already found ways to deliver significantly better services at lower costs. They have streamlined their procurement, worked in partnerships, redesigned the delivery of services, shared 'back office' systems and pooled their buying power. We want all councils to achieve these standards so that we see a step change in overall performance across the sector.

This Strategy has been written jointly by central and local government and involved many other partners. We are grateful for the support we have received. We now have a route map of how to improve service delivery and value for money through better procurement. The next phase is to determine how far and how fast we can go in improving efficiency and delivering better value for money to our taxpayers.



A handwritten signature in black ink, appearing to read 'John Prescott'.

Rt Hon John Prescott MP
Deputy Prime Minister – First Secretary of State



A handwritten signature in black ink, appearing to read 'Jeremy Beecham'.

Sir Jeremy Beecham
Chairman
Local Government Association



making progress

“I am pleased at the response to our report ‘Delivering Better Services to Citizens’. I trust that the importance of effective leadership in procurement has been fully understood.

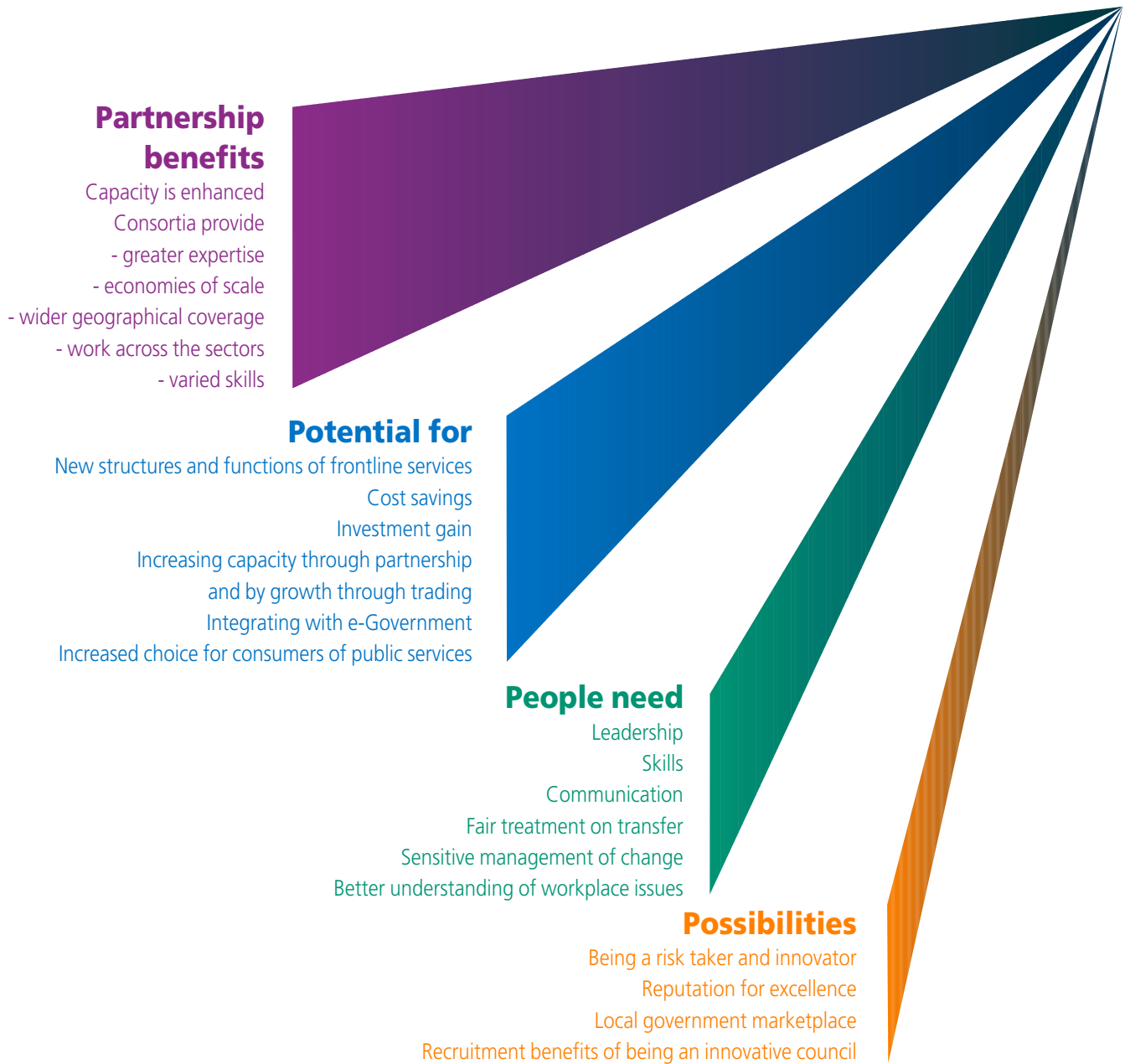
There is a need to engage chief executives and leading members in this process, so that a variety of services can benefit from new and innovative procurement arrangements.

I welcome the greater financial flexibility for councils. Those authorities that have effective and efficient procurement policies should have incentives to deliver improved services to citizens.”

**Sir Ian Byatt
October 2003**

procurement matters

Procurement



Chapter 1 **Procurement matters**



Key Messages:

- **Procurement is an essential element of cost effective and efficient services.**
- **Procurement matters to all – chief executives, members, staff, the public, suppliers and partners.**
- **The vision for better quality, cost effective services by 2006 will only be achieved if this Strategy is acted upon. Councils need to take responsibility for action.**
- **We are not starting from scratch. Since Sir Ian Byatt's report, a great deal of best practice has been delivered that we want to share and illustrate through this Strategy and website at www.odpm.gov.uk**
- **Incentives to councils that achieve this Strategy include:**
 - **becoming a regional centre of excellence**
 - **attaining a Beacon Council Scheme award**
 - **making significant cost savings**
 - **achieving e-Government targets through the use of innovation and e-Procurement**
 - **increased capacity through partnerships.**

Why procurement matters

Getting procurement right is important. It is about improving the delivery and cost effectiveness of quality public services to citizens.

This Strategy will help councils recognise the potential of effective and innovative procurement to improve service delivery. It will help councils to realise potential savings and other benefits from working together in partnership.

This National Procurement Strategy for Local Government illustrates how to use innovative ways to procure, work in partnership with others, and manage services that will:

- **better achieve community plan objectives**
- **deliver consistently high quality services that meet users' needs, with a range of partners from other sectors**
- **provide savings and better value for money, thereby improving the cost effectiveness of the council**

- **build social cohesion and promote equality of opportunity for service users, businesses and council staff**
- **be sustainable for the communities and areas served and benefit local citizens**
- **support delivery of the council's e-Government agenda**
- **enable councils to manage and assess risks in the market place**
- **be delivered through different structures and in new forms.**

The central message of the Taskforce chaired by Sir Ian Byatt (*Delivering Better Services for Citizens*) was to improve local services to citizens in affordable ways through better procurement. It is a message that the Government and Local Government Association endorsed wholeheartedly in *Towards a National Strategy for Local Government Procurement*.

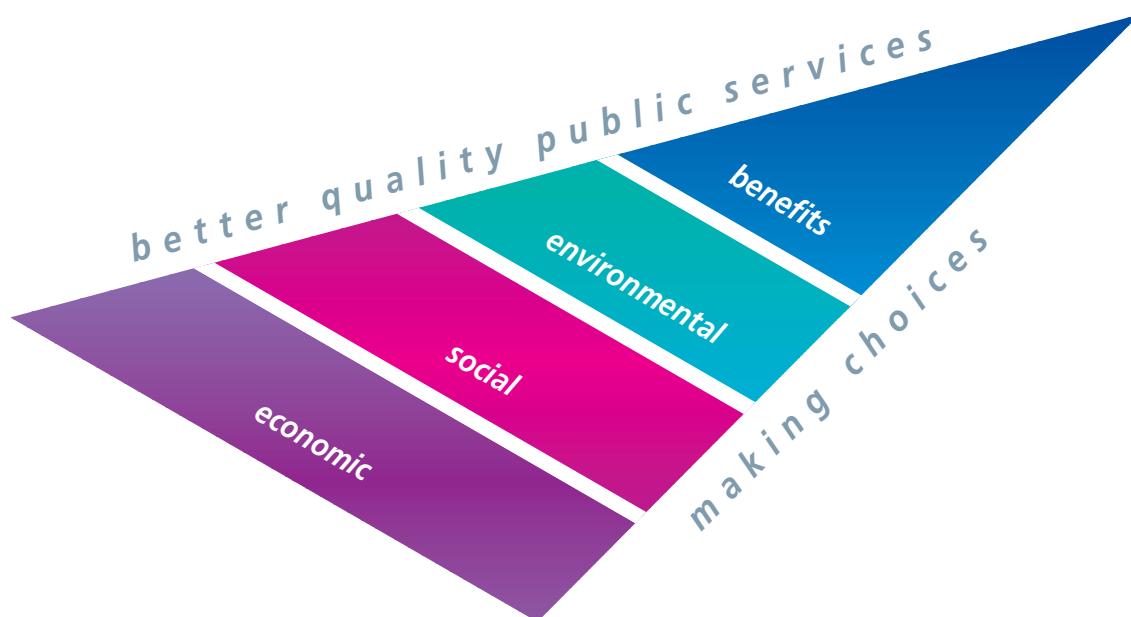
The Taskforce made 39 recommendations and *Towards a National Strategy* set out how these could be taken forward by councils with support from the Government, the Local Government Association (LGA), the Office of the Deputy Prime Minister (ODPM), ODPM Strategic Partnering Taskforce (SPT), the Improvement and Development Agency (IDeA), Public Private Partnerships Programme (4ps), the Employers' Organisation (EO), the Local Government Task Force (LGTF) and the Audit Commission (AC).

One of the Byatt Taskforce's recommendations was that a National Forum should be established to facilitate dialogue between all the parties involved in local government procurement. The Local Government Procurement Forum (LGPF) began meeting in November 2002. Its membership includes a broad cross-section of councils, representatives from the private and voluntary and community sectors and the key stakeholders in central and local government, procurement professionals and the supplier community.

The Forum has served as a useful means of co-ordinating policy and developing practical guidance for councils. This National Procurement Strategy for Local Government and the guidance that supports it has been developed in consultation with the Forum. The Government and LGA are grateful to everyone on the Forum who contributed to it.

In the pages that follow we describe what has been achieved so far and set out a three-year Strategy 2003-2006, designed to realise the full potential of local government procurement.

procurement vision



Where do we want to be?

Our vision for local public services can only be realised if councils adopt world-class practices in procurement and the management of contracts and supplier relationships.

Our objective is that by 2006 all councils will be:

- **Delivering significantly better quality public services that meet the needs of all local citizens through sustainable partnerships they have forged with a range of public, private, social enterprise and voluntary sector organisations**
- **Confidently operating a mixed economy of service provision, with ready access to a diverse, competitive range of suppliers providing quality services, including small firms, social enterprises, minority businesses and voluntary and community sector groups**
- **Achieving continuous improvement from all categories of procurement expenditure, by putting in place an appropriate procurement strategy and the necessary resources for implementation**
- **Obtaining greater value for money by collaborating with partners at local, regional, national and European levels**
- **Realising economic, social and environmental benefits for their communities through their procurement activities**
- **Demonstrating improvement in equality and opportunity for businesses, service users and council staff**
- **Stimulating markets and using their buying power creatively to drive innovation in the design, construction and delivery of services.**

CPA results 2002: the challenge of procurement English upper tier councils

49 councils “responding well to the challenge of procurement”

48 councils “strategy was working reasonably well, but more development would enhance capacity”

**42 councils “experience was patchy. Often the procurement strategy was new and not yet working”
Of these, 39 councils either had no strategy, were not applying it properly or were not resourcing it.**

Source: Audit Commission 2003 Extracted

Where are we starting from?

There are many success stories in local government procurement. These include, for example, a history of regional collaboration through purchasing consortia and the 119 signed PFI contracts. However, progress across the local government sector has not been even.

In *Patterns for Improvement (2003)*, the Audit Commission published its findings from comprehensive performance assessments (CPA) of single tier and county councils. The Commission concluded that one of the reasons for high performance was a “robust approach to procurement, based on a well-developed mixed economy”.

Where procurement was an issue, blockages tended to be caused by a traditional approach to the client-contractor split and contract management. This was constraining innovation and councils were not making full use of external suppliers. This was preventing the development of a mixed economy and open consideration of other options.

Annex A provides further information on the current state of development in the sector and is available online.

Evidence from CPA for single tier and county councils (*Patterns for Improvement, Audit Commission, 2003*) suggests that a significant number of councils have yet to make the most of competitive procurement to develop a mixed economy of service provision. While authorities have discretion over how individual services are provided, the highest standards of service provision are more likely to be achieved where there is a genuine competition, choice for service users and a mixed economy, rather than where any one supplier (in-house or otherwise) dominates the provision of services.

Structure of this document

In the following chapters we set out five key themes designed to make a reality of our vision for local government procurement:

- **cultural shift**
- **providing leadership and building capacity**
- **partnering and collaboration**
- **doing business electronically**
- **stimulating markets and achieving community benefits.**

Each chapter outlines the theme, expectations, good practice case study examples from local government and the initiatives being taken by Government, LGA, central bodies and other members of the Local Government Procurement Forum to help.

References to further reading and sources of advice and support are provided at the end.

Who is this Strategy aimed at?

Procurement has a significant impact upon all aspects of service delivery and council performance. As a result, key decision makers need to be engaged in driving improvements in procurement.

This Strategy is aimed at key decision makers:

- **council leaders and members with responsibility for procurement**
- **chief executives and senior officers**
- **officers involved in procurement and the delivery of services**
- **voluntary and not for profit sectors**
- **partner agencies**
- **suppliers.**

The National Procurement Strategy is intended to raise the profile of procurement in councils and is therefore aimed not only at the more traditional audience of procurement professionals (purchasing officers and those involved in managing big contracts on a day to day basis), but also those in local government who have strategic responsibility for procurement or a corporate responsibility for budgets, services and policy. This includes executive members with responsibility for procurement, chief officers with strategic responsibility for the procurement function, those involved in best value reviews and in scrutiny of the council's functions. It will also be of interest to those in the public, private, social enterprise and voluntary sectors seeking to engage with councils as suppliers, service providers, and partners.

procurement incentives



What is in it for councils?

The principal benefits to councils of adopting the approach set out in the National Procurement Strategy are:

- You will establish partnerships with private, voluntary and public sector suppliers to help you deliver improvement of public services and the renewal of public assets like schools, libraries and highways, on time and to cost.
- You will build quality design into procurement of assets to improve the built and natural environment for local citizens, including the learning environment for school students.
- You will make more creative use of buying power to stimulate innovation in the market, including innovations in service delivery and products, for example, that make use of recycled materials or fair trade products.
- You will make savings realised through more efficient procurement that can be channelled into priority services or into council tax reductions.
- You will achieve economies and efficiencies and improve effectiveness through procurement, so that you fulfil your obligation under Best Value to improve continuously.
- You will comply with the procurement regulations (EC rules) to reduce the likelihood of legal challenge.

- You will implement good practice in procurement to reduce the likelihood of time and cost overruns, poor quality and contract failures.
- You will remove unnecessary 'red tape' to reduce time and costs for councils and suppliers alike.

The Strategy provides advice and guidance. To help implement it, the Government will pump-prime training for members, managers and project teams in priority skills and complement professional training with training and development on the approaches mapped out in this Strategy.

Collaboration among authorities to maximize benefits will be promoted through new regional centres of excellence in procurement and project management.

Procurement Beacons

Many councils are already beginning to realise significant savings in cost and time and extracting higher quality and added value from their construction projects by employing the principles of Rethinking Construction. Partnering construction supply chains and repeatedly using teams that learn the lessons of one project and employ them in the future, are central to wide ranging improvements in delivery in local government construction.

Authorities that perform well in construction have already been recognised through the Beacon Council Scheme. Six councils were awarded Beacon Council status for 'Rethinking Construction' in 2003 (Round 4). The Government is proposing 'Procurement Excellence' as a possible theme in Round 8 of the Beacon Council Scheme.

Investing in procurement

Over the next three years, the Government and LGA propose to make a significant investment in local government to build capacity and capability for procurement and partnering in support of the National Procurement Strategy.

This will include:

- **regional centres of excellence**
- **national training and development programmes**

The investment will be funded from the jointly managed Capacity Building Fund. £1.4 million will go into pilot programmes in 2003/04.

Rethinking Construction Beacon Councils 2003 (Round 4)

Barnsley Metropolitan Borough Council
Mid Devon District Council
Middlesbrough City Council
Norfolk County Council
St Helens Council
Stockton-on-Tees Borough Council

Case Study

St Helens – Rethinking Construction

St Helens Metropolitan Borough Council has been employing the principles of Rethinking Construction since 1999 to maximise the benefit it derives from its available funds. That year St Helens saved £500,000 against its original cost plan for Bleak Hill School. In 2001 it delivered two City Learning Centres with a combined saving of £400,000. Moving on, the council is taking forward the construction of a special school this year in which the pre-construction phase has already saved £1.3million in order to meet the project's target cost.

www.sthelens.gov.uk

Centres of excellence

Centres of excellence in procurement and project management will be created throughout the regions. The purpose of the centres of excellence is to:

- Develop centres of procurement and project management expertise;
- Communicate the key messages in the National Procurement Strategy for Local Government
- Disseminate good practice in procurement, project management and partnering;
- Provide high quality procurement advice to authorities in the region including, in particular, smaller authorities without procurement resources of their own;
- Promote collaborative procurement where this could lead to improved value for money in the acquisition of assets, services and supplies;
- Promote the development of e-Procurement in the region in collaboration with the National e-Procurement Project;
- Develop, manage and co-ordinate a pool of experienced procurement professionals and project managers to be shared between councils in the region;
- Act as a focus for training and development in procurement and project management skills extending beyond the 3 year horizon of the proposed national skills training programme (see below);
- Streamline and co-ordinate pre-qualification procedures in the region;
- Gather market intelligence and disseminate it in the region;
- Collate and publicise information on bidding opportunities; and
- Capture learning from projects for sharing across the region and nationally.

The centres of excellence will be a catalyst for collaboration in each region. They may be based on existing partnerships or consortia or new ones formed expressly for this purpose. IDeA and 4ps have been tasked with developing the centres of excellence programme.

Training and development programmes

Two training and development programmes will be piloted. The overall objectives are to:

- enhance members' and senior managers' leadership skills by equipping them to take a strategic role in procurement and partnering;
- train project team members in the key skills necessary for the successful delivery of major procurement projects and the management of strategic partnerships.

IDeA and 4ps have been entrusted with the task of developing these training and development programmes. They will be delivered in association with a range of training providers and the regional bodies.

Chapter 2 **Cultural shift**



Key Messages:

- **The Government has developed a policy agenda of freedoms and flexibilities to encourage councils to experiment with procurement and take calculated risks to achieve better, more significant results including cost savings and improved services.**
- **The Local Government Act 2003 enables freedoms and flexibilities.**
- **Performance indicators have been developed to help councils measure year on year improvement and to compare performance with other councils and partners.**
- **The Government has invested in a Capacity Building fund that will be used to help councils implement this Strategy.**

What do we mean by procurement?

“Procurement” is the process of acquiring goods, works and services, covering both acquisition from third parties and from in-house providers. The process spans the **whole cycle** from identification of needs, through to the end of a services contract or the end of the useful life of an asset. It involves options appraisal and the critical “make or buy” decision which may result in the provision of services in-house in appropriate circumstances.

In the context of a procurement process, obtaining “best value for money” means choosing the bid that offers “the optimum combination of whole life costs and benefits to meet the customer’s requirement”. This is not the lowest initial price option and requires assessing the ongoing revenue/resource costs as well as initial capital investment. The council’s requirement can include social, environmental and other strategic objectives and is defined at the earliest stages of the procurement cycle. The criterion of best value for money is used at the award stage to select the bid that best meets the requirement.

Procurement is also about making choices. The choice that members make about a particular contract or form of partnering is a very clear signal of what type of authority the council wants to be and how it wants to be seen now and in the future.

Why a National Procurement Strategy for Local Government?

Each year councils in England spend almost £40 billion* of public money “externally”. This represents about half of local government’s overall expenditure. It is vital that this money is spent wisely and that best value is obtained. £40bn of capacity makes local government a significant customer. This is a market position that needs to be handled sensibly. It can provide councils collectively with significant potential for savings and provides leverage with suppliers.

* £40 billion is calculated from Local Government Financial Statistics No 13 2002, ODPM National Statistics Jan 2003 pages 56, 132, 131.
It includes an element of HRA, Repairs and Maintenance – Capital Expenditure, new construction, vehicles and equipment
Total capital expenditure on Fixed Assets inc Subjective Analysis (CIPFA)

procurement life cycle

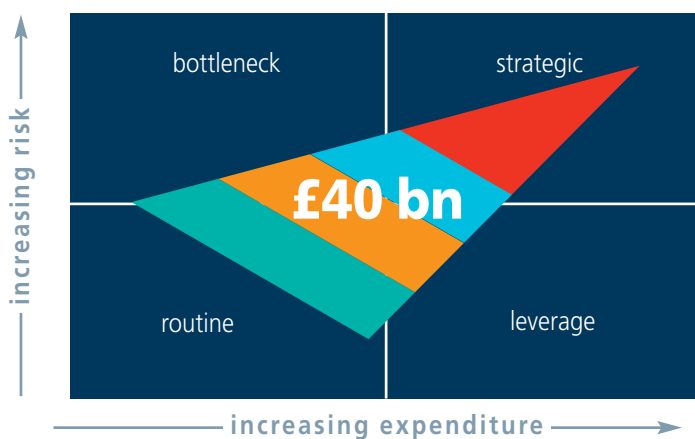


Within the national picture, there will inevitably be councils that are stronger at procurement and some that are less effective for one reason or another – perhaps due to size or capacity. This Strategy will assist councils that are strong in procurement to help others to adopt best practice, in particular through Peer Support and capacity building activities.

Managing a range of risks

The money that councils spend externally goes on a wide variety of goods and services. Everything from school books to major construction projects using PFI and the risk varies enormously.

Managing a range of risks



The high-value, high-risk requirements are clearly the strategically important ones and need to be treated accordingly. For these, a partnering approach, as described in **Chapter 4**, is often appropriate. A sound business case, proper planning and resourcing, effective project and risk management, a robust team based training plan and independent Gateway Reviews are the key to successful delivery.

For low-risk requirements, the key is to leverage collective buying power and minimise the cost of the procurement process. That includes letting framework agreements and contracts that all departments of the council can use and councils

working together in consortia. As described in **Chapter 5**, it is here, in particular, that e-Procurement can have a significant impact.

Purchasing power must be used intelligently. When deciding on the procurement approach for a particular requirement, councils should always take into account the added value that small firms, voluntary and community sector providers, social enterprises and ethnic minority businesses might bring.

As discussed in **Chapter 6**, this could be as direct suppliers of goods and services or as members of the “supply chain” in a partnering arrangement.

Provided there is compliance with EC procurement law, as outlined in **Chapter 6**, councils’ collective buying power can stimulate markets (e.g. better-designed learning resources for schools or products using recycled materials) and generate benefits for local communities in line with community plans. Chapter 6 also discusses the need for councils to work better with their suppliers and the importance of “marketing” the council if bids from the best suppliers are to be encouraged.

Taking the agenda forward

Significant steps have been taken by the Government, in consultation with the LGA, to develop a policy context for procurement that promotes excellence in delivering services and greater freedom to operate and to generate savings.

These developments, taken together with the recommendations in Delivering Better Services to Citizens (the Byatt Report), Rethinking Construction (the Egan Report) and the Second Report on the Private Finance Initiative (the Bates II Report), mean that there is now a comprehensive and co-ordinated policy agenda for procurement in local government.

One of the chief purposes of this National Strategy is to draw together all the strands of that agenda to create a more coherent strategy for local government procurement and to provide a clear route map for councils through the maze of regulations, recommendations, expectations and guidance available.

The key strands include:

- **The Local Government Act 2003**
- **The Local e-Government Strategy**
- **Best Value and CPA**
- **Race equality in procurement**
- **Reform of the EC Public Procurement Regime**
- **Cross Government thinking in relation to Procurement (OGC)**
- **Reducing Red Tape (Cabinet Office)**
- **The Treasury Cross Cutting Review of the role of voluntary and community sectors in service delivery and Efficiency Review (Treasury, OGC, Cabinet Office).**

procurement policy context



The Local Government Act 2003

Freedoms and flexibilities

The Government and LGA are developing a package of freedoms and flexibilities designed to remove unnecessary controls that stifle local innovation and that may inhibit effective procurement models.

The Local Government Act 2003 will help move the policy context for procurement forward. The freedoms and flexibilities that are introduced through the new Act in relation to procurement include:

- a prudential capital finance system, which will enable councils to borrow for capital investment without central government consent, as long as they can afford to service the debt
- power for the Government to authorise councils in the “fair”, “good” and “excellent” performance categories to trade in relation to any of their ordinary functions
- new powers for all councils to charge for discretionary services.

How these assist partnering and procurement is yet to be fully tested, but we know that where pathfinder procurement models already exist, there is interest in these new opportunities as a means of achieving service improvement and better value for money. The Government is also moving ahead with a Section 16 Order under the Local Government Act 1999 designed to increase the opportunities for councils to work in partnerships.

The e-Government Strategy

e-Government is an essential component of effective procurement. **Chapter 5** addresses this issue in more detail, including information on the National e-Procurement Project.

Best Value and Comprehensive Performance Assessment – reviewing procurement

The Local Government White Paper, *Strong Local Leadership - Quality Public Services* set out the framework within which the Government is committed to working in partnership with local government to secure a progressive improvement in councils' performance.

The Principles of Public Sector Reform highlight the importance of introducing Best Value considerations into all business decisions of a council.

An updated framework, including Comprehensive Performance Assessment (CPA), is set out in ODPM Circular 03/2003 (Best Value and Performance Improvement). The new framework seeks to integrate the statutory regimes with the approach to public expenditure described in the Government's Spending Review 2002 and reflected in local and national Public Service Agreements (PSAs).

Circular 03/2003 explains how the messages of the Byatt Taskforce and the Government's Best Value Review should be built into each council's approach to Best Value. "Each calls for innovative approaches to commissioning, procuring, and providing services which genuinely challenge existing ways of doing things and enable service users, staff and management to feel engaged and involved throughout. The cross-cutting review of the Role of the Voluntary and Community Sector in Service Delivery, echoed this amongst voluntary sector providers". The Circular also covers councils' duty to promote race equality, as introduced by the Race Relations (Amendment) Act 2000 and the implications in terms of procurement.

Race Equality and procurement in local government

The Race Relations Act 1976 as amended by the Race Relations (Amendment) Act 2000 gives councils a legal duty to:

Have due regard to the need to:

- a) eliminate unlawful discrimination*
- b) promote equality of opportunity and good relations between people of different racial groups.*

This duty applies to procurement and functions delivered by private or voluntary sector firms through contractual arrangements. Responsibility for meeting this duty remains with the council regardless of the provider. The Commission for Racial Equality has produced a guide for councils explaining what this means in practice. The guide suggests how councils should ensure their general procurement policies and practices are in line with legal requirements, and what they should do at each stage of the contracting process. The basic principle is that councils should promote equality of opportunity for their

own staff and local businesses regardless of the ethnicity of ownership and ensure services are designed and delivered in a way that meets the needs of all users.

The CRE guide provides a model that councils can follow for all diversity and equalities issues in procurement.

EC Public Procurement Regime

In addition to the UK local government legislation mentioned above, there are legal requirements that govern procurement by public authorities, including councils, right across the European Union. In the UK these are set out in public procurement regulations that implement EC directives on supplies, services, works and procurement by utilities. The regulations provide remedies for aggrieved suppliers if the rules are flouted, including the ability to seek redress in the UK courts.

Modernisation and simplification of the EC public procurement regime has been on the agenda for some years. EU member states recently agreed a package of changes to the EC public procurement directives. Final adoption is awaited. These changes will streamline and simplify the rules for both public bodies and utilities. Certain new provisions will also be introduced and these are set out in more detail in Annex A (available online). Further advice is available from the IDeA.

Improving procurement – measuring progress

The IDeA/4ps proposed indicators will all comply with the principles of SMARTIE.

They are:

- S** Specific
- M** Measurable
- A** Achievable
- R** Realistic/Relevant
- T** Time-based
- I** Intelligent
- E** Environmentally aware

Councils can monitor their progress against the milestones in this Strategy.

The IDeA, 4ps and SOPO are consulting on a set of key performance indicators (KPIs) for incorporation into the Library of Local Performance Indicators, a joint Audit Commission/IDeA initiative. Councils will be able to choose KPIs relevant to their own corporate procurement strategy.

The proposed indicators cover three areas:

- Implementation of the National Procurement Strategy and the council's corporate procurement strategy
- Operational buying (buying goods and non-complex services)
- Major projects, partnerships, PPPs and projects procured under the Private Finance Initiative (PFI).

Councils can use the indicators in two key ways:

- To measure year on year improvement
- To compare performance with other councils and other organisations.

The Government will consult on whether these KPIs should be converted into Best Value Performance Indicators (BVPIs). The Government will also be proposing to the Audit Commission that procurement performance is explicitly taken into account in the revised CPA corporate capacity assessments.

Councils may also wish to refer to existing sets of indicators for construction, including:

- the Construction Best Practice Programme's KPIs for construction projects which are being used to evaluate the benefits of partnering in construction
- KPIs and associated targets contained in the OGC's 'Achieving Excellence in Construction' guidance series.

Both sets are considered by the Local Government Task Force to be suitable for application to the local government sector.

ODPM will make arrangements for collection from councils of baseline information and the periodic collection of performance information necessary to evaluate the implementation of this Strategy.

To access the consultation document and a list of the proposed indicators, see Audit Commission, IDeA and 4ps websites:

www.audit-commission.gov.uk

www.idea.gov.uk

www.4ps.gov.uk

How we are helping

In *Towards a National Strategy for Local Government Procurement* we described the various ways in which the Government, LGA and central bodies would help councils implement the recommendations of the Byatt Taskforce. Annex B (available online) summarises roles and responsibilities and each chapter that follows explains the help that is available to councils.

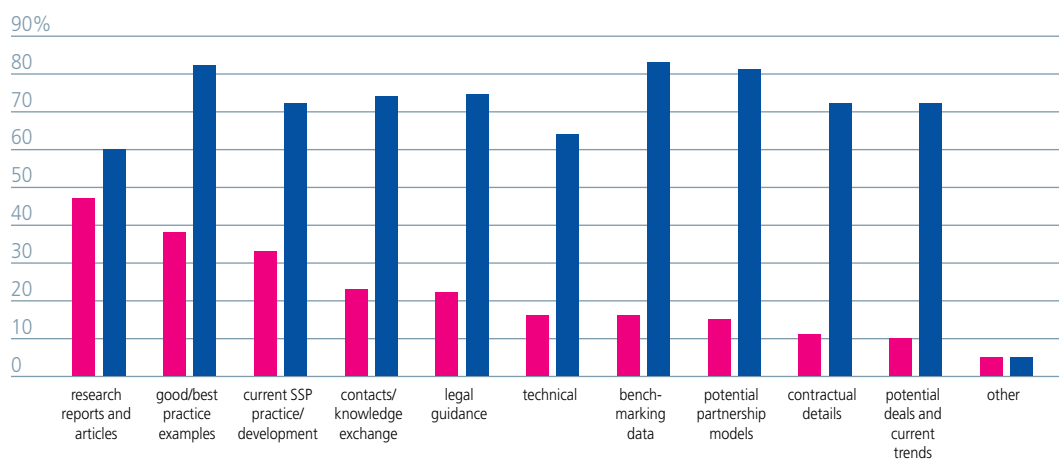
Initially, priority for help will be given to councils that are assessed as poor or weak in the areas of procurement and project management as a result of the CPA process.

Within the three-year time frame of this Strategy, the aim is to create a critical mass of members, senior managers, procurement staff, project managers and advisors in the local government sector trained in the delivery of major procurement projects and the management of strategic partnerships.

In a separate initiative, IDeA and 4ps are working with the Chartered Institute of Purchasing and Supply and the Society of Procurement Officers, on the development of an affordable route to professional training for procurement staff working in local government that will fulfil a role similar to the "certificate of competence in purchasing and supply" in civil central government. The feasibility of building experience in procurement into the Graduate Development Programme developed by the EO is also being explored.

Local authority information requirements

currently receive ■ ■ would like to receive



Source: PWC Local Authority Strategic Partnerships and Alternative Service Delivery Models Market Intelligence Study April 2003

Market Intelligence

Following on from the Byatt Taskforce recommendations, ODPM has conducted research on the market intelligence needs of councils particularly in relation to partnerships and innovative forms of procurement. The research identified a number of areas in which councils need more information including benchmarking data, potential partnership models, best practice examples, legal guidance and contact/knowledge exchanged.

ODPM will make arrangements for the periodic collection from councils of information necessary to build a more comprehensive picture of demand and supply in key markets.

Since July 2003, the ODPM Strategic Partnering Taskforce has been distributing an electronic newsletter entitled *Partnering and Procurement News* to all councils in direct response to the need for more

information. The e-newsletter pulls together some of the many different sources of information which are available but which remain unco-ordinated and not easily identified. There is also a supplement on the ODPM website that contains a list of sources of useful information. www.odpm.gov.uk

The following chapters pick up the Themes of how to go about building on the potential of procurement.

Checkpoints

- What further information do you need to review and improve procurement in your council?
- Who will lead a review of procurement in your council?
- Which other councils can you partner with to help improve procurement regionally?
- What target for % efficiency savings will you adopt for your council's procurement?

Chapter 3 **Providing leadership and building capacity**



Key Theme 1: Providing leadership and building capacity

The strategic objective is that there should be a commitment from the top of each council (leader, chief executive, procurement champion) to procurement excellence by managing it strategically and resourcing it adequately.

By 2004

- Every council should adopt a corporate procurement strategy, based on a Best Value or other review. The strategy should be owned by members and senior managers and its implementation monitored regularly.

By 2005

- Every single tier and county council should carry out a health check on progress against this National Strategy and the associated guidance as part of their corporate procurement strategy.
- Every council should be involved with a regional centre of excellence in procurement and project management.

By 2006

- Every district council should have carried out a health check on progress against this National Strategy and the guidance endorsed as part of their corporate strategy.

What do we mean by providing leadership and building capacity for procurement?

Councils will not be able to realise the full potential of procurement to improve public services without commitment from the top. This means that chief executives, elected members and chief officers must support procurement as a strategic, corporate priority and provide political and managerial leadership.

One of the key leadership tasks is to build the capacity and capability of the council for a modern, strategic approach to procurement. That means ensuring that a corporate procurement strategy and the necessary people, processes and technology are in place and are making a difference.



What should councils be doing?

Strategic direction	1, 2, 3
Review and improve	4, 5, 6, 7
Good practice	8, 9, 10, 11, 12, 13, 14
Evaluation	15

What should councils be doing?

1 Demonstrate political leadership of procurement. The strategic importance of procurement should be reflected in an executive portfolio - creating a member "procurement champion".

The procurement champion, together with other members on the executive, should have prime responsibility for:

- instigating Best Value reviews of procurement
- adopting a corporate procurement strategy, ensuring it is aligned with corporate objectives, Best Value Performance plan and community plan and monitoring its implementation
- overseeing arrangements for procurement and contract management to ensure they are operating effectively
- asking challenging questions about value for money and risk management in relation to procurement
- ensuring equality and sustainability are factored in to the strategy and considered at each stage of the procurement process
- making key decisions in the procurement process for major projects (which would include agreeing the outline business case as well as awarding contracts)
- monitoring the performance of partnerships and the impact on staff
- requiring Gateway Reviews of high value/high risk projects.

The role of overview and scrutiny members might encompass:

- conducting inquiries into new models of service delivery
- challenging the progress of major procurement projects
- reviewing the performance of partnerships
- ensuring that lessons are learnt from major projects and partnerships.

2 Demonstrate managerial leadership of procurement. It is vital that the chief executive is committed to a strategic approach to procurement. Corporate management teams should include a chief officer champion for procurement to ensure that procurement is seen as a strategic, rather than a narrowly based, technical issue.

3 Implement a corporate procurement strategy. Councils should define the contribution procurement is to make to strategic objectives, including improving services, driving up efficiency and sustainable development and community plan objectives. Councils will need to analyse procurement spend, map the procurement portfolio, develop appropriate procurement policies, including option appraisal (the "make or buy" decision), identify roles and responsibilities, adopt a business plan and monitor its implementation using strategic performance indicators.

4 Establish a centre of expertise in procurement and project management.

Single tier and county councils should establish a corporate procurement team, led by the professional head of the procurement function, to stand alongside finance, performance management, legal, human resources and other strategic functions. This should act as a focal point for procurement expertise within the council and for suppliers wishing to do business with the council. Smaller councils will need to consider other options for creating a focal point and co-ordinating procurement across the council. These include creating shared services for procurement with other councils, partnering or linking to regional centres of excellence for procurement.

5 Carry out a skills audit and implement a training and development programme.

The *Skills Framework for Procurement Projects*, developed by EO, IDeA and 4ps, enables councils to establish whether members and officers have the skills needed for major procurement projects. A further guide *Preparing to Procure a Major Project* provides a further checklist for project teams to enable them to assess their readiness to embark on each stage of the procurement process and how to address any skills shortfalls. A parallel Skills Framework for the Procurement Function identifies the skills required for staff at the operational end of procurement and contract management.

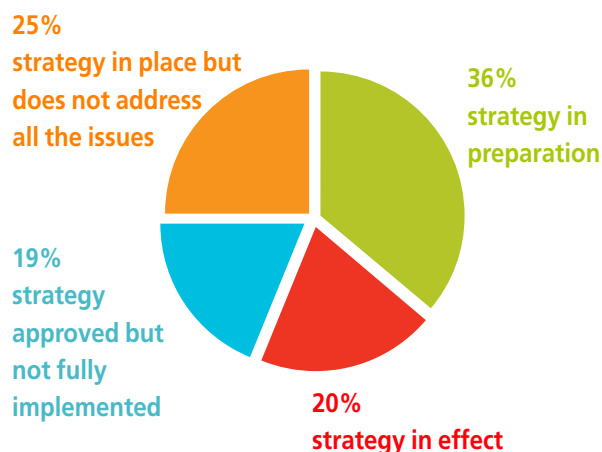
These skills frameworks provide the basis for:

- **Determining what jobs and structures are needed**
- **Producing job descriptions and person specifications**
- **Negotiating with other councils and external consultants in relation to their undertaking aspects of these functions**
- **Conducting a skills audit and training needs analysis as the basis for a procurement training and development plan and for allocating training resources.**

6 Review and redesign procurement processes. Councils should map the procurement process for major projects and the order-to-pay process for ordering goods, establish transaction costs, and redesign processes to minimise the number of steps, cycle time and costs.

7 Review and revise procurement procedures. Councils should encourage questioning and review and revise their written procedures for procurement and contract management, including contract standing orders and financial regulations, to ensure they incorporate legal obligations (particularly EC public procurement regulations), provide an adequate set of internal controls and embody best practices. Procedures should be easily accessible on the corporate intranet.

Local authorities development of procurement strategies 2003



Source: PWC Local Authority Strategic Partnerships and Alternative Service Delivery Models Market Intelligence Study April 2003

8 Maintain transparency. Transparency requirements include publishing a procurement plan (5 year forward programme of key procurement projects), notifying contract award criteria in advance, keeping a corporate contracts register, publishing a Selling to the Council guide on a website, publishing prior information and contract award notices and making statistical returns as required under the EC public procurement regulations.

9 Audit compliance. Councils need to have systems in place to ensure that there is compliance with mandatory procurement policies and procedures, including legal obligations (EC public procurement regulations and other UK legislation).

10 Ensure early involvement. Councils should include early involvement of the procurement function in Best Value and other strategic reviews, early involvement of client and contract managers and legal, finance, human resources and other advisors in procurement projects, early involvement of staff and their representatives in Best Value and other strategic reviews and procurement processes involving staff transfers and early involvement of suppliers and their supply chains.



Example **Roles described in the EO/IDeA/4ps Skills Frameworks**

Programme Manager

The senior manager responsible for the co-ordinated management of a portfolio of projects intended to change the way the council works so that outcomes defined by elected members will be delivered.

Project Owner

The senior manager accountable to elected members for a project and its budget (the chief executive in the most important projects) often chairs a project board. Sometimes referred to as the project sponsor or senior responsible owner.

Client Manager

The manager who is the client focal point. Responsible to the project owner for the day-to-day management of the client's interest in the project. (In central government construction projects, this client role is sometimes referred to as "project sponsor".

Project Manager

The individual responsible for the day-to-day management of the project. Provides the interface between the client manager and the supplier-side. (Sometimes known as the project director)

Contract Manager

Responsible for the day-to-day management of a contract with a contractor.

Project Team Members

The finance, legal, procurement, human resources (HR), property, ICT and technical personnel that contribute to the delivery of the project. Responsible to the project manager for their role in the project.

11 Make best use of buying power. Councils should set up framework agreements and other corporate contracts to obtain volume discounts. See also **Chapter 4** on collaboration. Councils should also work together in procurement consortia where this helps to achieve better value for money and improved quality of services.

12 Implement an appropriate e-Procurement solution. **Chapter 5** describes how councils can assess the business case for e-Procurement solutions, ranging from procurement cards to e-Marketplaces, and implement an e-Procurement strategy.

13 Manage major procurements as projects and introduce gateway reviews. The core principles of project management should be applied. Programme management will be required where there is a portfolio of procurement projects (e.g. in ICT or construction). Independent gateway reviews make an important contribution to the successful outcome of projects. They are a means of controlling risks and assuring quality.

Case Study

Suffolk – Best Value

The Best Value Review of procurement in Suffolk was an authority wide review. It was independently led and had full cross-party councillor engagement throughout.

A new strategic approach to procurement throughout the authority has been adopted. All procurement activity will be led by the corporate procurement function with regular reporting of progress and performance to the executive committee. The new structure includes a joint councillor and officer procurement board which has the responsibility of ensuring the new strategy for procurement supports the county council's political objectives and continues to identify and provide best value for money solutions. Through this new corporate approach, the expectation is to achieve ongoing savings of 2% on all goods and services procured by the County Council over the next five years.

www.suffolkcc.gov.uk

Case Study

West Sussex – CIPS training

West Sussex County Council is working with the Chartered Institute of Purchasing and Supply who facilitate an accredited corporate training programme. This is a 17 month work based programme (started with 15 participants from across the Council). The second part of a rolling programme began in September 2003. Successful completion is recognised as CIPS foundation stage level and therefore gives exemption to participants who want to go on to professional stage CIPS.

www.westsussex.gov.uk

14 Manage contracts and supplier relationships. Do not “let and forget”. Plan well ahead for contract management. Managing relationships with suppliers is as important as monitoring performance and controlling the contract. As discussed in **Chapter 4**, this is particularly important in partnering arrangements. **Chapter 6** flags the importance of understanding the supplier’s perspective.

15 Measure performance of the procurement function. Under Best Value it is important not only to monitor the performance of suppliers, but also to measure the performance of the council’s procurement function in terms of delivery of the corporate procurement strategy and day-to-day management of the procurement process. Evaluation also needs to ensure compliance with EC public procurement regulations.

What help is available?

Advice

The IDeA operates a general procurement helpdesk for councils ihelp@idea.gov.uk

Also see www.idea.gov.uk/knowledge

Specialist advice and support on partnering is available from 4ps www.4ps.gov.uk and the Strategic Partnering Taskforce www.odpm.gov.uk. The Local Government Task Force is the place to turn for specialist advice on partnering in construction. www.lgkf.org.uk

The Employers Organisation advises on workforce and diversity issues in procurement.

www.lg-employers.gov.uk

The CRE has produced a guide on race equality in procurement and guidelines leaflets www.cre.gov.uk

Best practice guidance

The Annexes of this Strategy are available online and detail a wide range of best practice guidance published by the Government, LGA and central bodies and others.

Annex C contains a complete list of guidance on partnering and is available online.

Model contract documentation

4ps have published “procurement packs” including model documentation for partnering projects in a wide range of sectors and the ODPM Strategic Partnering Taskforce is developing a similar procurement pack for strategic partnerships.

The IDeA has published procurement packs for supplies and non-complex services.

Health checks

The IDeA carries out free procurement peer reviews known as “fitness checks”, designed to provide feedback to the political and managerial leadership on the council's performance against a best practice benchmark based on this National Strategy. The involvement of a peer (practitioner) from another council ensures that recommendations are grounded in reality and helps to promote networking among councils.

The Society of Procurement Officers (SOPO) offers a self-assessment health check for councils.

4ps are providing Gateway Reviews which assist councils in developing their project management capabilities. These peer reviews are on strategic projects and provide greater focus upon deliverability.

Skill frameworks

The Employers' Organisation, IDeA and 4ps have developed skills frameworks to assist authorities in identifying the skills they need, and to design training programmes for officers and members to achieve and maintain those skills. There are two skills frameworks:

- Skills Framework for Procurement Projects
- Skills Framework for the Procurement Function.

Training and development

IDeA and 4ps offer training and development in key procurement skills. This has included piloting workshops for elected members and senior managers and more extensive modules for officers on PPP, project management and the Gateway Review process.

Building on this work, the Government and LGA have agreed to pump-prime national training programmes in priority procurement skills. This will encompass member and senior manager development and training for procurement project teams. The programmes will be delivered locally in partnership with IDeA and 4ps and a range of training partners.

It is also intended that there will be a link between the regional centres of excellence and placements for new graduates.



Checkpoints

- Have procurement champions been identified on the executive and the corporate management team?
- Does the council have a corporate procurement strategy that is clearly aligned with the council's strategic objectives?
- Is it policy and practice to award contracts on best value for money, rather than the lowest price option?
- Is there effective executive and scrutiny member involvement in procurement?
- Is there a centre of expertise in procurement and project management?
- Have members and officers been trained in relevant procurement skills?
- Is there a strategy to prevent fraud and corruption and maintain ethical standards?
- Does the council publish a forward procurement plan, Selling to the Council Guide available on a website?
- Does the council have a corporate contracts register?
- Has clear, user-friendly procurement guidance been disseminated to staff?
- Has the council developed guidance on procurement project management?
- Is the council committed to planning and resourcing procurement projects effectively?

Chapter 4 **Partnering and collaboration**



Key Theme: Partnering and Collaboration

The strategic objective of partnering is the delivery of better services to citizens through the creation of sustainable partnerships between councils and suppliers in the public, private, social enterprise and voluntary sectors for the delivery of services and the carrying out of major projects, including construction.

The strategic objective of collaboration is to obtain better value by bringing councils and other public bodies together at local, regional and national levels to combine their buying power and create shared services.

By 2004

- Every council's corporate procurement strategy should set out the council's approach to partnering in service delivery and in construction projects.
- Every council's corporate procurement strategy should set out the council's approach to collaboration (including purchasing consortia, joint procurement and commissioning and shared services), and how it intends to use the new trading powers.
- Every Best Value or strategic review of a service should include a robust and challenging appraisal of the different service delivery models available.

By 2005

- The average time taken from OJEU notice to contract award in a project of more than one year's duration should be reduced by 10 per cent* on the 2003 base.
- Smaller district councils without dedicated procurement resources of their own, should be collaborating with others, through the regional centres of excellence, to create shared services for procurement and project management.
- Councils should identify opportunities for collaboration with neighbouring councils for shared commissioning and/or delivery of services

By 2006

- The average time taken from OJEU notice to contract award in a project of more than one year's duration should be reduced by 25 per cent on the 2003 base.

* OJEU notice to signature as a target has been tested in pathfinders

partnering and collaboration key messages



What do we mean by partnering and collaboration?

As referred to here, 'partnering' means the creation of sustainable, collaborative relationships with suppliers in the public, private, social enterprise and voluntary sectors to deliver services, carry out major projects or acquire supplies and equipment. The benefits of the partnering approach include:

- **better designed solutions**
- **integration of services for customers**
- **access to new and scarce skills**
- **economies of scale and scope**
- **investment**
- **community benefits (including jobs and local economic effects).**

'Collaboration' describes the various ways in which councils and other public bodies come together to combine their buying power, to procure or commission goods, works or services jointly or to create shared services. Collaboration is a form of public-public partnership. Its major benefits are economies of scale and accelerated learning. The Local Strategic Partnership is a forum that can be used to promote collaboration at the local level and be a means through which procurement can help to deliver the community plan.

What should councils be doing?

Partnering

1 Carry out a challenging option appraisal. Best Value Reviews and similar strategic reviews should always include a robust and challenging appraisal of service delivery models following the approach set out in the SPT's *Rethinking Service Delivery* guidance. This should include the following options:

- In-house
- Public sector consortium
- Non-profit -distributing organisation
- Tactical contracts (multiple)
- Local authority company
- Joint venture company
- Framework agreement
- Partnering contract
- Design, build, finance and operate (DBFO) contract
- Concession or franchise
- Closure or disposal
- Mixture of the above.

2 Examine partnering models. Where partnering is the appropriate route, a number of service delivery models may be considered. The preferred model should be identified in a business case before procurement commences. Partnering models include:

- Public sector consortium
- Non-profit-distributing organisation
- Voluntary and community sector provision
- PFI and other forms of DBFO contract
- Partnering contract
- Local authority company
- Joint venture company
- Concession or franchise
- Framework agreement (incremental partnering).

The LGTF has set out the models that should be explored for partnering in construction based on the *Rethinking Construction* principles.

3 Consider uses of the new trading powers. Councils in the top three CPA categories can establish companies for the purposes of trading under the Local Government Act 2003. These companies can be a means by which stronger performing councils can jointly develop solutions for councils that are performing less well. Service delivery models based on the new powers can also be a means of accessing wider markets.

Case Study

LB Barking and Dagenham – working with suppliers on Building Services

Accord plc was one of a number of contractors involved in a pre-process market consultation with the London Borough of Barking and Dagenham in early 2002. This led to an advertised procurement under the restricted procedure that would enable options to be discussed and agreed during the competitive phase of the process. Working with the Council issues around deliverability on time were of great importance. Options at this point included a management in-sourcing and a comprehensive transfer into a new delivery vehicle.

The Council selected Accord plc as its sole partner in October 2002 at which point it became possible for work to begin with the staff directly involved in the services, the service customers and the members as the high level clients. Accord had a number of its experienced managers co-located with the service teams. This period ran until February 2003 when the deliverability issues were resolved, enabling the overall organisational structure for the service to be agreed on a basis best suited to the service outcomes. This involved an integration of client function with the contract centre and contractor/direct delivery functions in a single structure. Through workflow analysis and the use of innovative governance and self-audit structures, which were jointly developed with the client, a robust and efficient Building Services team has been established. This went live in May 2003.

www.barking-dagenham.gov.uk
www.accordplc.com

4 Examine opportunities for collaborative procurement of partnerships. Joint approaches should always be examined. See *Rethinking Service Delivery* for guidance on the governance of joint projects.

5 Build continuous improvement into contracts. Structure incentives for continuous improvement into contracts, including linking payment for performance against key performance indicators.

6 Follow best practice in the partnership procurement process. Partnership procurement processes should follow the step-by-step guidance to best practice set out in *Rethinking Service Delivery* and the service-specific guidance contained in the 4ps procurement packs.

7 Adopt a structured approach to project and risk management. Councils should adopt an approach to procurement management based on the core principles of effective project management, including a project board and a dedicated project manager, and apply risk management techniques to projects and programmes.

8 Implement a gateway review process. Councils should adopt the Gateway Review process for all medium and high-risk projects. Guidance is available in the 4ps *Gateway Workbooks*.

9 Streamline procurement processes. Councils should seek to reduce the total time and cost to procure partnerships by streamlining the process, eliminating unnecessary red tape and reducing dependency on external advisors. In particular they should seek to reduce the time from OJEU notice to contract award.

10 Manage relationships as well as the contract. *Rethinking Service Delivery* contains important guidance on the building and management of relationships with suppliers, which is a vital ingredient to the successful delivery of services within the framework of a partnership.

Collaboration

1 Procure and commission jointly. Joint commissioning in the health and social care sectors is now well established and is improving cost effectiveness and capacity in that sector. However, the benefits of joint commissioning and joint procurement of services is less well developed in other sectors, as is collaboration on the procurement of construction projects.

A variety of models for joint commissioning can be considered including an informal arrangement, usually underpinned by a Memorandum of Understanding, a contractual agreement or a more formal structure, such as a joint committee or joint board.

2 Create shared services. The creation of shared services (including shared procurement resources) is a form of public-public partnership that should be explored in particular where smaller councils have relatively less capacity to deal with procurement in a corporate way.

3 Make best use of purchasing consortia. Councils should make intelligent use of framework agreements and contracts put in place by local authority purchasing consortia and other public bodies, such as the Office of Government Commerce (OGC), where these offer best value for money.

4 Open framework agreements. Make sure that the framework agreements and contracts you let are open for use by all in the locality or region that might benefit from them, including other councils and public sector partners (health, police etc). Include appropriate wording in OJEU notices and tender/contract documentation.

5 Use e-Marketplaces. As discussed in **Chapter 5**, e-Marketplaces have an important role to play in making framework agreements and contracts more widely accessible across local government, particularly to those smaller councils that lack procurement expertise.

Case Study

The London Marketplace – partnering

Five London boroughs (Newham, Barnet, Lewisham, Redbridge, and Tower Hamlets) and the GLA created The London Marketplace in Spring 2002, using technology provided by Lloyds TSB (LTSB) and implemented by Best Value Procurement Limited (BVP).

The London Marketplace grew out of the London Pathfinder e-Procurement Project, led by Newham LBC.

The boroughs worked closely with BVP to develop traditional e-Procurement, such as e-Catalogue purchasing (there are currently 88 supplier catalogues on The London Marketplace) and more innovative solutions, including e-RFQ for temporary agency staff, electronic invoicing, the use of purchase cards and e-Auctions for electricity and computers (which was one of the first times a UK local authority had used this method of tendering). Data shows that the boroughs are generating savings of between 40 and 75% on the cost of routine items bought through The London Marketplace, compared to traditional methods. In addition, savings have been achieved of between 40 and 80% of time taken to process orders and payments by using The London Marketplace.

The authorities that constitute The London Marketplace have pioneered co-operation, collaboration and the sharing of best practice in procurement. For example, all the councils came together to negotiate, by e-Tender, a new contract for paper, to be accessed only through the Marketplace (led by the London Borough of Lewisham), which produced considerable savings over existing purchasing arrangements. Best practice developed by Tower Hamlets LBC, is being used by the other members to reduce the cost of its agency staff.

The next phase of the electronic source-to-pay cycle being developed by The London Marketplace is e-Invoicing, also supplied by LTSB and implemented by BVP.

www.nepp.org.uk and
www.bestvalueprocurement.co.uk

What help is available?

Best practice guidance

The ODPM, OGC, and the 4ps have developed an extensive amount of information and guidance for councils on partnering and collaboration. The ODPM has focused guidance on strategic partnerships, through the work of the SPT, as well as generic PFI guidance. The 4ps and the OGC have concentrated on PFI and larger PPPs, particularly case studies and procurement packs.

There are many forms of guidance on partnering that may be used and many of these are referred to in **Annex C** online.

Case Study

The Roses Marketplace – collaboration

Nine councils (Blackpool, Cheshire, Chorley, Doncaster, East Riding, Kirklees, Lancashire, Preston, Wakefield) in the north of England, working with private sector partners Best Value Procurement and Lloyds TSB Bank, established The Roses Marketplace with ESB4 funding in April 2002. The key principle underpinning The Roses Marketplace is the desire of the councils to collaborate so that they can work with a common supplier base, share best practice and share risk.

A good example of collaboration within the marketplace is the Yorkshire Purchasing Organisation (YPO) catalogue. A number of the councils in The Roses Marketplace are members of YPO and arranged to have its catalogue put on to the marketplace. This allowed all members of The Roses Marketplace who are customers of YPO to be able to take advantage of the YPO catalogue.

www.nepp.org.uk and
www.bestvalueprocurement.co.uk

In addition, the SPT and 4ps have established websites to exchange information on developing partnerships, along with an extended market intelligence database.

Model agreements

The 4ps and SPT have developed standardised documentation suitable for many forms of partnership. This will continue to be developed in order to cover all forms of partnership and collaborative working.

Reducing Red Tape

The Cabinet Office and OGC are conducting a review in relation to procurement called *Reducing Bureaucratic Burdens in Government Procurement* with the aim of reducing red tape and bureaucracy for procurement and other processes.

Removal of legal impediments

The removal of statutory barriers to partnerships means that there is an increasing number of opportunities to use innovative partnering arrangements. ODPM is committed to removal of any unnecessary barriers to partnership working and welcomes considered suggestions on legislative and other changes that would improve Best Value and eliminate inefficiency.

Networking and support

To support the development of partnerships and collaborative working -

- The Government will sponsor through the IDeA and 4ps the establishment of a national network of regional centres of excellence in procurement, which will build on existing consortia arrangements to facilitate partnership and collaborative working amongst councils, particularly smaller district councils.
- The 4ps will provide procurement and direct project support to a wider range of partnerships and collaborative working arrangements, utilising the know-how developed from the strategic partnerships supported by the SPT and from the experiences of PFI.
- The Government will build on the existing market intelligence work established through the research and development programme of the SPT and work with IDeA and 4Ps using the regional centres of excellence and the 4ps local authority project networks to collate and exchange information on the markets for council goods, works and services.
- The Partnership Forum established by the SPT will be further extended, linked to the regional network of forums in the main PPP sectors, which allow private sector providers to exchange information and share views on their respective markets with the local authority sector. Working with the 4Ps, ODPM will expand these forums to cover other forms of partnership.
- 4ps will provide support through Gateway Reviews assisting with development of documentation, training and guidance in its use.

Case Study

Norfolk County Council – restructuring

Norfolk has achieved much in a drive for excellent procurement through a devolved structure with a policy Corporate Procurement Unit (CPU) of 6 people. Norfolk's strategy is based on strong political support and managerial leadership, communicating and delivering change. Norfolk's strength is the network built up throughout the authority bringing together a procurement community of some 300 officers. Strong communication is a two way process at the heart of this strategy.

Whilst it is important for the CPU to lead the strategy for improvement and bring consistency across the authority, it is considered just as important that buying decisions should remain where services are best delivered, through individual departments on the 'front line'.

Norfolk has already achieved over £1m purchasing savings, net of CPU costs and these remain with departments as an incentive to continuous improvement.

www.norfolk.gov.uk



Checkpoints

- How does the council's corporate procurement strategy encourage and identify opportunities for partnering, collaboration and, where applicable, trading?
- Does the council proactively seek out partnering and collaboration opportunities to improve service delivery and projects?
- Does the council have the capacity, skills and knowledge (both for members and officers) to develop and implement an effective partnering and collaboration strategy within the framework of the procurement strategy?
- Are you satisfied you have effective partnership monitoring arrangements in place?
- Are you satisfied that your existing partnership and collaborative procurement arrangements are contributing to your wider community plans?
- How does your corporate procurement strategy reflect the opportunities for identifying other councils that may deliver services for you or with you under the trading powers?
- Is the preparation of business cases part of the council's culture?
- Are there barriers preventing effective partnering, collaboration or trading?
- Do you let council-wide contracts and framework agreements to make the most of your buying power?
- Are you contracts and framework agreements open to all councils and public sector partners that might want to use them?
- Have you considered how best to integrate Gateway Reviews into your corporate procurement strategy?

Chapter 5 **Doing business electronically**



Key Theme: Doing business electronically

The strategic objectives are :

- to achieve efficiencies in the procure-to-pay cycle including reduction in cycle time and reduction in transaction costs. This will free resources that can be directed into front line public services.
- to use e-Marketplaces to assist councils to access framework agreements and contracts.

By 2005

- Every council should have implemented an appropriate e-Procurement solution as part of its e-Government programme.
- For low value purchases, every council should be making appropriate use of a procurement card, the Government Procurement Card (GPC) or a suitable electronic alternative.

By 2006

- Every council should be using an appropriate e-Marketplace

Progress will be monitored by means of BVPI 157 which includes e-Procurement as one the transaction types that should be carried out electronically by 2005.

Take up of National e-Procurement Project deliverables will be measured through the Implementing Electronic Government process.

What do we mean by e-Procurement?

“e-Procurement” describes the use of an electronic system to acquire goods, works and services and payments from third parties. The solutions currently available on the market include:

- complete “end-to-end” procurement systems that are integrated with financial back office systems
- stand-alone modules used to seek tenders or quotations (known as e-Sourcing)
- web-based systems that enable ordering from approved catalogues (e-Marketplaces)
- other web-based systems such as e-Auctions
- procurement cards for ordering and payment
- payment through BACS and CHAPS.

e-Procurement in local government English councils



Source: NePP Survey of English local authorities, August 2002

A council may choose to implement some or all of the elements depending on local circumstances and technical infrastructure capabilities.

This is a fast changing market and councils need to keep abreast of new solutions that are appearing and exchange ideas and best practice ideas with each other.

What should councils be doing?

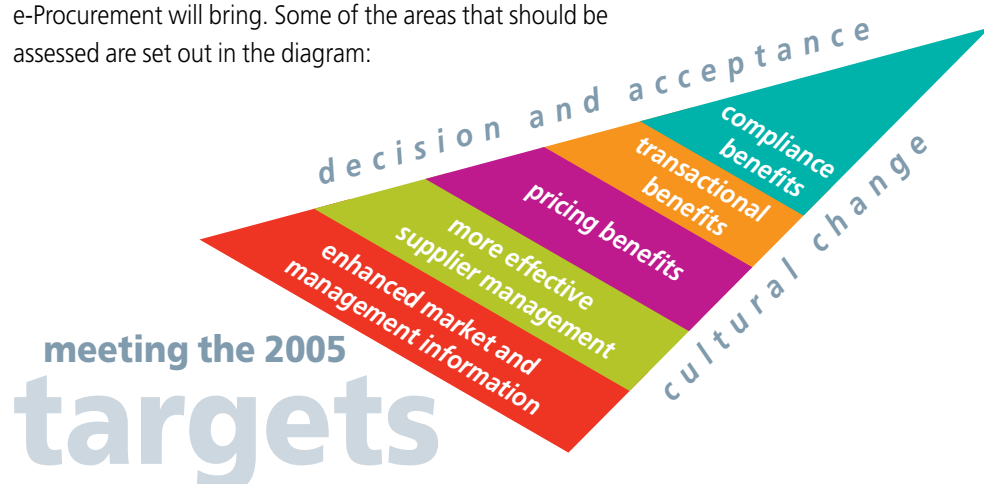
1 Develop an e-Procurement Strategy.

An e-Procurement Strategy needs to be more than simply about transactions, although these are the drivers for a successful outcome. e-Procurement has enormous potential to improve the performance of councils' procurement functions and to save them money. An e-Procurement Strategy should address the following points.

2 Build a business case for e-Procurement. It is essential that a strong business case is developed prior to the sourcing and implementation of an e-Procurement solution. The business case must cover:

- The level of investment available to implement a solution
- The level of risk associated with procuring and implementing a solution
- The starting point for the council in terms of their level of maturity with regard to their approach to procurement.
- The council's capacity to implement solutions
- How the implementation of e-Procurement fits with the overall objectives of the council.

In addition to this, the business case should also highlight the benefits that e-Procurement will bring. Some of the areas that should be assessed are set out in the diagram:



3 Work with suppliers to promote adoption. The key element in successful local government take up of e-Procurement is the supplier community. From large suppliers to small, all will be embracing new ways of working, these include:

- Receiving orders via email, fax and web
- Processing quotes, tenders and auctions electronically
- Supplying electronic catalogues
- Integrating their websites with council (e-Marketplaces)
- Electronic billing
- Automating accounts.

Supplier adoption can be complex and demanding. The end goal should be to eliminate paper based information and the associated costs, material, time and postage. A case study council is currently aiming to replace 250,000 postal orders each year with electronic orders.

Small firms must be considered when implementing any solution. There are distinct advantages to small firms doing business electronically with councils, but small firms may be slower to adapt to technical innovation. Councils must consider methods, such as those outlined in the next chapter, for ensuring that their small firm suppliers can do business with them electronically.

4 Implement the solution that is right for your council.

Councils vary in size and spend profiles. Due to the vastly complex range of goods and services procured within a council, spend decisions may be centralised for common goods and services, devolved throughout service departments of the council for sector specific goods and services, or be a mixture of both.

Councils will also have other drivers which will influence procurement, such as corporate policies and service targets, approaches to support local business through economic development and more specific procurement policies such as those relating to sustainable procurement, the use of PFI/PPP and procurement spend or savings targets.

The challenge is to make the process of procuring goods and services consistent, wherever procurement decisions are made within the council. This is not only appropriate to the departments within the council, but may also be applicable to the council's neighbours, consortium partners, schools and colleges.

Larger councils should look to adopt solutions like e-Marketplaces that can also support their smaller neighbours. This includes awarding framework agreements and contracts that are open to use by all potential users of the e-Marketplace or system

The following diagram outlines the process and elements you should address when implementing e-Procurement.

Case Study

LB Newham – supplier adoption

The London Borough of Newham has created a completely paperless relationship with one of their leading high transaction suppliers.

Before implementing e-Procurement

5,000 orders (total value £250,000) were placed with an error rate over 10%.

Orders were placed using manual methods (paper/telephone orders with fax confirmation) that took 8 pieces of paper and 6 authorisation steps. Maverick spend of £50,000 was found to be with more than three suppliers.

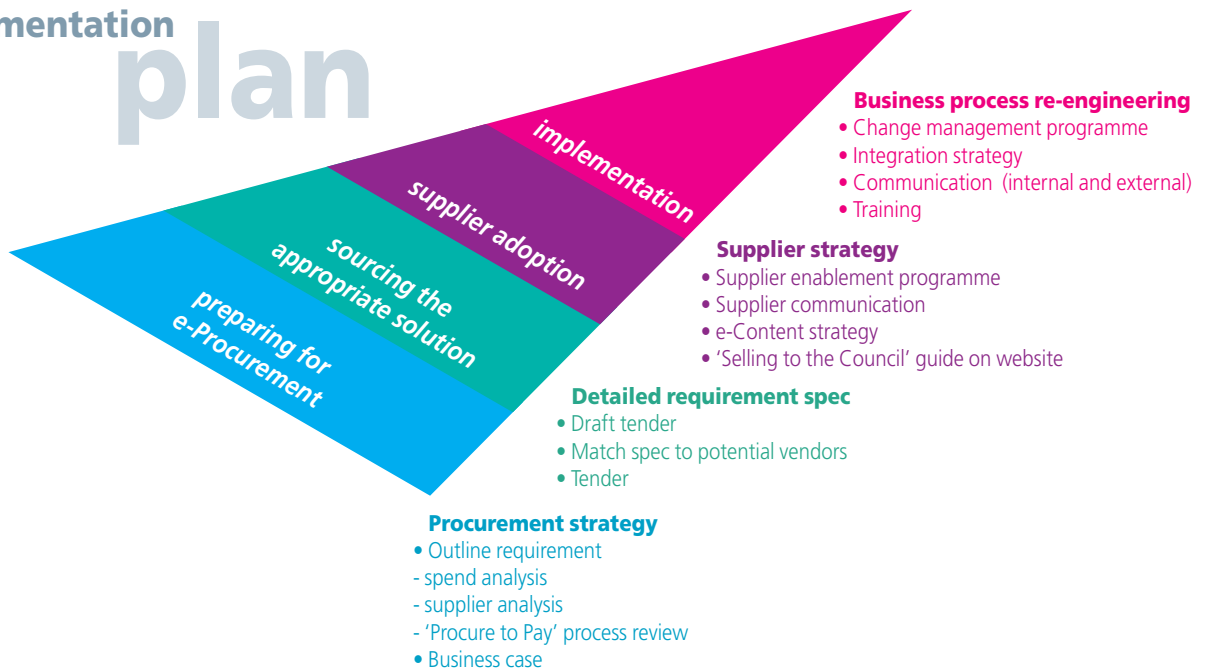
After implementing e-Procurement

2,800 orders (Total value £280,000) were placed with an error rate less than 1%.

Orders are completely automatic and take 1 piece of paper and 1 authorisation step. Maverick spend is less than £10,000.

www.newham.gov.uk

implementation plan



Case Study

Essex Marketplace – collaboration and technology

Essex County Council implemented IDeA Marketplace in January 2003 and is now in a position to share its experience to help support districts in the county. The five Essex district councils participating in the Essex Marketplace are Basildon, Braintree, Maldon, Rochford and Tendring. Implementation will begin in the summer 2003.

Essex County Council spends over £600 million a year on externally purchased goods and has 13,000 suppliers for goods and services.

Since trials started in January 2003, the County Council has identified a nine per cent decrease in the price of a "basket" of commonly ordered stationery goods. A contract for toner and print cartridges has been available to all staff across the Council, via IDeA Marketplace, that will achieve a saving of 15 per cent, per year. Another supplier has offered Essex County Council an additional one per cent discount as a result of transmitting orders electronically.

A further five Essex councils are considering joining the Essex Marketplace within the next few months.

www.essexcc.gov.uk
www.idea.gov.uk/marketplace

5 Use procurement cards appropriately.

A procurement card is a tool to purchase low value, low risk goods and services efficiently and cost effectively.

Procurement cards may be provided at no cost to the council. The benefits of a properly administered procurement card include:

- Prompt payment is improved
- Reduction in ordering time and simplified process
- Faster delivery
- Better information
- One monthly statement to verify instead of multiple invoices to check
- One payment to the bank instead of multiple payments to many suppliers
- Staff freed from processing tasks can focus on more important work
- Reduced paperwork means lower environmental impact.

Proper internal controls need to accompany the introduction of procurement cards, including financial limits. A supplier adoption strategy is also required to promote local acceptance as widely as possible.

What help is available?

National e-Procurement Project (NePP)

The aims of the Project are:

- To enable councils to implement e-Procurement by the target date of 2005
- To raise the profile of e-Procurement in all councils.

The National Project, which runs from October 2002 to April 2004, will deliver practical support and guidance based on a structured framework (toolkit) to help councils plan the stages of implementation and identify the relevant elements of the procure-to-pay (P2P) process to be electronically enabled.

Guidance will be published in print and on the web (including IDeA Knowledge, www.idea.gov.uk/knowledge) and communicated by means of experience sharing including public and private sector interaction. Networking will be facilitated by the publication of case studies with contact points.

See www.nepp.org.uk

Case Study

Enable Project – technology and partnership

Overview: Enable is a partnership between Warrington, Vale Royal and Macclesfield borough councils with private sector partners AtoZ Supplies and UK Procure. The initiative will provide a fully integrated web based, procure to pay e-Procurement solution and a one-stop-shop supply arrangement for the council's goods. This combination minimises the time and cost of everyone involved and allows for rationalisation of the council's supplier base. It features an online "end to end" electronic solution with catalogues, purchasing, invoices and payments all managed online.

Benefits

- Potential reductions of up to 70% in time spent and costs incurred in the order processing, goods in receipt, and invoice processing
- Reduction in off-contract purchasing
- Cost effective single source of supply.

www.atoz-enable.co.uk

UK Online for business (Ukon4b)

UK Online for business is a DTI-led partnership between industry and government that provides small businesses with impartial advice about e-business and information and communications technologies (ICT).

In support of the National Procurement Strategy for Local Government, UK Online for business offers advice and support on e-Procurement for councils looking to run supplier adoption seminars and training for their current and potential suppliers based in the local economy.

See www.ukonlineforbusiness.gov.uk/supplieradoption



Checkpoints

- Does the council have e-Procurement within the corporate procurement strategy?
- Has the council reviewed and redesigned all the current procure-to-pay processes?
- Which elements of e-Procurement are required by the council? Select only those modules which offer the best value for money.
- How will the council integrate e-Procurement with financial, HR or other IT systems?
- Will the council's current IT architecture support its users procuring goods and services across the internet?
- Will the council develop the solution in-house or source it externally?
- Has the council learnt from the experience of other councils, especially those of a similar size?
- Does the council have a supplier adoption strategy and does it intend to support the local business community?
- Does the council have the resource and skills to decide the best design of e-Procurement solution for its needs?
- Does the council have the resource and skills to deliver e-Procurement projects successfully?

Chapter 6 **Stimulating markets and achieving community benefits**



Key Theme: Stimulating markets and achieving community benefits

The strategic objectives are that councils should:

- engage actively with suppliers
- use procurement to help deliver corporate objectives including the economic, social and environmental objectives set out in the community plan.

From 2003

- Where relevant, all councils shall consult staff during procurement projects and build employment considerations into procurement processes and contracts, including compliance with the Local Government Act 2003, Circular 03/2003 and the associated code of practice.

By 2004

- Every council should publish a 'Selling to the Council' guide on its corporate website together with details of bidding opportunities and contact details for each contract.
- All corporate procurement strategies should address:
 - the relationship of procurement to the community plan, workforce issues, diversity and equality and sustainability;
 - how the council will encourage a diverse and competitive supply market, including small firms, social enterprises, ethnic minority businesses and voluntary and community sector suppliers.
- Every council should build sustainability into its procurement strategy, processes and contracts.
- Every council should conclude a compact with the local voluntary and community sector
- Procurement processes for partnerships should include:
 - issuing an information memorandum to prospective bidders setting out the background to the project, the council's objectives and an outline of the procurement process and timetable, with roles and responsibilities made clear
 - inviting bidders to demonstrate their track record in achieving value for money through effective use of their supply chain, including the use of small firms; this should continue to be examined as part of contract management.

By 2005

- Every council should include in invitations to tender/negotiate for partnerships a requirement on bidders to submit optional, priced proposals for the delivery of specified community benefits which are relevant to the contract and add value to the community plan.
- Every council should have signed up to the national concordat for SMEs.

towards community benefits



What do we mean by stimulating markets and achieving community benefits?

Councils need to encourage a mixed range of suppliers to help stimulate a varied and competitive market place. This includes understanding the suppliers' perspective and marketing the council to suppliers. Councils also need a diverse and competitive supply base to help improve value for money and to develop suppliers to meet new or emerging requirements.

Collectively, councils have significant buying power. They can use that buying power creatively to stimulate innovation. By working with suppliers councils can encourage the best to gear their business planning and research and development efforts to the needs of local government.

Under the Local Government Act 2000, councils are required to prepare a community plan (Community Strategy as defined in the Act) and have powers to promote the economic, social and environmental well-being of their communities. Provided that there is compliance with EC public procurement regulations and Best Value, councils can work with suppliers to realise "community benefits" of this kind through their procurement activities.

What should councils be doing?

Stimulating markets

1 Publish a 'Selling to the Council' guide. Councils should publish guidance on their website for suppliers on how to do business with the council, together with details of forthcoming bidding opportunities and contact details for each contract. Councils should have policies in place for choosing publications in which to advertise to encourage greater diversity and competition. Provision of an information and publicity service, including use of printed material, posters, and development of the council's website is an effective way of communicating with the diverse population living and working in an area.

2 Market the council to suppliers. Increasingly suppliers pick and choose where they bid. Councils need to understand how suppliers view them (including supplier surveys and pre-procurement market sounding) and they need to market the council to suppliers proactively.

3 Promote a diverse and competitive market. Councils should develop diverse and competitive sources of supply, including procurement from small firms, ethnic minority businesses, social enterprises and voluntary and community organisations.

4 Develop a local compact with the voluntary and community sector. This should include protocols for grant funding and contracts.

5 Sign up to a "concordat" for small and medium sized enterprises in the community. The Steering Group of the Local Government Procurement Forum has agreed to take forward the development of an SME-friendly procurement concordat, with input from the Small Business Service, an executive agency of the DTI. The Forum will agree the terms of the Concordat and encourage councils to sign up.

6 Develop supply chain partnerships. Councils should work with strategic partners to establish the contribution that small firms, ethnic minority businesses, social enterprise and voluntary and community sector suppliers can play in the supply chain. This should continue to feature as part of contract management.

7 Develop suppliers. The market will not always be able to respond to the council's requirements. The council may need to encourage existing suppliers to enter a new market (e.g. by encouraging consortium bids) or develop new suppliers (e.g. by working with the voluntary or community sector). Sometimes there will be a need to attract suppliers from abroad.

8 Use buying power to stimulate innovation. This would include creating markets for recycled materials and better designed learning resources for schools. It would also encompass promoting better designed urban spaces and public buildings through procurement.

Case Study

Thurrock – local business initiative

Thurrock Council with its partners set an objective to increase the amount of work, goods and services that were awarded to local business either directly or indirectly, within the applicable legal constraints. The council adopted the objective as policy and developed strategies to try to increase the work awarded to local businesses. Following further development of the policy the council has managed to increase business with local companies from 9% in 1996/7 to 24% by 2002/3; by value an increase of over £20 million.

www.thurrock.gov.uk/business

Key messages

- encourage diversity and competition
- engage SMEs and voluntary and community sector as suppliers and as active partners in the community

Case Study

Haringey Local Works Project – equality

Haringey Council has a number of programmes running under the umbrella of its supplier adoption strategy. The Local Works Project aims to assist SMEs to become ‘fit to compete’ for contracts from a range of public sector purchasers, by demystifying the tendering process. Trade Local seeks to break down barriers between the public sector and SMEs through sharing information about procurement opportunities and offering procurement training and mentoring. Other on-going work involves making the changes in internal Council policy and culture that will make engagement with SMEs easier.

www.haringey.gov.uk

How to achieve community benefits through procurement

1 Adopt whole life costs and benefits as your contract award criteria. Procurement strategies and contract standing orders should establish “the optimum combination of whole life costs and benefits to meet the customer’s requirement” as the best value contract award criteria.

2 Consult staff and build employment considerations into procurement processes and contracts, where relevant to contract. This includes compliance with the 2003 Act (TUPE, pensions), ODPM circular 03/2003 and the associated code of practice.

3 Implement sustainable design and sustainable procurement strategies and build sustainability into procurement processes and contracts, where relevant to contract. Sustainability in design (buildings, infrastructure, urban, green spaces, products) and procurement should be addressed in risk-based strategies that complement the corporate procurement strategy and the community plan. Include environmental requirements in the user needs and specification at the earliest stages of the procurement process.

4 Build diversity and equality considerations into procurement processes and contracts, where relevant to contract. The guidance offered by the CRE in *Race Equality and Procurement in Local Government* provides a model for all diversity and equality issues even though the statutory basis is not the same.

5 Invite proposals for the delivery of community benefits. Councils should invite bidders for partnerships to include in their offers optional, priced proposals relating to the delivery of specified

community benefits (economic, social and environmental) that are relevant to the contract and that add value to the council’s community plan. This might include employment, training and enterprise opportunities in the locality and local multiplier effects. Impacts upon voluntary sector partners and the sustainability and equality issues of the area may also be factored into priced proposals where relevant to the contract.

6 Build choice into the procurement process so that consumers of public services are increasingly given the options about how and from whom a service is provided such as from a voluntary sector or social enterprise supplier.

What help is available?

Advice and guidance

The IDeA offers general procurement advice, including sustainability issues in procurement.

The Local Government Task Force provides advice on sustainable construction procurement.

The Employers' Organisation provide advice on workforce issues.

The Commission for Racial Equality provide advice on diversity and equality.

Local Compact Guidelines are available from The Compact Working Group Secretariat www.thecompact.org.uk
www.hm-treasury.gov.uk

The 4ps and Strategic Partnering Taskforce are sources of advice on all aspects of partnering, including employment and sustainability issues.

A large amount of best practice guidance has been produced to support councils in these areas. This is listed in Annex C available on the ODPM website.

Pre-qualification

Within the construction industry, DTI sponsored Constructionline provides a free pre-qualification service for all its clients including councils. Constructionline reduces duplication and administration for both clients and suppliers www.constructionline.co.uk

The DEFRA-funded Waste and Resources Action Programme (WRAP) provides information on recycled content products and suppliers, including advice on procurement strategy and implementation.
www.wrap.org.uk

The Energy Saving Trust provides information on energy saving for councils at www.practicalhelp.org.uk

Case Study

The West Midlands Forum – race equality

In 1998, six local councils in the West Midlands (Birmingham, Coventry, Redditch, Sandwell, Walsall and Wolverhampton) set up a forum to develop a 'Common Standard' for assessing providers on their compliance with the Race Relations (Amendment) Act 2000, using common assessment criteria. Properly implemented, this approach can save time and resources. The criteria are included in contract conditions and, once contracts are awarded, the councils monitor contractors to check that they are putting their policies into practice.

Under the Common Standard, providers are asked to send in their written policy on race equality in employment or their general equal opportunities policy. The standard consists of three levels corresponding to firms of different sizes.

Providers who meet the common standard do not need further race equality checks when they bid for contracts over the next three years. Providers are allowed to make three attempts to meet the 'common standard'. Those who do not meet the standard have to wait two years to apply again. Sole traders and firms with fewer than five employees are asked to give written assurances that they will achieve Level 1 before recruiting any more staff.

www.birmingham.gov.uk

The Carbon Trust also provides support on energy saving at www.actionenergy.org.uk

Guidance on the role of public procurement in fostering product innovation (particularly in learning resources) is available from the Design Council www.design-council.org.uk.

The Commission on the Built Environment (C.A.B.E) www.cabe.org.uk publishes guidance on building and urban design issues in procurement.



Checkpoints

- **How do suppliers view the council?**
- **How does the council market itself to suppliers?**
- **Has the council published a "Selling to the Council" guide on its website?**
- **What steps has the council take to encourage small firms, ethnic minority businesses, social enterprises and voluntary and community sector suppliers to bid for council contracts?**
- **Has the council entered into a voluntary sector compact?**
- **Does the council have a sustainable design or sustainable procurement strategy?**
- **Is the council complying with the 2003 Act and circular 03/2003 on staff consultation and employment issues in procurement?**
- **Does the council award contracts on the basis of whole life costs and benefits?**
- **What steps does the council take to use its buying power to improve design quality?**
- **How is the council complying with the amended Race Relations Act 1976, Race Relations (Amendment) Act 2000 and CRE procurement guidance?**
- **How do diversity and equalities issues feature in procurement?**
- **How does the council achieve its community plan objectives through procurement?**

Chapter 7 **Next steps**

Procurement has an important role to play in improving the delivery of quality public services to citizens.

This National Strategy has highlighted the potential for procurement to improve cost effective service delivery whilst achieving community plan objectives.

The Government is conducting a review of public sector efficiency. Local government procurement is an important area of focus. This provides an opportunity for councils to work together with central government to identify ways to achieve savings and greater efficiency.

This vision of procurement sets the scene for all councils to be delivering significantly better and more cost effective public services, through sustainable partnerships and a mixed economy of competitive suppliers from many sectors.

To do this by 2006 all councils need to:

- make the cultural changes needed
- provide leadership and build capacity
- engage in partnerships and collaboration
- do business electronically
- stimulate markets and thereby achieve local economic and community benefits.

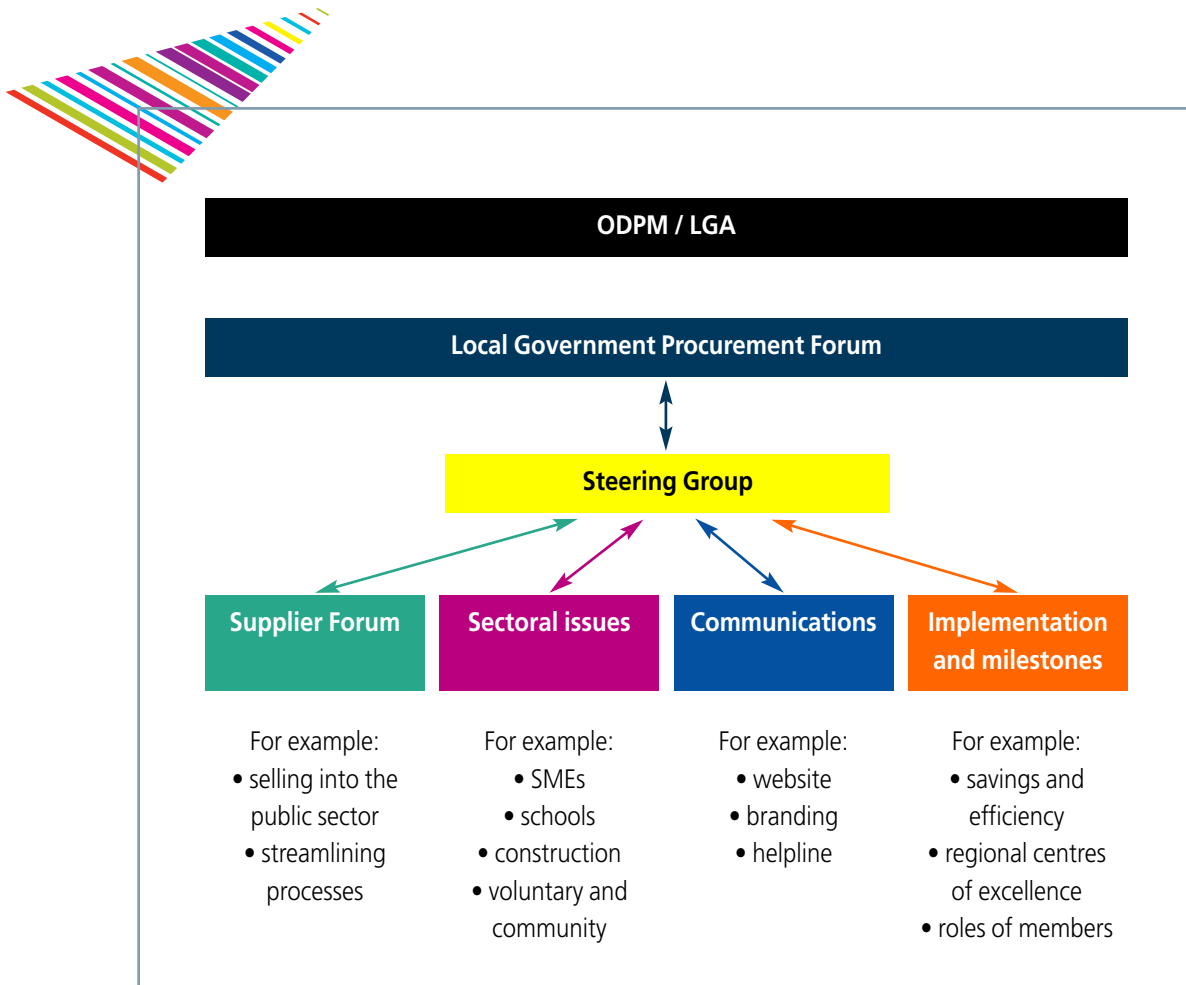


Over the next three years, the Local Government Procurement Forum will continue to work with councils, the Government and suppliers on developing and sharing best practice in procurement for Best Value services. Some priority issues for the coming year include:

- Development of a supplier forum
- Development of a National Concordat framework for SMEs
- Further development of the role of Members
- Further development of the voluntary and community sector compact and partnership arrangements
- Working with LEAs to develop better education procurement
- Developing the role of the regional centres of excellence
- Working with the LGTF to develop construction related issues.

We need more than your continuing support in this work programme. This Strategy relies upon councils taking responsibility for investing in better procurement practices and driving up the quality of services for all.

Proposed governance model for implementing and monitoring the Strategy





We will be pleased to receive your views and case studies of best practice to help implement this Strategy and populate the supporting website

Please contact:
procurement@odpm.gsi.gov.uk
or info@lga.gov.uk

Office of the Deputy Prime Minister
Local Government Procurement Team
Eland House
Bressenden Place
London SW1E 5DU
Telephone: 020 7944 3300
www.odpm.gov.uk

Further information sources

Chapter 1 Procurement matters

Audit Commission
www.audit-commission.gov.uk

Employers Organisation
www.lg-employers.gov.uk

Improvement and Development Agency
www.idea.gov.uk/procurement
www.idea.gov.uk/marketplace
www.idea.gov.uk/knowledge

Local Government Association
www.lga.gov.uk

Local Government Task Force – Rethinking Construction
www.lgtf.org.uk

ODPM
www.odpm.gov.uk

ODPM – Strategic Partnering Taskforce
www.odpm.gov.uk

4ps
www.4ps.gov.uk

Chapter 2 Cultural shift

Audit Commission
www.audit-commission.gov.uk

Employers Organisation
www.lg-employers.gov.uk

Improvement and Development Agency
www.idea.gov.uk/procurement
www.idea.gov.uk/marketplace
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www.lgtf.org.uk

ODPM
www.odpm.gov.uk

ODPM – Strategic Partnering Taskforce
www.odpm.gov.uk

4ps
www.4ps.gov.uk

Chapter 3 Providing leadership and building capacity

Commission for Racial Equality
www.cre.gov.uk

Constructionline
www.constructionline.co.uk

Employers Organisation
www.lg-employers.gov.uk

Improvement and Development Agency
www.idea.gov.uk/procurement
www.idea.gov.uk/marketplace
www.idea.gov.uk/knowledge

Local Government Task Force – Rethinking Construction
www.lgtf.org.uk

4ps
www.4ps.gov.uk

Society of Procurement Officers in Local Government
www.sopo.org.uk

Chartered Institute of Purchasing and Supply
www.cips.org

Chapter 4 Partnering and collaboration

Employers Organisation
www.lg-employers.gov.uk

Improvement and Development Agency
www.idea.gov.uk/procurement
www.idea.gov.uk/marketplace
www.idea.gov.uk/knowledge

ODPM
www.odpm.gov.uk

ODPM – Strategic Partnering Taskforce
www.odpm.gov.uk

Office of Government Commerce
www.ogc.gov.uk

4ps
www.4ps.gov.uk

Office of Government Commerce
www.ogc.gov.uk

4ps
www.4ps.gov.uk

Confederation of British Industry
www.cbi.org.uk

The Compact Working Group Secretariat
www.thecompact.org.uk
www.hm-treasury.gov.uk

Chapter 5 Doing business electronically

Improvement and Development Agency
www.idea.gov.uk/procurement
www.idea.gov.uk/marketplace
www.idea.gov.uk/knowledge

Chapter 6 Stimulating markets and achieving community benefits

Commission for Racial Equality
www.cre.gov.uk

Constructionline
www.constructionline.co.uk

Employers Organisation
www.lg-employers.gov.uk

Improvement and Development Agency
www.idea.gov.uk/procurement
www.idea.gov.uk/marketplace
www.idea.gov.uk/knowledge

Local Government Association
www.lga.gov.uk

Local Government Task Force – Rethinking Construction
www.lgtf.org.uk

ODPM
www.odpm.gov.uk

ODPM – Strategic Partnering Taskforce
www.odpm.gov.uk

Other useful addresses

National e-Procurement Project
www.nepp.org.uk

Cabinet Office
www.cabinet-office.gov.uk

Cabinet Office – Better Regulation Task Force
www.brtf.gov.uk

Department for the Environment, Food and Rural Affairs
www.sustainable-development.gov.uk/sdig

Department for Education and Skills – Value for Money Unit
www.dfes.gov.uk/vfm

Department of Health – Health and Social Care Joint Unit
www.doh.gov.uk/jointunit

Department of Health – Integrated Care Network
www.integratedcarenetwork.gov.uk

Department of Trade and Industry – Small Business Service
www.sbs.gov.uk

Department of Trade and Industry – Small Business Service
www.supplyinggovernment.gov.uk

Department of Trade and Industry – Social Enterprise Unit
www.dti.gov.uk/socialenterprise

Department of Trade and Industry – UK Online for Business
www.ukonlineforbusiness.gov.uk

Home Office – Active Community Unit
www.homeoffice.gov.uk/comrace/active

Association of Directors of Social Services
www.adss.org.uk

Society of Information Technology Managers
www.socitm.gov.uk

Society of Local Authority Chief Executives
www.solace.org.uk



You can contact us at:

procurement@odpm.gsi.gov.uk

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London SW1E 5DU
Telephone: 020 7944 3300
www.odpm.gov.uk

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stimulating markets and achieving com
Cost reduction
better
recruitment benefits of
using a



national **procurement** strategy
for local government

services for citizens
of life
expert partnerships
trading on behalf of others
customer requirements
at improve our services
council