

Procurement Strategy 2015/20



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Corporate priorities

We will continue to work towards a fairer Islington

We're focused on:	Because:
Helping people move into employment and earn a living wage.	<i>We believe employment is the best route out of poverty and will ensure local people have the skills, confidence and opportunities they need to get a job with fair pay.</i>
Making sure decent housing is affordable for local people.	<i>We're proud of Islington's strong, diverse community and are determined that Islington remains a place where local people on low incomes can afford to live.</i>
Helping people cope with the rising cost of living	<i>We know the rising cost of living has left many local people struggling to make ends meet.</i>
Getting the basics right in a tough financial climate.	<i>Government imposed cuts mean we have tough decisions to make - getting the basics right and running an efficient and effective council is ever more vital.</i>
Making Islington a place where people and families can thrive.	<i>We want Islington to be a place where people of all ages and backgrounds can enjoy a good quality of life.</i>

Theme A – Making Savings

The Council is dealing with a significant financial pressure resulting from reductions in Government funding and rising demand. We need to make savings which means using spending power wisely and strategically and setting targets for procurement and contract management. In practice, this means officers and Members must treat the Council's resources carefully and act sparingly, as if the money was their own.

A1 Category Management

- Make savings through category management by maximising value from areas of spend – we shall seek to understand where we are spending 'categories' of money across departments better to achieve more
- Savings may be achieved through developing and using more standard specifications for appropriate goods and services – we shall encourage use of standard minimum requirements, which do not over-specify
- Gain a broad understanding of the local government supply market through appropriate spend and supplier analyses – Islington shall seek to support this wider understanding by providing data where possible in available formats

A2 Partnering and Collaboration

- Make savings by aggregating spend through effective collaboration or via a shared service on common goods, works and services – Islington shall explore opportunities where these are advantageous for residents
- Promote social value and provide opportunities for local businesses at all values – we shall ensure that as part of the procurement process economic, social and environmental well-being is considered
- Recruit, develop and retain good supply chain management resource and avoid unnecessary competition between individual councils for procurement expertise – Islington shall train its professionals and work collaboratively with others

A3 Contract and supplier management

- Demonstrate effectiveness in gaining most value from contracts by adopting a corporate approach to contract management – we shall ensure that the importance of effective contract management is considered at all levels
- Ensure that officers engaged in contract management have the tools and knowledge to be able to understand and deliver what should be done, by whom, when it should be done and why
- Demonstrate a good understanding of the achievements which have been made as part of the investment in the contracting activity and contract management process, which are flexible enough to meet the changing needs of the borough
- Obtain best value from supply chains through proper relationship management with staff, providers and service users – Islington will ensure that this is properly understood as part of its approach to supplier and change management
- A comprehensive understanding of how and where the Council is spending its money with third parties to allow the Council to be able to make each pound count towards improvement and achievement of borough needs
- Ensure the Council and its providers act reasonably and fairly to achieve mutual aims for the duration of the contract with proper consideration of sub-contractors and others in the supply chain

A4 Performance and Transparency

- Supplier performance on contracts may increase and costs decrease across the whole sector through effective performance monitoring and transparency – we shall therefore support appropriate actions to deliver this outcome
- Share information including commercial and performance data with partner organisations to improve innovation and transparency on common goods and services – such information shall be shared within the provisions of data protection
- Published data, under the transparency code may open new markets for local business, the voluntary and community sectors, and social enterprises –endeavouring to meet all obligations under the transparency code

A5 Risk and Fraud Management

- Officers understand their responsibilities in regards to risk, opportunity, supplier failure, fraud and bribery and have had appropriate training to minimise unforeseen circumstances occurring which may be damaging to the Council
- Risks are identified and managed through an approach to risk management that is integral to the council's corporate processes – we shall consider risk and opportunity management as fundamental parts of high value/risk procurement activity
- Fraudulent procurement practices are identified and reduced in both the supply chain and post contract award – we shall ensure that procured activity is reviewed by the Council's shared audit services as part of their cyclical audit plan

A6 Demand Management

- Demand management will ensure we have a process that plans and forecasts requirements to ensure service users receive what they need, when they need it and in the most appropriate way acting quickly and decisively
- Develop commissioning plans in regard to demand management for future spend on goods, works and services which the Council needs to procure and have providers primed and ready to fulfil those needs in good time
- Use demand management techniques within the commissioning and procurement cycle to reduce costs and oversupply removing any unnecessary delays which may effect service users

Theme B: Supporting Local Economies

The Council needs to maximise the economic, social and environmental benefits to communities from every pound that is spent and ensure it is fulfilling its Social Value Act duties. SMEs and VCSEs can make a very significant contribution to local economic growth. The following will assist the Council in doing more to remove barriers when bidding for Council contracts:

B1 Economic, Environmental and Social Value

- Promote through the Council's procurement activities Islington's commitment to making the borough a fairer place to live and work whilst still delivering qualitative value for money services to residents

- Disseminate strong messages to the supply chain on important matters for the borough to enhance good practice – Islington will use its spending power to make choices which support the beliefs and policies it upholds
- Time spent early on to make proper considered decisions is likely to lead to better outcomes in the longer term, which will drive achievement of policy and services whilst reducing costs
- Ensure maximum value from procurement through inclusion of economic, environmental and social value criteria in contracts for good/services and works at appropriate stages in all values of contract
- Officers have the knowledge, guidance and support to use commissioning, procurement and contract management to make a difference for the people who live and work in Islington
- Reduce waste by making sustainable choices when procuring products and services - helping them to cut costs, and meet their social, economic and environmental objectives

B2 Improving access for smaller, local and voluntary organisations

- Improving access for smaller, local and voluntary organisations to play a vital role in a vibrant community including encouraging a wide range of providers to do business with the council
- Have systems in place, such as portals to advertise tender opportunities, to make it easier for smaller, local and voluntary organisations to see and bid for opportunities as and when they arise
- Removal of barriers to doing business with the Council for smaller, local and voluntary organisations without compromising due process including encouraging innovation and market management
- Smaller, local and voluntary organisations are able to identify potential 'partners' with whom to form consortia to bid for council contracts to make them better placed to have the potential to be awarded longer term opportunities
- Establish simplified process to make the Council a more attractive place to work for and reduce time and unnecessary cost from the procurement process for both providers completing documents and the Council evaluating them

- The Council identifies through the procurement forward plan spend wherever possible to give the market time to be prepared and use this data to inform pre-market engagement

Theme C: Leadership

To be able to deliver our objectives, we need to demonstrate leadership to increase our impact and influence across the public sector:

C1 Cohesion

- Policy needs to take into account the needs and differences of the local community and this is recognised in the way in which services are designed for local government service users
- Local government procurement speak clearly with one cohesive voice to ensure consistency of approach and greater likelihood of being heard when needing to communicate with central government or national players
- Promotion of equalities and diversity in our local community in the services we procure to improve cohesion and inclusion within the borough and ensure that we recognise individual protected characteristics, guided by the Evidence Hub

C2 Commitment

- Procurement is recognised as strategically important by Council officers at all levels throughout the organisation and officers engaged in procurement activity have the help and support they need to do a good job
- Procurement is supported in Islington by members with an Executive Member who has it as part of their portfolio of responsibilities and can demonstrate their championing through involvement
- Best overall value has been considered in the Council's addressable third party spend with procurement seen as a driver to implement council policy and deliver effective Council community services

C3 Commissioning

- Identify strategic outcomes in relation to assessed user needs, and design and secure appropriate services to deliver these outcomes through effective procurement activity with regular liaison with procurement professionals

- Better understand and manage demand through the commissioning process to better target services efficiently and effectively and deliver properly procured services on time, supported by appropriate training
- Challenge commissioning decisions to ensure that they are robust, sustainable and fit for purpose for services users, having due regard to corporate priorities and relevant policy

C4 Procurement Training

- Build better procurement competencies across the Council by ensuring staff are equipped with the knowledge, training, and practical skills needed to derive maximum benefit from procurement practices
- Influence suppliers by taking a more commercial approach to procurement and be willing to accept a higher level of risk in order to achieve best value to the services provided by the Council
- Council officers understand and implement the flexibilities afforded by the new EU Procurement Directives and how these will be interpreted into law by the Public Contracts Regulations

Theme D: Modernisation

To rise to the challenges ahead we need to modernise in terms of scope, use of technology and practices and procedures:

D1 Commercialisation and income generation

- Councils procurement staff are more commercially minded, and understand and realise benefits from all funding streams including how contracts can be developed to generate income
- Council staff are aware in general of the need for the Council to adopt a more commercial approach at times and know where to go to for support when they may have an idea, suggestion or programme to implement
- The Council has a clear approach to commercial matters with a board responsible for looking at commercial areas e.g. selling services to partners and other organisations, renting buildings and looking at commercial opportunities such as advertising

D2 Supplier Innovation

- Suppliers are able to demonstrate innovation through all stages of the procurement cycle from initial design phases, through specification development, co-production with stakeholders, service development and delivery
- Suppliers are trained on a range of procurement processes to allow them to put forward better bids and demonstrate their innovation skills as part of commissioned projects
- Specifications and terms and conditions are flexible to allow the Council to fully take advantages of developments in technology and stay suitable for the full term of the contracting period

D3 Using Technology

- Increase efficiency and productivity and realise full benefits through the use of appropriate e-procurement solutions in procurement processes, particularly through e-tendering systems
- Use of e-portals and e-invoicing to streamline administrative processes, maximise ease of communication with the supplier base, increase auditability and improves supplier liquidity
- Have systems in place to review Council spend to increase auditability and ensure value for money, transparency and compliance in the activities of the Council's third party spend

D4 EU Directives and new legislation

- Council procurement process are quicker, simpler and less costly to run through use of the new EU Procurement Directives, which are designed to be more straightforward to commission services
- Ensure that the Strategic Procurement Team and other relevant personnel are fully briefed and trained to be able to maximise the advantages afforded by the new EU Procurement Directives

- Maximise use of new legislation which may be published during the term of this Procurement Strategy to ensure compliance and take opportunities which it may offer the Council